
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM SD
SPECIALIZED DISCLOSURE REPORT

AXALTA COATING SYSTEMS LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction
of incorporation)

001-36733
(Commission
File Number)

98-1073028
(IRS Employer
Identification No.)

Two Commerce Square
2001 Market Street
Suite 3600
Philadelphia, Pennsylvania 19103
(Address of principal executive offices)

Tabitha R. Oman
Vice President, Deputy General Counsel & Chief Compliance Officer
Assistant Secretary
(855) 547-1461

(Name and telephone number, including area code, of the person to contact in connection with this report)

Check the appropriate box to indicate the rule pursuant to which this form is being filed, and provide the period to which the information in this form applies:

ý Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, 2020.

Section 1 - Conflict Materials Disclosure

Item 1.01 Conflict Minerals Disclosure and Report

This Form SD of Axalta Coating Systems Ltd. (the “Company”) is filed pursuant to Rule 13p-1 under the Securities Exchange Act of 1934, as amended, for the reporting period from January 1 through December 31, 2020.

The description of our reasonable country of origin inquiry (“RCOI”) process, the results of our inquiry, and the determination we reached because of our RCOI process is included in our Conflict Minerals Report, which is attached as Exhibit 1.01 to this Form SD and is publicly available at: <http://ir.axaltacs.com/investors/sec-filings/default.aspx>.

We have also posted our Conflict Minerals Policy on our website, which can be accessed at: https://www.axalta.com/corporate/en_US/sustainability/human-rights.html.

The information on our website is not, and should not be deemed to be, a part of this Conflict Minerals Report, or incorporated into any other filings we make with the SEC.

Item 1.02 Exhibit

A copy of the Company’s Conflict Minerals Report is filed as Exhibit 1.01 hereto.

Section 2 - Exhibits

Item 2.01 Exhibits

The following exhibit is filed as part of this report:

| Exhibit number | Description |
|-------------------|--|
| 1.01 | Conflict Minerals Report as required by Items 1.01 and 1.02 of this Form |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AXALTA COATING SYSTEMS LTD.

Date: May 27, 2021

By: /s/ Tabitha R. Oman
Tabitha R. Oman
Vice President, Deputy General Counsel and Chief Compliance Officer
Assistant Secretary

**AXALTA COATING SYSTEMS LTD.
CONFLICT MINERALS REPORT**

REPORTING PERIOD ENDED DECEMBER 31, 2020

Introduction

This Conflict Minerals Report (this “Report”) for Axalta Coating Systems Ltd. is filed as an exhibit to Form SD pursuant to Rule 13p-1 (the “Rule”) under the Securities Exchange Act of 1934, as amended, for the reporting period from January 1 through December 31, 2020 (the “Reporting Period”). In this Report, unless the context otherwise indicates, “Axalta,” “we,” “us,” the “Company” and “our” mean Axalta Coating Systems Ltd.

The Rule was adopted by the Securities and Exchange Commission (the “SEC”) to implement certain reporting and disclosure requirements for SEC registrants that manufacture or contract to manufacture products containing conflict minerals that are necessary to the functionality or production of their products. Form SD defines “conflict minerals” as cassiterite, columbite-tantalite, gold, wolframite and their derivatives, which are currently limited to tin, tantalum and tungsten (collectively, the “Conflict Minerals”).

Axalta is a leading global manufacturer, marketer and distributor of high-performance coating systems. We are required to make filings pursuant to the Rule because we determined that the Conflict Minerals tin, tungsten or associated compounds were necessary to the functionality or production of certain products that we manufactured or contracted to manufacture during the Reporting Period.

Reasonable Country of Origin Inquiry and Determination

As noted above, we determined that the Conflict Minerals tin, tungsten or their associated compounds were necessary to the functionality or production of certain products that we manufactured or contracted to manufacture during the Reporting Period. Thus, for the Reporting Period, we conducted a reasonable country of origin inquiry (“RCOI”) that was reasonably designed to determine whether any of the necessary Conflict Minerals contained in our products originated or may have originated in the Democratic Republic of the Congo or an adjoining country (the “Covered Countries”).

Axalta manufactures coatings for mobility, refinish and industrial end markets. Our products are highly complex, typically containing hundreds of substances from many suppliers throughout the world. We may purchase the same materials from multiple suppliers and distributors. These suppliers and distributors often obtain their materials from lower tier suppliers. Accordingly, our supply chain is complex and identifying the ultimate source of materials supplied to us is difficult.

Axalta has a comprehensive process for tracking raw materials contained in our products. The process is designed to reasonably account for each substance contained in our raw materials and allows Axalta to trace the source of the substance. This process also helps to ensure that Axalta becomes aware of potential Conflict Minerals in our products as they are integrated into our supply chain including new or changed raw materials. We generally purchase raw materials as needed to meet our customers’ needs.

Typically, tantalum and gold are not used in Axalta’s products, although their possible purchase and use is reviewed regularly. Tantalum and gold were not used in any Axalta products in 2020. Axalta’s supply chain does include tin or tin compounds and tungsten compounds typically found in catalysts and pigments. All the tin and tungsten products are purchased from major chemical or pigment manufacturers; none is purchased directly from any smelter.

Axalta requires sourcing from conflict-free sources but imposes no restrictions regarding country of origin. Axalta believes that requiring sourcing from outside the conflict regions may negatively affect the economies of the Covered Countries. Based on the survey results described in “Results of Due Diligence,” the Company determined that the tin and tungsten contained in our products may have originated from one or more of the Covered Countries. As a result, the Company conducted due diligence on the source and chain of custody of the necessary Conflict Minerals described below.

Due Diligence

Design of Due Diligence

We have designed our due diligence procedures to conform, in all material respects, with the due diligence framework presented by the Organisation for Economic Co-operation and Development (“OECD”) in the publication *OECD (2016) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition, OECD Publishing* and the related Supplements for gold and for tin, tantalum and tungsten (collectively, the “OECD Guidelines”). Selected due diligence measures in place during the Reporting Period are discussed below under the heading “Due Diligence Performed.” Sub-headings in that section conform to the headings used in the OECD Guidelines.

Due Diligence Performed

Establish strong company management systems

Conflict Minerals Policy

We established a Conflict Minerals Policy related to our sourcing of Conflict Minerals as described above and posted this policy on our website at https://www.axalta.com/corporate/en_US/sustainability/human-rights.html.

The information on our website is not, and should not be deemed to be, a part of this Conflict Minerals Report, or incorporated into any other filings we make with the SEC.

Internal team

Axalta works as a team to implement the Conflict Minerals Policy. This team is charged with establishing the process for complying with the policy. This includes implementation, review, and communication to senior management. Members of this team include professionals from operations, sourcing, legal, regulatory and product stewardship.

We have also utilized other management systems that include the use of a third-party vendor. Through our vendor's tool, we can collect and store supplier data, take surveys using a Conflict Minerals Reporting Template ("CMRT"), communicate with suppliers and monitor risks in our supply chain. The use of these tools has allowed us to assist our suppliers in understanding our expectations and requirements and increase the rate of responses we have received from our suppliers to our survey requests.

Control systems

Axalta has a commitment to ethical and responsible business practices as demonstrated by the Axalta Code of Business Conduct and Ethics. Axalta has the same expectations of its suppliers. Axalta communicates these expectations through the Axalta Supplier Code of Conduct, available at:

http://www.axaltacs.com/corporate/en_US/sustainability/human-rights.html.

The information on our website is not, and should not be deemed to be, a part of this Conflict Minerals Report, or incorporated into any other filings we make with the SEC.

Axalta has also incorporated the following Conflict Mineral Language into our model Supplier Terms and Conditions.

10.2 Conflict Free Minerals. Supplier represents and warrants that it does not and shall not utilize, nor allow any other third party to utilize on its behalf, any so called Conflict Minerals (such as gold, columbite-tantalite, cassiterite, and wolframite and their respective metal derivatives, Gold, Tantalum, Tin, and Tungsten), as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (as amended from time to time and including rules and regulations thereunder, Dodd-Frank) and European Union Regulation 2017/821 of 17 May 2017 laying down supply chain due diligence obligations for EU importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas (the EU Regulation) that are sourced from smelters or mines located in Covered Countries (as defined in Dodd-Frank) not designated as Conflict Free by the Responsible Minerals Initiative or from 'conflict-affected and high-risk areas' (as defined in the EU Regulation), in any goods or components of goods, or in the production of such goods or components of goods, manufactured or produced by Supplier for Axalta under this Order or otherwise. Supplier agrees to abide by the terms and conditions in Axalta's Conflict Minerals Policy, and to define, require, implement and communicate to its sub-suppliers Supplier's policy outlining its commitment to responsible sourcing, legal compliance and measures for implementation, which policy must comply with the provisions of this Section 10. Supplier agrees to cooperate and work with its sub-suppliers to ensure traceability of Conflict Minerals, to maintain and record all Conflict Minerals traceability documentation for five years, and to provide such documentation to Axalta upon request or to permit Axalta or Axalta's third-party auditor reasonably acceptable to Supplier to audit applicable sourcing documents upon Axalta's reasonable written request from time to time.

This language (or substantially similar language) is incorporated as contracts are renewed or new contracts are established.

Grievance Mechanism

Employees, suppliers, and customers can use Axalta's Ethics Hotline to report any violations of Axalta's Code of Business Conduct and Ethics or compliance policies, including Axalta's Conflict Minerals Policy.

Maintain records

We maintain company-wide document retention policies. These policies extend to the documentation accumulated in performing our Conflict Minerals due diligence procedures and requires that documentation will be retained for a period of five (5) years.

Supplier engagement

We have also communicated with suppliers potentially affected by our Conflict Minerals Policy and compliance efforts, as identified through our RCOI process, our expectation that they assist us in complying with our efforts related to our Conflict Minerals program. We have provided suppliers access to our Conflict Minerals Policy through the website above or upon request. Axalta continued its supplier sustainability risk management program during the Reporting Period, one element of which is a sustainability screen. Key supplier locations are requested to complete a questionnaire on topics related to the expectations in Axalta's Supplier Code of Conduct, one element of which is Conflict Minerals.

Identify and assess risks in the supply chain

Due to the complexity of our products and the depth, breadth, and constant changes to our supply chain, it is difficult to identify sub-tier suppliers from our direct suppliers. We have relied on supplier responses to provide us with the information about the source of Conflict Minerals contained in raw materials they supply to us.

Similarly, our direct suppliers also rely on information provided by their suppliers. Most of our suppliers provide sourcing data at the supplier company level or a division/segment level relative to the supplier, rather than at a level directly relating to the particular product(s) that the supplier supplies to us, or are otherwise unable to specify the smelters or refiners used for raw materials supplied to us. This chain of information creates a level of uncertainty and risk related to the accuracy of the information. We will continue to monitor, adapt, and modify our due diligence practices to conform to the recognized industry best practices. Axalta is a member of the Responsible Minerals Initiative ("RMI"), via which we track industry developments on responsible sourcing of minerals, including Conflict Minerals.

In accordance with OECD Guidelines, it is important to understand risk levels associated with Conflict Minerals in the supply chain. The basis of this understanding stems from smelter or refiner ("SoR") information. Each facility that meets the Responsible Minerals Initiative definition of a smelter or refiner of a Conflict Mineral is assessed according to red flag indicators defined in the OECD Guidance. Axalta, via our third-party vendor, uses numerous factors to determine the level of risk that each smelter poses to the supply chain by identifying red flags. These factors include:

1. Geographic proximity to the DRC and cover countries;
2. Known mineral source country of origin;
3. Responsible Minerals Assurance Process ("RMAP") audit status;
4. Credible evidence of unethical or conflict sourcing;
5. Peer assessments conducted by credible third-party sources.

We believe that the inquiries and investigations described above represent a reasonable effort to determine the mines or locations of origin of Conflict Minerals in our products, including (1) seeking information about smelters and refiners in our supply chain through requesting that our suppliers complete the CMRT, (2) verifying those smelters and refiners with the expanding RMAP lists, (3) conducting the due diligence review, and (4) obtaining additional documentation and verification, as applicable and available.

Design and implement a strategy to respond to identified risks

As per the OECD Due Diligence Guidance, risk mitigation will depend on the supplier's specific context. Suppliers are given clear performance objectives within reasonable timeframes with the goal of progressive elimination of these risks from the supply chain. Furthermore, suppliers will now be guided to our third-party vendor's learning management system to engage in educational materials on mitigating the risk of smelters or refiners in the supply chain.

Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain

We do not typically have a direct relationship with smelters and refiners and therefore do not perform or direct audits of these entities. However, we will rely on publicly available third-party assurances and certifications, for example, through the RMAP's Conflict-Free Smelter Program and through our membership in the Responsible Minerals Initiative.

Results of Due Diligence

Survey results

As described above, Axalta actively surveys our supply chain for use of Conflict Minerals and reviews the responses against criteria developed to determine whether further engagement is required. These criteria include untimely responses, incomplete responses and inconsistencies within the data reported in the CMRT.

As of April 15, 2021, we received responses from 97% of our 34 surveyed suppliers for the Reporting Period. One supplier was unable to trace the smelters in its supply chain after repeated attempts. This supplier's products were purchased and sold by Axalta in the Asia Pacific region and sales were very limited in 2020.

Efforts to determine mine or location of origin

Given that we do not have established relationships with the ultimate smelters and refiners from which the Conflict Minerals in our products are sourced, we have determined that requesting our suppliers to complete the CMRT represents our good faith effort to determine the mines or locations of origin of Conflict Minerals in our supply chain.

Based on information from RMAP, smelter or refiner, or supplier, Axalta has reason to believe that the tin or tin compounds and tungsten compounds used in Axalta’s products, where known, may originate from the following countries (country of origin):

| Mine Locations | |
|---|-------------------|
| Angola | Malaysia |
| Argentina | Mexico |
| Australia | Mongolia |
| Austria | Morocco |
| Belgium | Mozambique |
| Bolivia | Myanmar |
| Brazil | Namibia |
| Burundi | Netherlands |
| Cambodia | Niger |
| Canada | Nigeria |
| Central African Republic | Papua New Guinea |
| Chile | Peru |
| China | Philippines |
| Colombia | Poland |
| Czech Republic | Portugal |
| Djibouti | Recycled/Scrapped |
| DRC or an adjoining country (Covered Countries) | Republic of Korea |
| Ecuador | Russia |
| Egypt | Rwanda |
| Estonia | Sierra Leone |
| Ethiopia | Singapore |
| France | Slovakia |
| Germany | South Africa |
| Guyana | South Sudan |
| Hungary | Spain |
| India | Suriname |
| Indonesia | Switzerland |
| Ireland | Tanzania |
| Israel | Thailand |
| Ivory Coast | Uganda |
| Japan | United Kingdom |
| Kazakhstan | Unknown |
| Kenya | USA |
| Kyrgyzstan | Uzbekistan |
| Laos | Vietnam |
| Luxembourg | Zambia |
| Madagascar | Zimbabwe |

Smelters and refiners

Of the suppliers surveyed, many completed the CMRT at the company, business unit or entity level. As such, they are unable to represent the specific processing facility or facilities that the tin and tungsten included in the raw materials they supplied to us from the processing facilities they listed on their CMRT.

For all responses that indicated a smelter, Axalta compared the facilities named to the list of smelters maintained by the RMI. As of April 20, 2021, we have identified all the smelters or refiners that were reported by our suppliers via the CMRT. Appendix A lists the smelters and refiners that the suppliers we surveyed reported as being in their supply chains.

Based on the smelter list provided by the 34 suppliers surveyed via the CMRTs and publicly available information, we have established that all 36 smelters reported in Axalta's supply chain are certified Conflict-Free through the RMI's RMAP or are actively pursuing conformance. The RMAP is an initiative in which an independent third-party audits smelter and refiner activities and determines if the smelter or refiner demonstrated that all the minerals they processed originated from conflict-free sources. We have assessed these facilities and determined that they are low risk or medium risk. Those that are deemed low risk is due to their RMAP audit status and geographic location. Several smelters in the Axalta supply chain are considered medium risk. These smelters are all located in Indonesia where the government is implementing new regulations impacting the smelting and refining industries. The changes have caused many smelters to cease operations and subsequently audits were not able to be completed. The smelters that are in our supply chain have now begun operating again and are actively pursuing conformance with the RMAP's Conflict-Free Smelter Program.

Steps to be Taken

We are committed to complying with the provisions of the Rule and expect to continue our efforts to improve our Conflict Minerals program and related due diligence. Our next steps may include, but are not limited to the following:

- Continue to engage with suppliers and direct them to training resources, including increasing the number who utilize our third-party vendor's learning management system, to attempt to increase our response rate and improve the content of responses to assist in our RCOI process and our efforts to determine the processing facilities for and country of origin of any Conflict Mineral with the greatest specificity possible;
- Continue to encourage suppliers to provide responses at the product level;
- Implement a strategy to respond to identified risk, including but not limited to, potential action to be taken against suppliers that do not respond to our requests or do not provide reasonable information to support our due diligence activities;
- Engage any of our suppliers found to be supplying us with any Conflict Mineral from sources that support conflict in the Covered Countries to establish an alternative source that does not support such conflict; and
- Encourage our suppliers to work within their supply chain to maintain RMAP audit status.

Forward looking statements

Statements we make in this Report, which express a belief, expectation or intention, as well as those that are not historical fact, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to our compliance efforts and expected actions identified under the "Steps to be Taken" section of this Report. These forward-looking statements are subject to various risks, uncertainties, and assumptions, including, among other things, our ability to implement improvements in our Conflict Minerals program and identify and mitigate related risks in our supply chain. If one or more of these or other risks materialize, actual results may vary materially from those expressed. For a more complete discussion of these and other risk factors, see our other filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2020. We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this Report, and we undertake no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.

Appendix A**Smelters or Refiners and RMI Audit Status as of April 15, 2021**

| Metal | Standard Smelter Name | Smelter Facility Location | Smelter ID | RMI Audit Status |
|--------------|---|----------------------------------|-------------------|-------------------------|
| Tin | China Tin Group Co., Ltd. | CHINA | CID001070 | Conformant |
| Tin | CV Ayi Jaya | INDONESIA | CID002570 | Active |
| Tin | CV Venus Inti Perkasa | INDONESIA | CID002455 | Active |
| Tin | EM Vinto | BOLIVIA | CID000438 | Conformant |
| Tin | Fenix Metals | POLAND | CID000468 | Conformant |
| Tin | Gejiu Kai Meng Industry and Trade LLC | CHINA | CID000942 | Conformant |
| Tin | Guangdong Hanhe Non-Ferrous Metal Co., Ltd. | CHINA | CID003116 | Conformant |
| Tin | Malaysia Smelting Corporation (MSC) | MALAYSIA | CID001105 | Conformant |
| Tin | Metallic Resources, Inc. | UNITED STATES OF AMERICA | CID001142 | Conformant |
| Tin | Metallo Belgium N.V. | BELGIUM | CID002773 | Conformant |
| Tin | Mineracao Taboca S.A. | BRAZIL | CID001173 | Conformant |
| Tin | Minsur | PERU | CID001182 | Conformant |
| Tin | Mitsubishi Materials Corporation | JAPAN | CID001191 | Conformant |
| Tin | Operaciones Metalurgicas S.A. | BOLIVIA | CID001337 | Conformant |
| Tin | PT Artha Cipta Langgeng | INDONESIA | CID001399 | Conformant |
| Tin | PT Babel Inti Perkasa | INDONESIA | CID001402 | Conformant |
| Tin | PT Babel Surya Alam Lestari | INDONESIA | CID001406 | Conformant |
| Tin | PT Bangka Serumpun | INDONESIA | CID003205 | Conformant |
| Tin | PT Bukit Timah | INDONESIA | CID001428 | Active |
| Tin | PT Menara Cipta Mulia | INDONESIA | CID002835 | Conformant |
| Tin | PT Mitra Stania Prima | INDONESIA | CID001453 | Conformant |
| Tin | PT Prima Timah Utama | INDONESIA | CID001458 | Conformant |
| Tin | PT Refined Bangka Tin | INDONESIA | CID001460 | Conformant |
| Tin | PT Stanindo Inti Perkasa | INDONESIA | CID001468 | Conformant |
| Tin | PT Timah Tbk Kundur | INDONESIA | CID001477 | Conformant |
| Tin | PT Timah Tbk Mentok | INDONESIA | CID001482 | Conformant |
| Tin | PT Tinindo Inter Nusa | INDONESIA | CID001490 | Conformant |
| Tin | Rui Da Hung | TAIWAN, PROVINCE OF CHINA | CID001539 | Conformant |
| Tin | Thai Nguyen Mining and Metallurgy Co., Ltd. | VIET NAM | CID002834 | Conformant |
| Tin | Thaisarco | THAILAND | CID001898 | Conformant |
| Tin | Tin Technology & Refining | UNITED STATES OF AMERICA | CID003325 | Conformant |
| Tin | White Solder Metalurgia e Mineracao Ltda. | BRAZIL | CID002036 | Conformant |
| Tin | Yunnan Chengfeng Non-ferrous Metals Co., Ltd. | CHINA | CID002158 | Conformant |
| Tin | Yunnan Tin Company Limited | CHINA | CID002180 | Conformant |
| Tungsten | Wolfram Bergbau und Hutten AG | AUSTRIA | CID002044 | Conformant |
| Tungsten | Xiamen Tungsten (H.C.) Co., Ltd. | CHINA | CID002320 | Conformant |