

Uponor

Sustainability – targets and ambitions for business and our own operations

Ilari Aho, VP New Business Development & CSR



**CMD
2018**

Contents

CMD
2018

1

Starting point and changes in business environment

2

Uponor sustainability strategy: focus areas

3

Specific challenges: circular economy and microplastics

4

Summary



Contents

CMD
2018

1

Starting point and changes in business environment

2

Uponor sustainability strategy: focus areas

3

Specific challenges: circular economy and microplastics

4

Summary



In 2014, we have developed a sustainability commitment and action plan

CMD
2018



2020 Sustainability goals for:

- CO₂ emission reduction
- Incentives tied to sustainability performance
- Supply chain screening for ESG topics
- LCA's for key product groups

Only CO₂ emission reduction goal is made public.



Incremental improvement targets defined mainly from an internal perspective

The world around has changed and we are responding

CMD
2018

- Political priorities have changed considerably (Paris agreement, circular economy policies, EU Plastic Strategy, etc.)
- Sustainable Development Goals have been introduced and taken up by investors, customers and other stakeholders
- Corporate transparency is becoming both a mainstream requirement by customers and a regulated process
- Requirements from customers and investors have both increased and evolved



Sustainability strategy 2018

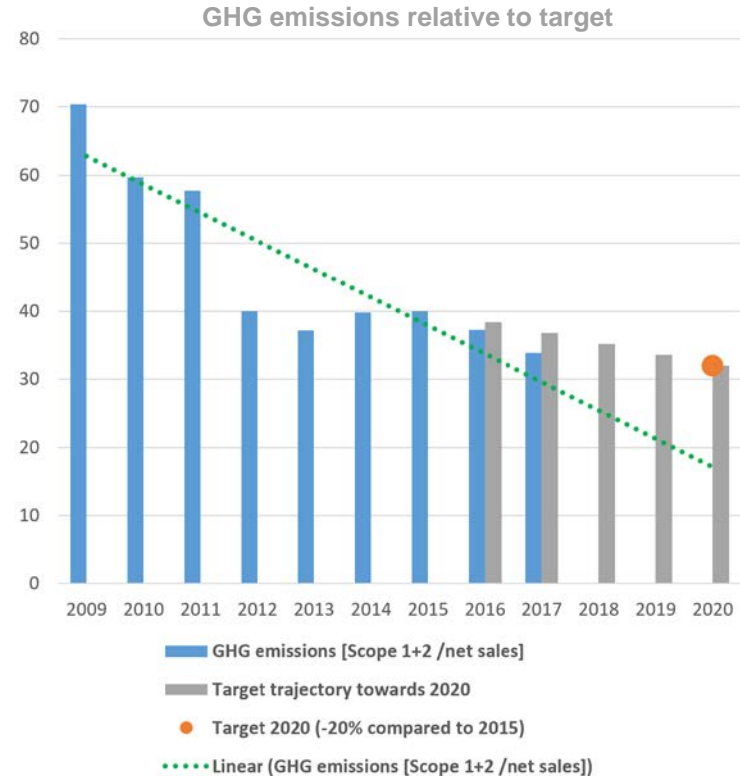
- defined from an outside-in business environment and market perspective
- addressing business risks and identifying new business opportunities
- aligned with globally accepted frameworks

Uponor's non-financial performance

CMD
2018

“Uponor is committed to addressing the key issues of our time through innovations that help reduce environmental impact. Through partnerships, we strive to provide leadership in sustainable solutions for the mutual well-being of both people and the planet, while ensuring the long-term viability of our operations.”

- Overall sustainability performance supported by operational streamlining, including production concentration to fewer sites
- On track to exceed our goal of reducing GHG emissions per net sales by 20% by 2020 (from the 2015 levels)
- Renewed sustainability section in the Annual report 2017 following the EU guidelines on non-financial reporting



Our 2017 non-financial disclosure combines our materiality assessment and the requirements of EU disclosure legislation

**CMD
2018**



Respect for human rights

Social responsibility and treatment of employees

Environmental protection

Anti-corruption and bribery

Diversity on company boards



Business strategy and ESG risks

18 material topics identified through materiality assessment

Uponor's non-financial disclosure focus areas

Corporate Citizenship

Non-Discrimination
Child & Forced Labor
Human Rights Policy
Fair Employment Practices
Diversity
Board Diversity
Non-discrimination for board
Bribery/Anti-Corruption Code
Supply Chain Management

Environment

Waste Management
Water reduction measures
Chemical management
Product Innovation and Development (energy and water efficiency)
GHG emission
Circular economy
ISO Certifications

Health & Safety

Employee Health & Safety
Installer Health & Safety
Occupant Health & Safety
Workforce Incident Rate
Workforce accidents
Employee Turnover

Partnerships

Partnerships and other forms of industry / NGO / Government engagement towards creating a better equitable world

Building on People

Training opportunities
Employee Engagement
International trainee program
Employment by country
Employment by occupation
Employment by Gender
Total headcount
Total working hours

Global Building Stock

2015



< 0.01% net zero

2050

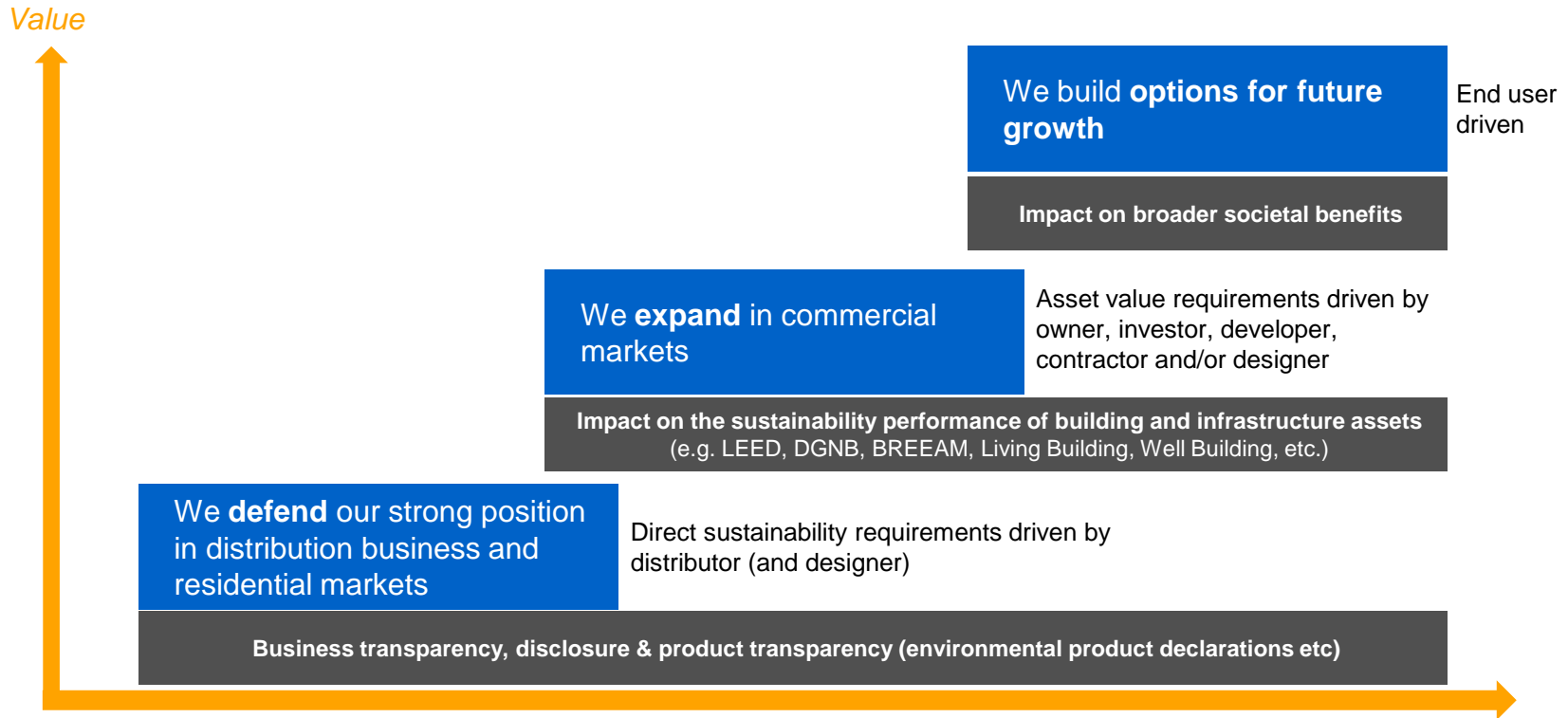


100% net zero

The industry mission for sustainability

The customer view: expectations and requirements evolve as we aspire to move to new value chain positions

CMD
2018



Contents

CMD
2018

1

Starting point and changes in business environment

2

**Uponor sustainability strategy:
focus areas**

3

Specific challenges:
circular economy and microplastics

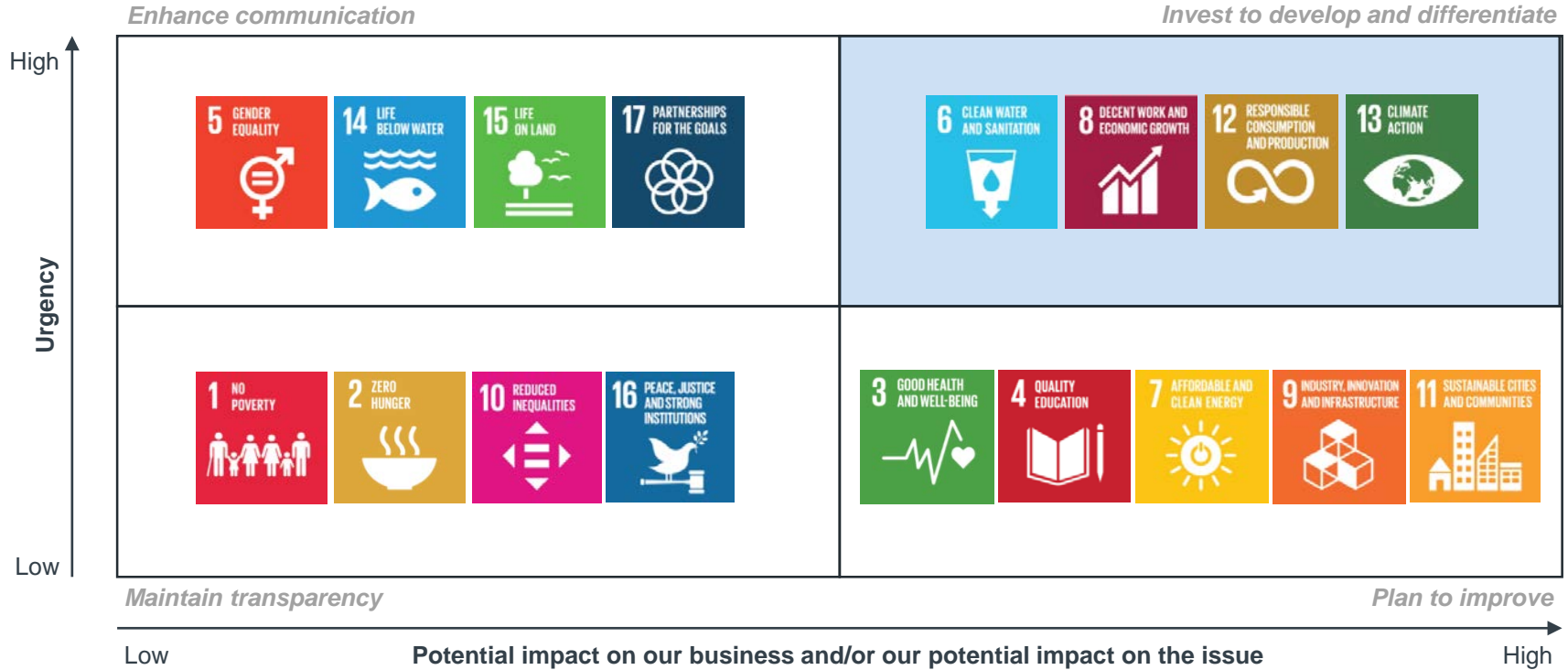
4

Summary



Strategic focus on the UN Sustainable Development Goals – high impact potential on business, offer major opportunities

**CMD
2018**



Leadership position is targeted within the four SDGs most relevant to our business

CMD
2018

		Basic compliance	Established	Leadership
SDG	Key business sustainability driver			
6 CLEAN WATER AND SANITATION	Water Scarcity & Security	<ul style="list-style-type: none"> Meeting regulatory requirements & industry standards 	<ul style="list-style-type: none"> Programme & targets for improving internal water efficiency Systems and solutions avoiding waste of water 	<ul style="list-style-type: none"> Intelligent solutions to ensure water quality and efficiency Process water returned at a higher quality level than it was first obtained Partnerships to protect and restore water resources and to improve access to water
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Move to a Circular Economy	<ul style="list-style-type: none"> Reduce waste to landfill 	<ul style="list-style-type: none"> Waste as resource to own production Design for recyclability 	<ul style="list-style-type: none"> Zero waste over product life cycle 100% verified sustainable raw materials
13 CLIMATE ACTION	Climate Change	<ul style="list-style-type: none"> Reduced footprint Energy efficient systems & solutions 	<ul style="list-style-type: none"> Following science based targets 	<ul style="list-style-type: none"> Carbon neutral, moving to carbon positive Partnerships in decarbonisation
8 DECENT WORK AND ECONOMIC GROWTH	Value Chain Transparency & Responsibility	<ul style="list-style-type: none"> Passive supplier screening for basic transparency 	<ul style="list-style-type: none"> Engaging with suppliers to advance their ESG topics Change our purchases accordingly 	<ul style="list-style-type: none"> Collaborating across value chain to advance ESG topics Incentivising partners to change

Digitalisation supports performance improvement and competitiveness in sustainability

**CMD
2018**



Contents

CMD
2018

1

Starting point and changes in business environment

2

Uponor sustainability strategy: focus areas

3

Specific challenges: circular economy and microplastics

4

Summary

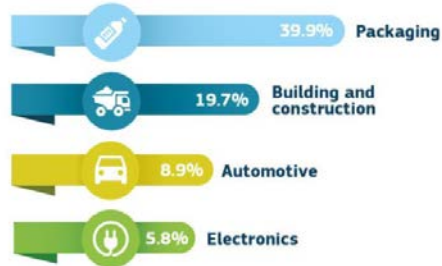


Plastics in a Circular Economy: Long life time plastic investment products have a major role to play in increasing plastic recycling and reducing plastic waste

**CMD
2018**

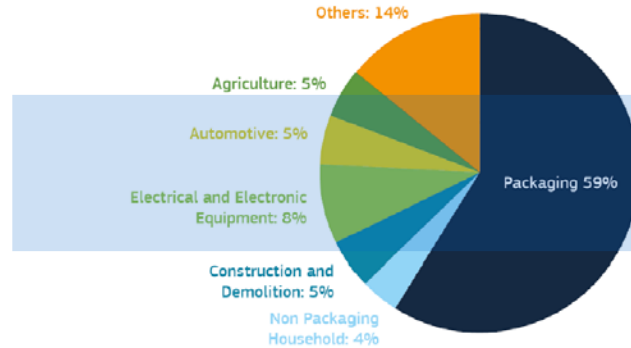
EUROPEAN PLASTICS DEMAND IN 2015

49 million tonnes



EU-28, Norway and Switzerland – Source: Plastics Europe (2016)

EU PLASTIC WASTE GENERATION IN 2015



Source: Eunomia (2017)

CO₂ BENEFITS OF PLASTICS RECYCLING

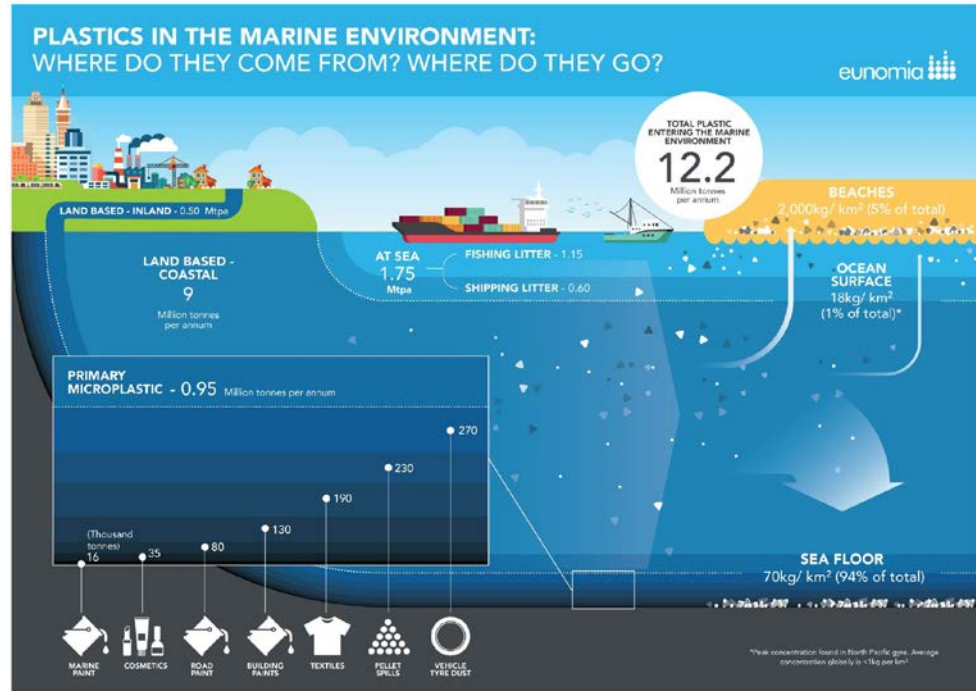


Source: A European Strategy for Plastics in a Circular Economy, European Commission; January 16, 2018

Microplastics: an environmental challenge and a business opportunity

CMD
2018

- Our industry's role as a source of microplastics is marginal; the largest sources of microplastics in the marine environment are secondary microplastics from abrasion of tyres, plastic litter, etc.
- Recycled content utilisation in plastic piping systems and other long life time products provide a sink for plastic waste and reduce the creation of secondary microplastics
- The industry is committed to minimising direct emissions of microplastics from pellet spills etc., through engagement in programmes such as Operation Cleansweep



Source: Plastics in the Marine Environment. Euronima, June 2016.

Contents

CMD
2018

1

Starting point and changes in business environment

2

Uponor sustainability strategy: focus areas

3

Specific challenges: circular economy and microplastics

4

Summary



Summary

CMD
2018

- Uponor's sustainability strategy has evolved with changes in business environment and our strategic growth focus
- We are aligning our sustainability focus with customer expectations and with United Nations Sustainable Development goals:
 - *Water scarcity and security*
 - *Circular economy*
 - *Climate change*
 - *Value chain transparency and responsibility*
- Sustainability and digitalisation strategies are closely aligned to increase transparency and to identify and leverage business opportunities



uponor

BUILD ON
uponor



100
YEARS