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Our home  
Our responsibility  
**2018 Sustainability Report**



 **Univar**Solutions

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# Statement from President and CEO David Jukes



A handwritten signature of David Jukes in white ink, written in a cursive style.

I'm pleased to present the 2018 Sustainability Report for Univar Solutions. Covering our material environmental, social, and governance matters, this report serves as a comprehensive update relevant to all key stakeholders. Through transparent and quantifiable reporting, our teams will show where we have made progress and where we have taken further action to address challenges.

This also marks the first report as Univar Solutions, our newly combined company created through the merger of Univar and Nexeo Solutions. In order to reflect this momentous occasion, the 2018 Sustainability Report has been redesigned from those in the past. With this format, we have turned focus more directly to the goals and achievements of both Univar and Nexeo Solutions through 2018, identifying the journey of embedding sustainability both companies have taken before becoming Univar Solutions.

For 2018, both legacy organizations achieved solid results in terms of sustainability metrics. Through the year, we gained greater independent recognition of our Corporate Social Responsibility performance across the spectrum of sustainable business aspects, and within recent years each company has released its respective global sustainability goals. This marked a significant step forward in formalizing a commitment to living and working in a way that influences current and future generations to think and act differently as we work toward common sustainability objectives.

While 2018 was an exciting year of progress for Univar and Nexeo Solutions, it is clear that the year ahead promises a new degree of challenge and fantastic opportunity for our new business. The founding of Univar Solutions marks the occasion to combine our organizational responsibility into one stronger, shared strategy. Given our closely aligned commitments to sustainable business, we will continue working toward our ambitious 2021 goals, furthering the meaningful change we are committed to as industry leaders.

“ In 2019, we are building on our existing goals and aligning them to the evolving challenges and opportunities of responsible business. ”



This is an exciting time for Univar Solutions, as we become a leading global chemical and ingredient solutions provider as well as a sustainability leader in our industry. In that respect, we reaffirm our commitment to the Guiding Principles of the United Nations Global Compact, through which we are determined to drive environmental and social improvement in line with business growth, addressing global challenges and delivering deeper value to our stakeholders.

This year we have taken significant positive steps to support progress against all six of our sustainability goals to 2021. Our performance in 2018 has been strong and we are confident in our ability to deliver further meaningful improvements across our areas of focus. The positive outcomes we have seen this year are the result of the fantastic work our teams carry out every day, working together to deliver on our common priorities.

In 2019 we are building on our existing goals and aligning them to the evolving challenges and opportunities of responsible business as well as to our new vision, mission, and cultural values. Simple and straightforward, our vision is to redefine distribution and be the most valued chemical and ingredient distributor on the planet. This means being valued by our customers, suppliers and by our people as well as our shareholders. Our mission is made up of three points—Streamline. Innovate. Grow. Each of these reflect a clear point of reference for all of our stakeholders, identifying how we are coming together to form the foundation of Univar Solutions’ journey toward a more sustainable future. Our cultural values drive everything we do, making Univar Solutions a purpose driven, values-based company where we work daily to implement our cultural values: At Univar Solutions, we are serious about safety, we are a place where people matter, we are valuable to others, we do what we say, and together we win.

As we look to develop and evolve our existing goals, we have incorporated the principles of the circular economy. This will drive innovation and effectiveness across our organization to deliver the maximum value of our resources and minimize waste. Through this, we are also advancing our collaborative efforts with our supply chain to achieve wider economic, environmental, and social value. The report that follows will play a key role in identifying the progress we make as we enhance our global focus on delivering more sustainable business across our operations and through our supply chain. We invite all stakeholders to make use of this material and join Univar Solutions in our sustainability journey.

I am truly thankful for the opportunity to lead Univar Solutions as we focus on creating a better world through our business; after all it is **Our Home, Our Responsibility**.



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# Univar's approach to better business



# Our global sustainability goals

Univar approached the global issues surrounding sustainability in business with the mind-set that it is **Our Home, Our Responsibility**. The global sustainability goals first set out in 2017 remain the cornerstone of our global efforts to embed more sustainable practices across our business. Our goals, on our six key areas of responsibility, run to 2021 with performance evaluated through our specific, measurable, achievable, realistic, and time-bound targets.

Our goals were designed to be relevant to the key aspects of our business where we have the potential to influence our economic, environmental, and social impacts and those of our wider supply chain. Through improving the efficiencies of processes across our operations, embracing opportunities derived from technological improvements, facilitating a responsible organizational culture, and working on innovative ways to further sustainable chemical distribution, we remain confident in our ability to achieve these goals.

The specific targets associated with each of our goals and our performance from 2016 to 2018 are identified

more closely in the following sections of this report. Where specific targets have been achieved, we have highlighted our successes and proactively identified new targets to support our global goals, driving continual improvement. In order to better reflect our business now as Univar Solutions, we have revised the intensity metric used for energy and emissions and for resource use. We recognize the globally imperative issue of decoupling environmental impacts from economic performance, and, in response, we will now measure intensity against our growth in sales. The information provided by this intensity metric will provide further evidence that we can grow as a business while improving our environmental performance.

In the same vein of ensuring that our goals and targets remain material to our business, in early 2019 we have taken action to update our goal on resource use. Full details on our enhancement of this goal and our shift towards supporting the circular economy are presented later in this report.



## Energy & Emissions

Minimize Univar’s environmental impact by reducing energy usage and associated emissions.



## Resource Use

Reduce resource consumption of operations while delivering business growth.



## Responsible Handling

Protect our people, communities, and environment by leading a “Zero Release” culture to minimize major releases.



## Safety

Continuously improve Univar’s proud safety record, protecting our workforce and demonstrating we are **serious about safety**.



## Sustainable Supply Chain

Lead on transparency in the supply chain as we responsibly manage and influence the environmental and social impacts of our suppliers.



## Equality & Diversity

Demonstrate Univar’s commitment to providing equal opportunities to all employees, through training, education, and reporting.



# Energy & emissions

**Goal:**  
Minimize Univar’s environmental impact by reducing energy usage and associated emissions.

## Measurement:

Reduce energy use (MWh) and emissions (tCO<sub>2</sub>e) 15 percent by 2021 from 2016 baseline per million USD in sales.

The quantity of energy used as part of our operations and emissions to atmosphere of greenhouse gases continue to be significant environmental aspects of our day-to-day business. As a world leader in chemical distribution, the use of energy of our fleet, plants, and offices will always be a part of our business. However, we do not believe that the paths of business growth

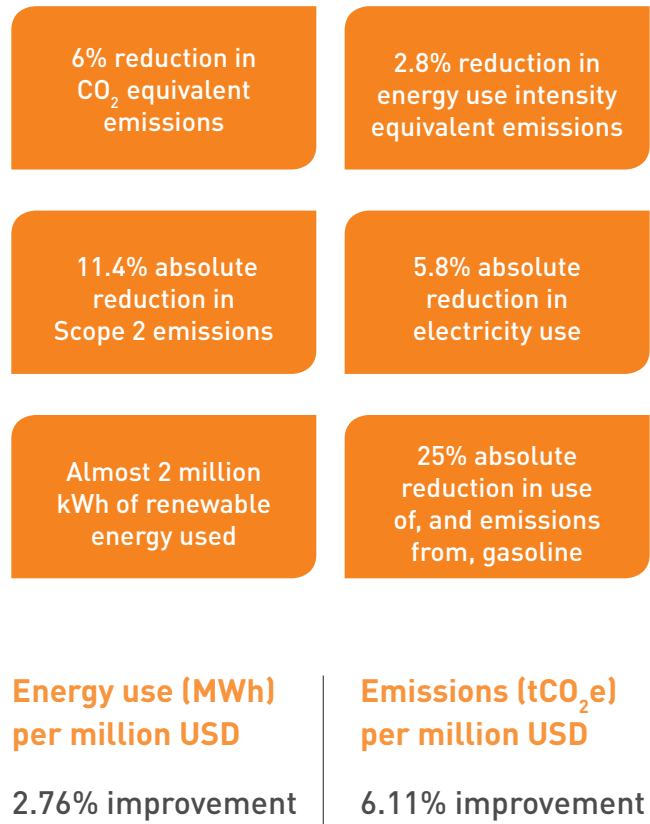
and environmental impacts are inherently parallel. Through investing in our infrastructure, changing the way we look at energy use, collaborating with our supply chain, and using technology to eliminate sources of energy use, we are showing our resolve to grow our business responsibly.

## Progress against our global goal

Our actions to improve our environmental performance have, since 2016, resulted in total energy reductions of 2.8 percent against our intensity metric of sales value and a reduction in emissions of almost 6 percent against the same benchmark. To the right are our key achievements to date from 2016.

Our progress to date against our energy and emissions goals to 2021 is encouraging. However, with approximately 3 percent reduction in energy use so far and a further 12 percent reduction targeted for the next three years, we cannot relent in our efforts to maximize our energy efficiency. The improvements in our intensity metrics from 2016 to 2018 are shown on page 9.

Behind the figures above, the table overleaf details the exact breakdown of the energy use and emissions resulting from our operations globally over the last three years. The changes apparent in these figures is due to both the inclusion of acquisition data since 2017 and the refinement of existing data sources. When looking at our wider impacts, it is important to also consider our absolute impacts. Despite significant business growth over the last three years, our emissions have effectively remained static, again evidencing the real change across our regions.





## Univar's global energy use & emissions

|                      | MWh                    |                |                | tCO <sub>2</sub> e |                |                |                |
|----------------------|------------------------|----------------|----------------|--------------------|----------------|----------------|----------------|
|                      | 2016                   | 2017           | 2018           | 2016               | 2017           | 2018           |                |
| Scope 1              | Diesel                 | 322,299        | 326,142        | 349,190            | 81,060         | 82,011         | 86,422         |
|                      | Natural gas            | 142,181        | 161,425        | 163,110            | 26,161         | 29,729         | 30,006         |
|                      | Gasoline               | 47,960         | 40,309         | 35,982             | 11,536         | 9,694          | 8,412          |
|                      | LPG                    | 26,544         | 21,389         | 22,702             | 5,696          | 4,588          | 4,869          |
|                      | Gas oil                | 5,563          | 5,869          | 5,163              | 1,537          | 1,619          | 1,428          |
|                      | Biogas                 | n/a            | 625            | 668                | n/a            |                |                |
|                      | Coal                   | 720            |                |                    | 232            |                |                |
| <b>Scope 1 total</b> | <b>545,267</b>         | <b>555,759</b> | <b>576,815</b> | <b>126,222</b>     | <b>127,641</b> | <b>131,137</b> |                |
| Scope 2              | Electricity            | 92,943         | 94,520         | 87,555             | 36,996         | 36,894         | 32,891         |
|                      | Renewable Electricity* | 249            | 228            | 228                | 0              | 0              | 0              |
|                      | Steam                  | 2,012          | 1,329          | 1,278              | 411            | 262            | 240            |
|                      | <b>Scope 2 total</b>   | <b>95,204</b>  | <b>96,077</b>  | <b>89,061</b>      | <b>37,407</b>  | <b>37,156</b>  | <b>33,131</b>  |
|                      | <b>Global total</b>    | <b>640,471</b> | <b>651,836</b> | <b>665,876</b>     | <b>163,629</b> | <b>164,797</b> | <b>164,268</b> |

\*Certified 0g/kWh renewable energy credits.

Not only have we seen positive steps in reducing our key intensity metrics from 2016, our culminated efforts to reduce electricity use and to optimize fleet utilization have resulted in absolute reductions in the amount of electricity consumed (11 percent) and reduction in the

amount of gasoline consumed (27 percent). Combined, the efforts of our global teams in these areas have resulted in annual emission reductions of 7,200 metric tons of CO<sub>2</sub> equivalent from our operations.



# Taking action on our largest emission sources

We apply our “focusing on what matters” approach to our energy and emissions sources. As a world leading chemical and ingredient distributor, the energy and emissions from our fleet’s fuel use is without question the largest single source across our operations. In 2018 fuel use from our commercial and fleet vehicles accounted for over 50 percent of Univar’s global energy use and emissions.

While we trust that low- and zero-emission technology will, in time, become available and usable for our commercial fleets, we are not there. In the meantime we remain focused on driving improvements through operational excellence in our fleet, delivering even better customer service while reducing fuel use and associated emissions of our existing fleet.

Across all of our regions in 2018 we have progressed with taking actions to improve fleet fuel efficiencies. Our significant continual investment in our Transport Management Systems in EMEA has delivered notable improvements in the average fuel efficiencies across the region. These systems are increasing the integration of technology in our fleet and offer further route optimization and delivery response efficiencies.

2018 also marked the start of our investment in alternatively powered, low-emission vehicles for our non-commercial fleet. As we move into 2019, we will be actively working to expand our offerings for non-internal combustion engine (ICE) powered company car options across our regions with increasing infrastructure to allow for clean fleet charging at a number of our sites.

Our influence in mitigating the impacts on climate change are not limited to the impacts we can have on our own operations. Since 2010 Univar has, alongside other chemical organizations and the United Nations Environment Programme, contributed to research on alternatives to high global warming potential and ozone depleting agents. In Univar’s work on this globally significant topic, our technical expertise in Brazil has been used to help formulate and create more environmentally responsible alternatives to the use of the damaging HCFC-141b as a blowing agent in polyurethane foams. As we near the 2020 phase out of this chemical, alternatives are now well established, delivering the useful properties with significantly lower environmental impacts. The skills and knowledge of our people are a key strength of our business and are an essential part of our sustainable future.



## Resource use—waste

### Goal:

Reduce resource consumption of operations while delivering business growth.

### Measurement:

Reduce hazardous waste 15 percent by 2021 against 2016 baseline per million USD in sales.

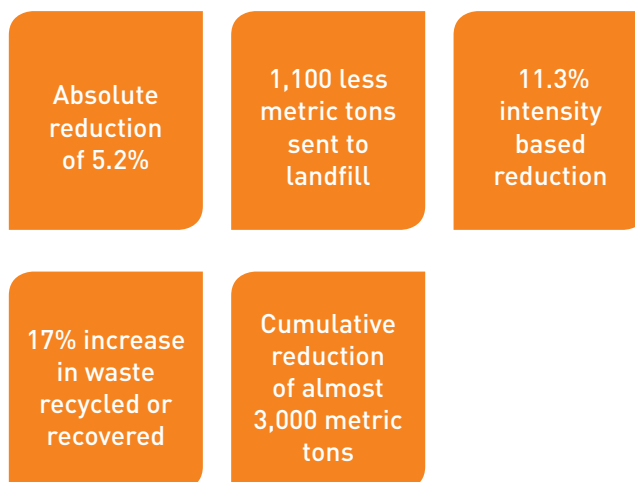
It is important that we recognize the hazards to both the environment and human health posed by some of the products we handle, process, and distribute. Equally important is ensuring that, where we cannot eliminate waste streams, we apply a responsible approach where disposal is a last option. Our approach to the management of waste is closely tied to the waste management hierarchy and ensures that our focus is prioritizing waste reduction.

While we have seen an absolute increase in hazardous waste from 2017, reflecting unique operational challenges, we have still achieved both absolute and intensity based reductions in our total hazardous waste quantities from our 2016 baseline.

# Progress against our global goal

The increased focus of our site Operations Managers and regional management teams coupled with the pro-environmental operational excellence mind-set across the company have contributed to our achievements around hazardous waste. The highlights of our hazardous waste performance to date from 2016 below evidences the success of our teams in their efforts to manage waste responsibly.

Specifically, our performance against our goal on hazardous waste is highlighted below:



|                                                               | 2016 | 2017 | 2018 | Change 2016-2018 |
|---------------------------------------------------------------|------|------|------|------------------|
| <b>Hazardous waste per million USD in sales (metric tons)</b> | 1.21 | 0.89 | 1.08 | -11.3%           |

This 11.3 percent intensity based reduction sets us well on course for achieving our global goals of a 15 percent reduction by 2021. Through our ongoing global efforts to prioritize waste minimization we are confident that we can exceed the goals set by 2021, delivering on the

meaningful change to which we are committed. However, it is important to recognize all of the changes in the make-up of our hazardous waste, allowing us to identify areas to make further improvements.

|                                                          | 2016  | 2017  | 2018  |
|----------------------------------------------------------|-------|-------|-------|
| <b>Packaging recycled (not-used in its current form)</b> | 189   | 335   | 119   |
| <b>Other recycled</b>                                    | 3,024 | 2,286 | 3,532 |
| <b>Incineration with energy recovery</b>                 | 1,638 | 1,561 | 1,922 |
| <b>Incineration without energy recovery</b>              | 560   | 449   | 552   |
| <b>Landfill</b>                                          | 1,471 | 1,004 | 304   |
| <b>Other disposal (biological treatment etc.)</b>        | 2,928 | 1,743 | 2,875 |
| <b>Total hazardous waste</b>                             | 9,810 | 7,378 | 9,304 |

*\*Figures in metric tons.*

Not only have we achieved absolute and intensity reductions in the global totals for hazardous waste, our application of responsible disposal practices has seen our hazardous waste to landfill, after treatment, fall from 15 percent of the total in 2016 down to just 3 percent in 2018. Through this, over 1,100 metric tons of hazardous waste were diverted from landfill in just 12 months.

We have also seen our waste prevention and responsible management efforts reflected in our 2018 breakdown of non-hazardous waste. While not part of our target, the reduction of waste is an area of key importance for our operations. As shown below, our waste totals have reduced year-on-year both in absolute and on an intensity basis.

|                                                | 2016   | 2017   | 2018   |
|------------------------------------------------|--------|--------|--------|
| <b>Total non-hazardous waste (metric tons)</b> | 16,363 | 14,827 | 13,966 |

Reduced absolute non-hazardous waste by 14.6%

Reduced total waste by over 3,900 metric tons since 2016

Increased packaging recycling 14% from 2016

Working across functions, our teams recognize the opportunity to further reduce total waste quantities and to increase the application of the waste management hierarchy and circularity principles. Through 2019 we

will be working to further our encouraging performance with particular focus on waste elimination, maximizing the value of our resources, and, where possible, keeping waste within the resource use cycle.



## Resource use—water

Water is a basic human right, a resource for all, but use of potable water is not universally available. Across the world, environmental degradation, pollution, and population growth are having consequences on the availability and quality of water for drinking, agriculture, and business.

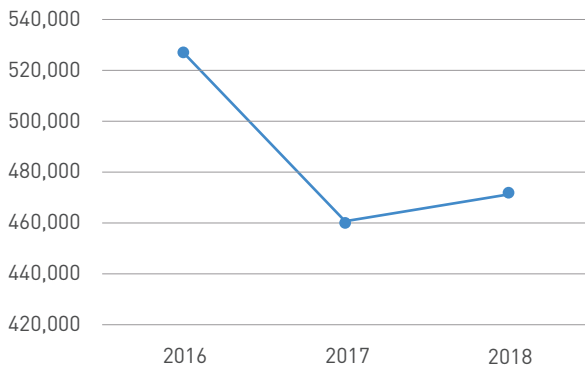
Our water usage may not be significant compared with other industries, but we are focused on reducing the total quantities of water we consume. We are building on our previous progress in this area, going beyond maintaining legal compliance of preventing negative impacts on watercourses to working with our supply chain to encourage more responsible water use.

The table reflects Univar’s global consumption of municipal and own source water from 2016 to 2018.

|                               | 2016    | 2017    | 2018    |
|-------------------------------|---------|---------|---------|
| <b>Total municipal</b>        | 756,534 | 687,349 | 667,861 |
| <b>On-site source</b>         | 46,755  | 56,858  | 49,284  |
| <b>Water used in products</b> | 275,826 | 284,186 | 247,168 |
| <b>Total waste water</b>      | 527,463 | 460,021 | 469,977 |

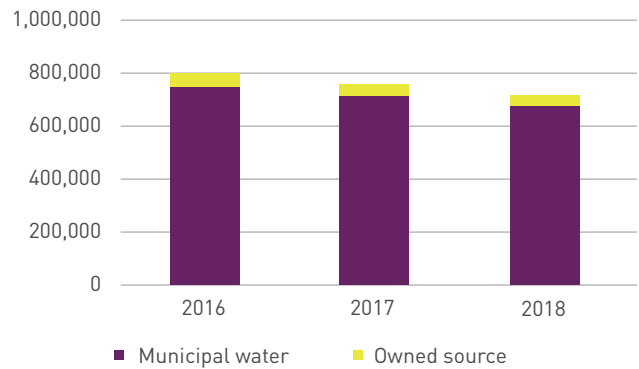
*\*Figures in m<sup>3</sup>.*

**Total waste water (m<sup>3</sup>)**



We are encouraged to see that the actions taken to utilize this vital resource more responsibly since 2016 are reflected in our reduced water consumption through to 2018. The 10.7 percent reduction in water extraction and 10.9 percent reduction in waste water from 2016 reduce

**Total water extraction (m<sup>3</sup>)**



our environmental impacts despite strong growth in sales. This win-win for sustainable business evidences the potential and value of decoupling business growth from increased environmental impacts, a key focus of Univar's journey to a more sustainable future.

## Conserving the essential

**As forecasts show increasing water scarcity and shortages across many regions of the world, we see it as good business sense and an ethical responsibility to ensure we minimize waste of this resource and find new ways to manage its use responsibly. The examples below highlight some of the action Univar is taking to reduce water use.**

### Living up to our commitments

The responsible use of water is a clear part of our global Environmental, Health & Safety Policy. Across our operations, management is responsible for ensuring all necessary actions to prevent unintended releases are taken to ensure legal compliance and reduce risk of harm to people and the environment. Beyond our spills prevention initiatives, Univar continues to make significant investments in our infrastructure to ensure that any unintended releases on site never make it beyond our gates, therein protecting local water sources from potential damage. Our multimillion dollar investments in containment and water treatment act as an important layer of our water responsibility. In addition, the Safety Data Sheets (SDS) provided to customers for each product contains important information on the hazards and disposal requirements of that product, providing the information to continue responsible handling and protection of the environment down the supply chain.

More proactively, our operations are taking local actions beyond spill prevention and containment to reduce the quantities of water they consume as part of their

day-to-day operations. Using preventative maintenance to identify inefficiencies and redesigned cleaning processes that use less water, sites across our regions have been able to reduce water demand for indirect uses. Beyond this, we have worked to increase visibility in resource use including water in 2018. With greater site-based visibility, we are building greater local understanding, responsibility, and control of our impacts, leading to a positive recurring cycle of increased local action. While this is not present in all regions, we are expanding the scope of our program to deliver localized sustainability in 2019 and expect to see more progress in our performance as a result.

Engaging our colleagues on the topics of responsible water use is another key means by which we are driving overall consumption reductions. We communicate our efforts and progress with colleagues throughout the year, and every year we set March as our month focused on water. Marking World Water Day in 2018, we held global employee events, sharing learning with colleagues and involving families of our people to inspire the next generation to also take action to use water sustainably.

### Helping with the safe use and reuse of water

The availability of suitable water is crucial for our communities, food supplies, leisure, and industry. However, with water use having been growing at over twice the rate of population growth, this multifaceted issue requires increasingly responsible management.

Representing the world's leading chemical manufacturers, Univar delivers both technical expertise and world leading chemical distribution capabilities to deliver products used in treatment of water globally. Our diverse range of pH adjusters, flocculants, coagulants, dechlorinators, and disinfectants offers a reliable, secure supply for potable, industrial, and waste water treatment markets, allowing for safe use and reuse of this valuable resource.

### Supporting the responsible use of water

Our product ranges for water treatment are not the only way Univar supports sustainable water use and protects natural water systems.

Our products certified under the COSMOS-standard organic certification are produced with significantly less water polluting materials. Through responsible farming practices under this certification, our organic product ranges are helping keep local waterways, communities, and ecosystems healthy.

Similarly, the products we supply containing Roundtable on Sustainable Palm Oil (RSPO) certified material, under our global membership, are sourced from suppliers using more responsible farming practices than conventional plantations. By eliminating deforestation from RSPO plantation stock, the supply of these products helps maintain high-value ecosystems, which naturally clean and regulate water flows while helping prevent soil quality degradation.



“ Our products certified under the COSMOS-standard organic certification are produced with significantly less water-polluting materials. ”





# Responsible handling

**Goal:**  
Protect our people, communities, and environment by leading a “Zero Release” culture to minimize major releases.

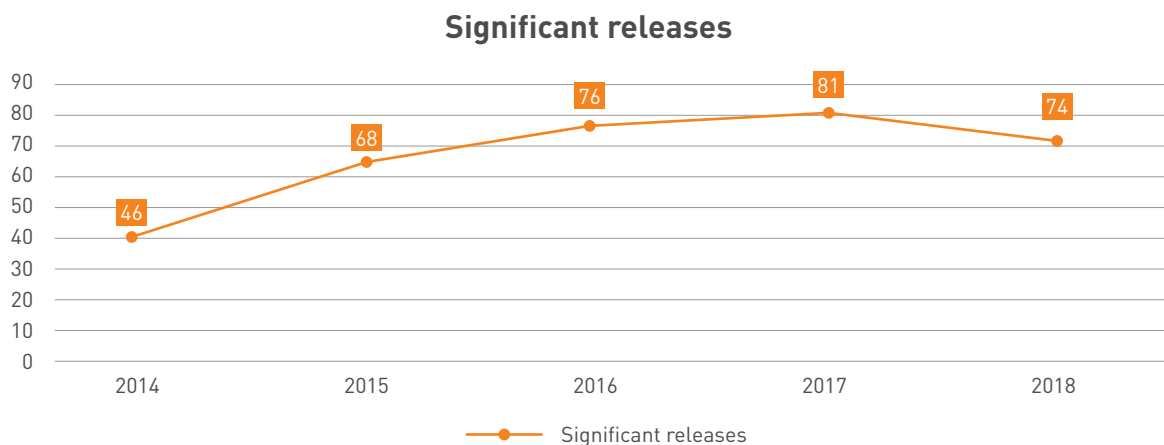
## Measurement:

Achieve 15 percent absolute reduction in significant spills by 2021 against 2016 baseline.

As a responsible business handling millions of tons of chemical and ingredient products annually, there is no doubt that the potential impact of these products can pose a risk to local environments. The mature and comprehensive environmental management systems in place across our operations, our release control processes, and containment systems are designed to prevent any release of product on site to the environment. Nonetheless, prevention remains our key focus

and our performance reflects the improvements across our operations, illustrated in our global release metrics below.

The figures below identify the number of significant releases (>90 kg/200 lbs) from primary containment for 2018 alongside our global historic data dating back to 2014.



In the years leading up to 2017 we had experienced a consistent trend of increases in the number of significant releases recorded. We viewed this positively, with the trend reflecting more accurate and open reporting, as our management teams focused on standardizing reporting of spills, rather than an actual increase in releases.

## Progress against our global goal

We are pleased to have achieved an 8.6 percent reduction in the number of significant releases from 2017 and 2.6 percent from our baseline figure in 2016.

Although we are encouraged to have seen such improvements in our performance, these results are not a matter of chance. Our global teams have worked tirelessly to help reduce the likelihood and significance of unintended releases across the regions in which we operate.

The continued investments in infrastructure, equipment, and our people have helped us achieve this turnaround in performance, safeguarding the health of people and the environment, reducing product loss, and reducing costs. Through 2019 we are furthering our initiatives targeting spill prevention and will continue these improvements in pursuing our ambition to be the most valued chemical and ingredient distributor on earth.



# Safety

**Goal:**

Continuously improve Univar's proud safety record, protecting our workforce, and demonstrating we are Serious about Safety.

**Measurement:**

Achieve and exceed the global TCIR goal of 0.68 each year to 2021.

We are Serious about Safety. This is not just a tagline for our organization; the health and safety of our people and customers is our absolute number one priority. Our focus on maintaining and going beyond legal

compliance, continually working to better assess and manage risk, and reinforcing our positive safety culture has helped deliver a deeply rooted, meaningful safety culture at Univar.

## Progress against our global goal

Univar's Total Case Incident Rate (TCIR) is shown in the next figure, alongside the equivalent averages for all chemical distributors and for other industries. TCIR is the U.S. Occupational Safety and Health Administration (OSHA) standardized methodology for calculating the rate of recordable injuries per 200,000 hours worked. We are proud of the improvements we have achieved consistently year-on-year and to have an incident rate substantially below the averages of our peer group and of comparable industries.

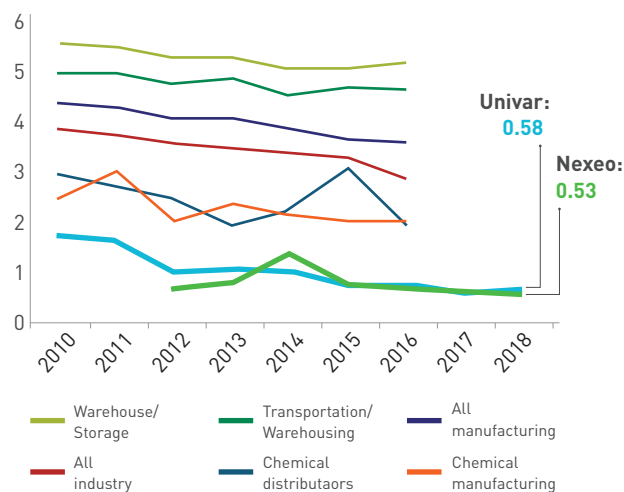
The consistent focus on improving workplace safety at Univar has resulted not only in a culture of safety engrained into the everyday actions of our people, but performance that reflects our Serious about Safety ethos.

We know that continuing on our journey for a safer tomorrow cannot be achieved if we allow complacency or lapses in focus on the importance of workplace safety. With this in mind, we are scaling up our efforts to engage all employees, customers, and suppliers in what safety means to Univar and how we can send everyone home safe at the end of the day.

At Univar, health and safety is not only crucial within our own operations, we also make safety a key part of our relationships with suppliers, customers, and service providers alike. Over the last 12 months, we have continued to expand the coverage of our revised supplier assessments across the regions in which we operate, raising awareness and supplier standards of safety related issues. Through pre-delivery inspections on customers' sites we help also ensure that customers are operating

### Univar total case incident rate vs. industry

Source: U.S. Bureau of Labor Statistics



in line with Univar's safety standards on which we will always be proud to uphold.

Beyond this we fully recognize the potential environmental and safety hazards associated with some of our products and as such we provide suitable guidance on the hazards, correct handling, use, and disposal of our product ranges. With information specific to each product, we supply key information through provision of Safety Data Sheets and through the expertise of our dedicated technical teams. To ensure our guidance remains up to date, we closely monitor and adapt to any changes in relevant national and international legislation, ensuring our own compliance and helping maintain responsible practices in our supply chains.





# Sustainable supply chain

## Goal:

Lead on transparency in the supply chain as we responsibly manage and influence the environmental and social impacts of our suppliers.

## Measurement:

Establish and implement assessment of product suppliers for environmental and social responsibility in all regions by 2021.

We see beyond the value that our supply chain offers to our business and our customers. In line with our global sustainability goals, we are working to develop the economic, environmental, and social responsibility of our supply chain.

At Univar, sustainability does not end at our gates. With the wider chemical industry generating ~7 percent of global GDP and being similarly responsible for 7 percent of global energy use, it is clear that working with our supply chain partners upstream and downstream offers the chance to facilitate more responsible business with our supply chain than we can alone.

Throughout 2018, we have facilitated significant growth in our engagements with our supply chain on sustainability

topics. Our collaborative work with our supply chain is focused on increasing transparency of social and environmental issues material to Univar, our customers, and suppliers. Through this we are supporting the change we are seeing across the industry as we move to more open and accountable supply chain relationships.

We assess suppliers and service providers directly across our operations to maintain a meaningful agreement of commitments in the areas of quality, safety, environmental, social, and ethical areas. Our progress on engaging our supply chain, as well as our work to embed sustainability into our products and services, is detailed below.

## Progress against our global goal

**Achieving greater sustainability in business must go beyond our own actions and requires new approaches to business, satisfying the demands of our stakeholders. To drive this forward, Univar is advancing sustainability for, and through, our global supply chains.**

### Supplier assessments

Engaging our suppliers to disclose and develop performance around environmental and social responsibility is something we consider key to fostering better business beyond our own operations.

In support of this, we have continued to expand the coverage of our supplier assessments, which enable greater transparency of safety, environmental performance, business ethics, and social responsibility of our suppliers and service providers. Our assessments, revised in 2017, not only provide Univar with confidence in the responsibility of our supply chains, but they also

serve to assure our customers that they can be confident that we are carrying out due diligence in our supply chain. In doing so, we are improving standards downstream by supporting only those suppliers meeting our ethical criteria. In 2019 we expect to have this expanded supplier assessment to be in place across all remaining regions. Going beyond the scope of our initial target to 2021, we will also be developing similar requirements as part of our assessments for non-material suppliers, improving transparency in sustainability performance of our wider supply chain.

**Growing Univar’s brands with sustainability**

In 2018 we acquired Earthoil, a supplier of organic and fair trade products for the beauty and personal care markets. Both Univar and Earthoil share a common commitment to developing ethically, environmentally, and socially responsible products, meeting customer needs and supporting responsible supply chains. Building on the sustainable attributes of Earthoil’s business, Univar has since gained certification to both the COSMOS organic standard and Fair for Life fair trade standard. Through maintaining business processes in line with these standards, our business can continue to maintain the wider inherent social and environmental value of these standards, benefiting producer communities and supplying customers with products they can trust.

The offering of sustainable products is not limited to our acquisition of Earthoil. As consumers become ever more aware of the impacts of the products we use in everyday

life, we will be there to provide more responsible choices, furthering the growth of sustainable markets. We are actively expanding our range of products containing bio-based alternatives and products with green credentials compared with traditional products to foster the production of more responsible solutions in our downstream supply chain.

Through 2018 we have seen a continued increase in demand from customers looking for RSPO-sourced material. Through our active RSPO membership and multi-site supply chain certification system, we have been able to meet the surge in demand due to increased public awareness on the topic of deforestation and biodiversity loss. In 2019 we look to expand the scope of our RSPO system to deliver a greater range of these sustainable products across a broader geography.

**Solvent recovery and recycling**

Through our solvent reprocessing facilities in Mexico, we are able to support our customers in reducing the total amount of solvent used in their processes. Maximizing the Univar advantage, we can offer customers an end-to-end service of our solvents range as shown below.



Check our progress at [www.rspo.org](http://www.rspo.org)



# Univar's industry involvement

As a world leader in chemical distribution, we have a responsibility to demonstrate our commitment and values to key associations and initiatives in our areas of influence. Working with customers, suppliers, and other stakeholders through these platforms to share knowledge and best practice helps us ensure responsible business remains at the center of progress in our industries.

We have maintained our historic engagement with many of the key external initiatives and associations in our industries.

## Initiatives

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United Nations  
Global Compact

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CDP

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Responsible Care

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Responsible Distribution

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EcoVadis

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Ecodesk

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Sedex

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Global Food  
Safety Initiative

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International Labour  
Organization

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ISO Certifications

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COSMOS-standard

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Fair for Life

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Operation Clean Sweep

## Associations

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National Association  
of Chemical Distributors (NACD)

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American Chemistry Council

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Responsible Distribution Canada

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Roundtable on Sustainable  
Palm Oil (RSPO)

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CropLife Canada

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National Pest Management  
Association

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European Association  
of Chemical Distributors (FECC)

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Vegetation Management  
Associations

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British Plastics Federation (BPF)

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Canadian Paint and Coatings  
Association

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Agrichemical Warehousing  
Standards Association

## Taking sustainability to the FECC Annual Congress

In 2018 Univar again attended the European Association of Chemical Distributors Annual Congress. During the two-day event, hosting almost 200 industry leaders and stakeholders, Univar delivered a session dedicated to sustainability in the supply chain. Through this session Univar explored the focus on sustainability internally and how this directly reflects the efforts we are taking to engage our supply chain in sustainable practices. Delivering this to the FECC annual congress not only serves to highlight the importance of sustainable business in the international sphere, it also highlighted to our stakeholders the unique responsibilities Univar holds and is acting on, as a world leader in chemical distribution. We are committed to delivering on these responsibilities of fostering better business in our supply chains.





# Equality & diversity

## Goal:

Demonstrate Univar's commitment to providing equal opportunities to all employees through training, education, and reporting.

### Measurement (achieved):

Invest in an easy to use reporting system which allows us to record, investigate, and track all complaints with regard to diversity and equal opportunities.

### Measurement (new):

Engage our employees globally through structured confidential surveys to identify our current organizational culture in areas of equality and diversity.

We remain steadfast in taking actions across our business to ensure we remain a diverse workplace where all of our people are treated equally and with respect. Upholding our standards on equality and diversity goes beyond meeting legal compliance, it is another example of being the right thing to do—a moral obligation across our operations.

We see the clear value to our people, our business, and wider society in securing a more diverse and equal workplace, free of discrimination on personal characteristics. Through this we are embracing a culture of mutual respect and appreciation for the differences of others.



We are pleased to have been able to achieve this specific target under the global diversity and equality goal. To ensure that we continue the positive direction taken over the last 12 months, we have replaced the measurement around this goal as highlighted on page 20. Our updated target will help us to identify where we are performing well in regards to equality and diversity issues and where we should look to focus our improvement efforts. Through providing feedback and acting on the suggestions of our employees, we can be certain that

we are acting on what is important, creating a more equal workplace that fairly represents our people.

Achieving greater equality in the workplace, like other elements of sustainable business, is a journey and one where we have made good progress. Our key areas of focus and progress against our global equality and diversity goal are highlighted below.

## Progress against our global goal

Taking action on our measurable target set out in 2017, we have in 2018 invested in and implemented globally our improved ethics alert line system to facilitate reporting where employees are concerned about unethical behaviors. This improved, globally accessible Ethics & Compliance Alertline is available to all employees 24 hours a day, 365 days a year. We actively encourage employees to speak up confidentially about concerns and we have a strict non-retaliation policy for all employees who report conduct issues in good faith. To ensure employees are sufficiently informed on how to access this service, we have maintained a clear consistent communications and training program highlighting when to report concerns and how to access the service.

In our efforts to promote diversity and equality in our business, the UWIN (Univar Women's Inclusion Network) was launched in 2018 across the United States as a grassroots group to enhance employee development, elevate engagement, and build community across all

our U.S. locations. In their first year, the group made a difference in the lives of many by sponsoring a panel discussion of women executives at Univar in honor of International Women's Day and by building a foundation for future employee resource groups. The group enables all employees to connect, share best practices, build new communities, and encourage cultural awareness across the company. UWIN is an inclusive group and encourages participation from all employees.

In 2018, we took our first steps to begin benchmarking our performance in the area of equality and diversity. Through participation in the Human Rights Campaign Foundation's Corporate Equality Index we have for the first time been scored on our current programs, policies, and practices on a range of equality and diversity aspects. This year we were awarded a score of 60 percent, which we are determined to take meaningful action to improve on through 2019 and beyond. With our 2018 assessment score we have been able to identify areas where we are performing well and opportunities for improvement.

“ Achieving greater equality in the workplace, like other elements of sustainable business, is a journey and one where we have made good progress. ”





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# The right thing to do— beyond our goals

# Our values and standards

We see responsible business as everyone's duty at Univar, embedded in our culture as **Our Home, Our Responsibility**. As part of this, ensuring all of our people are aware of the values, principles, and standards we expect is crucial to maintaining our positive working culture. Our publically available global Code of Conduct, available in 21 languages, serves as a key platform for establishing our expectations and applies to employees of Univar Inc., all of its subsidiaries, vendors, and members of our Board of Directors.

We continue to embed our values and principles into the culture of our business through our mandatory training

programs, content-based assessments, and self-declarations of understanding required by all employees annually. For Univar, ensuring compliance with the Code of Conduct is of significant importance, reflected in responsibility being assigned to the Board of Directors Audit Committee.

When faced with ethical questions or dilemmas that may not be directly answered by the Code of Conduct, we encourage employees to seek counsel on the issue first to minimize any ethical issues for themselves or the company.

# Recognizing and acting on risk

Our global Risk Management Team is responsible for identifying and assessing the economic, environmental, and social risks faced through our global operations. With clear identification and prioritization, our teams remain focused on continual improvement. In addition to our risk management, we remain committed to respecting and complying with all applicable regulatory requirements in the markets in which we operate, recognizing potential risk of unethical behavior as a risk to our business and reputation.

However, not all of the risks we face come from legal or reputational sources. As a business and a society, we are increasingly faced with the mounting evidence and effects of climate change. Incidences of extreme weather and unprecedented climatic events, increasing in frequency, have been evident across the regions in which we operate. The real risk of the impacts to supply chain continuity, property, infrastructure, and life only reinforce the need to take meaningful action on our common responsibility to mitigate and prepare for the effects of climate change. Although the costs of such changes on our business remain difficult to accurately assess, we continue our application of the precautionary principle here to progress our work in achieving Univar's global sustainability goals.

Along with these external socio-enviro-economic risks, we stand steadfast in combating internal risks stemming from unethical business practices. Taking action to prevent and detect unethical business practices by focusing on anti-bribery, anti-corruption, and

anti-competitive behavior is paramount across our operations globally.

As highlighted in our 2017 Sustainability Report, our global Code of Conduct puts into words the actions and attitudes that guide us; it serves as a reminder of our guiding principles and cultural values. It also sets out our expectation for all employees to take personal responsibility for their own conduct. Every one of our employees must complete training on our Code of Conduct, detailing our high standards of ethical business and our requirements for all employees. This training is required annually, accompanied by an assessment on an individual's knowledge and an attestation on understanding.

Through 2018, we have taken further steps to ensure that our employees feel empowered to make the right decisions when it comes to ethical business and to make their concerns heard if they, in good faith, suspect unethical behavior. We have made changes to our global Ethics & Compliance Alertline allowing all employees a platform to confidentially, and without fear of repercussions, report issues from anywhere across our operations. The change in provider and service design ensures that cases can be monitored and followed up to both maintain confidentiality and ensure appropriate solutions can be actioned. We have coupled this improvement with increased communications and transparency with our colleagues, answering FAQs and providing confidence that we welcome reports through this platform as the right thing to do.

# Acting through uncertainty

As an organization we are not just committed to responsible business in principle, we proactively take measures to mitigate and prevent negative environmental and social consequences where potential but uncertain material risk exists. As such we support and, where appropriate, apply the precautionary principle, defined by the United Nations Environment Programme (UNEP) in the Rio Declaration.

Univar's precautionary approach is enacted through our global initiatives on emissions abatement and application of the waste management hierarchy, reducing resource consumption and our contribution to climate change. By taking the step to enhance our focus on resource use, from reduction to supporting the circular economy, we

are expanding the application of the precautionary principles to our business. While the focus given to the precautionary principle is primarily environmental, at Univar we consider the precautionary principle an equally important aspect of our social responsibility.

Our dedicated Risk Management team and Environmental, Health & Safety departments are responsible for gathering all available data and information relevant to the business's impacts, using best practice methods to assess the risks we face. These teams take the lead on assessing the potential for environmental and social harm, taking appropriate precautionary action proportionate to all perceived risks in our operations.

# Focusing on what is important

At Univar, we believe that in order for corporate responsibility efforts to be most effective, they must be supported by honest, transparent discussion and disclosure. As such, this report has been designed to provide transparent, holistic, and relatable material based solely on what is material to our business and our stakeholders. The report structure and content has been shaped by the latest Global Reporting Initiative (GRI) Standards as well as the Communication on Progress requirements of the UNGC.

In order to determine what is considered material for reporting, our GRI trained team applied the tests shown to the right.

As a key aspect of applying the Global Reporting Initiative (GRI) standards, the report has been built around the application of the GRI's principles for defining report quality, namely: accuracy, balance, comparability, clarity, reliability, and timeliness. Univar's adherence to these principles enables stakeholders to make comprehensive, meaningful assessments of our reporting. The material aspects identified through our assessments are identified in the adjacent figure.

The extent to which we cover the topics in our report is determined as part of our wider materiality assessment, reflecting the substantive impact of material topics to Univar's operations and to our stakeholders.

|                          |                                                                                                                                                      |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Materiality tests</b> | Does the material relate to the reasonable expectations and interests of the identified stakeholders?                                                |
|                          | Is the inclusion and presentation of the material relevant to the broader context of sustainability beyond Univar?                                   |
|                          | Does the material reflect the significant aspects of Univar's operations, comprehensively including our economic, environmental, and social impacts? |

|                      |                                                                                                                                                                                                                                                                                                                                                  |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economic</b>      | Economic Performance, Anti-Corruption, Anti-Competitive Behavior                                                                                                                                                                                                                                                                                 |
| <b>Environmental</b> | Energy, Water & Effluents, Emissions, Waste, Environmental Compliance, Supplier Environmental Assessment                                                                                                                                                                                                                                         |
| <b>Social</b>        | Occupational Health & Safety, Training & Education, Diversity and Equal Opportunity, Non-Discrimination, Freedom of Association and Collective Bargaining, Child Labor, Forced or Compulsory Labor, Local Communities, Supplier Social Assessments, Customer Health & Safety, Marketing and Labeling, Customer Privacy, Socioeconomic Compliance |



# Engaging our stakeholders

Embedding sustainable values into our day-to-day actions is a challenge that no organization can accomplish alone. The full value of sustainable, responsible business can only be realized by working with all of our most important stakeholders through the entire scope of our operations. As such, each of these groups, both internal and external, play a key part in helping us achieve our global sustainability goals.

The below graphics outline some of our key engagements with our stakeholder groups.

We recognize that the focus and needs of all of these groups are different and in response we continue our transparent and material engagements with our stakeholders using appropriate methods and platforms to achieve win-win outcomes, delivering benefits beyond our own triple bottom line.

Our key achievements in meaningful external stakeholder engagement over the last 12 months are covered in the *Sustainable supply chain* area of this report on page 17. We see stakeholder engagement as a crucial tool for achieving broader sustainability objectives, and we remain focused on maximizing the value of working collaboratively with our stakeholders moving forward.



|                       |                                   |                                                          |
|-----------------------|-----------------------------------|----------------------------------------------------------|
| <b>External</b>       | <b>Customers</b>                  | On-demand technical expertise                            |
|                       |                                   | Sales team relationships                                 |
|                       |                                   | Customer feedback surveys                                |
|                       |                                   | Sustainability-focused collaborations and joint programs |
|                       | <b>Suppliers</b>                  | Supplier surveys                                         |
|                       |                                   | Supplier auditing                                        |
|                       |                                   | Sustainability-focused engagements                       |
|                       | <b>Investors and shareholders</b> | Corporate responsibility reporting                       |
|                       |                                   | Financial reporting                                      |
|                       |                                   | Investor information area                                |
|                       | <b>Governing bodies</b>           | Information exchange                                     |
|                       |                                   | Emergency scenario training                              |
|                       |                                   | Auditing and compliance                                  |
|                       | <b>Local communities</b>          | Charity and fundraising                                  |
|                       |                                   | Educational sponsorship                                  |
|                       |                                   | Community development                                    |
|                       | <b>Industry groups</b>            | Auditing                                                 |
|                       |                                   | Collaborative projects                                   |
| Transparent reporting |                                   |                                                          |

|                 |                  |                                      |
|-----------------|------------------|--------------------------------------|
| <b>Internal</b> | <b>Employees</b> | Training and education               |
|                 |                  | Competency and skills development    |
|                 |                  | Safety meetings                      |
|                 |                  | Colleague well-being initiatives     |
|                 |                  | Organized charitable events          |
|                 |                  | Global employee surveys and feedback |
|                 | <b>Unions</b>    | Senior management question sessions  |
|                 |                  | All-employee meetings                |
|                 |                  | Chairing committees                  |
|                 |                  | Active participation                 |
|                 |                  | Progressive Code of Conduct          |
|                 |                  |                                      |

# Communicating our performance

At Univar we believe that reporting on sustainability performance and our future ambitions serve first and foremost to communicate truthfully and transparently to our stakeholders. Although reporting does not in itself change how responsible we are as an organization, it remains a key means of sharing material information and maintaining our public accountability.

Our annual Sustainability Report also provides a high-profile platform to re-affirm our commitments to participating in the United Nations Global Compact as a signatory. Through our alignment with the Ten Principles of the UNGC, as well as our engagement in the reporting frameworks below, we continue to champion environmentally, socially, and ethically responsible business as the right thing to do. Beyond our main annual report, we continue to report on other external corporate responsibility platforms, helping to meet stakeholder demands of sharing information and being assessed in standardized, comparable approaches. Through our engagement in these collaborative platforms we maintain a focus on transparency and as such have been pleased to see the consistently improved performance where we have been assessed by independent third parties.

**WE SUPPORT**



2018 marked the first time we have been assessed by ISS-Oekom. In this investor-driven assessment, Univar's performance in the areas of social responsibility, corporate governance, and business ethics was identified to be among the highest in the chemical business. Not only did we score within the top 2 percent of our industry in these areas, we were placed in the top 7 percent of our peers for ISS-Oekom's overall environmental, social, and governance (ESG) assessment.



As we progress in our journey to becoming a more sustainable business, we are helping our investors and customers better understand the performance of their supply chains. Following our latest disclosure to CDP in 2018, we are again pleased to see our performance well above the average for our industry in the climate change based assessment. On top of this, we have shown our customers and investors that we are taking action to improve our performance and are acting to achieve the same throughout our supply chains, scoring a "B" on the increasingly important supply chain engagement assessment. We also took the opportunity in 2018 to show our commitment to responsible business beyond our goals and for the first time we were assessed on CDP's water use assessment. Under this survey, considering the risks and actions surrounding water use, we have been awarded a rating of "C" in line with the industry average.



In our 2018 submission to EcoVadis, we were encouraged by our performance improvements from the same assessment in 2017. Our results for our latest assessment again saw Univar awarded the Corporate Social Responsibility (CSR) Silver rating from EcoVadis and placed Univar in the top 7 percent of companies assessed in our industry overall.



While Univar is not assessed by the Supplier Ethical Data Exchange (Sedex), we hold over 200 relationships with our supply chain partners up and downstream globally via this platform. Through our active Sedex participation as a supplier member, we actively share disclosures on our performance to our customers and foster further supply chain transparency on key issues with suppliers.

“...We maintain a focus on transparency and... have been pleased to see the consistently improved performance.”

# Training and developing our employees

Building a business where the best people want to work, stay, and perform at their best relies on us delivering training and development across our organization in a way that meets the unique needs of our people.

To meet the needs of both the business and our workforce, we deliver training and development opportunities across a range of platforms, both internally and externally. We offer and share a variety of leadership development opportunities from classroom-based programs across geographies to one-to-one executive coaching relationships, and management development programs. We use internal facilitators to bring a Univar context to the training, as well as external trainers who are experts in their respective fields.

Our employees, at all levels of the organization and across all geographies, can access over 70,000 on-demand course, video, and book titles to support their personal and professional development via Univar's Learning Management System. In 2018, 2,443 employees accessed our collection 11,316 times and engaged with over 2,496 unique resources in our collection. In addition to the open collection, we offer asynchronous learning programs such as onboarding programs to orientate new members of our team. In the United States last year, we launched two new learning programs—Creating a Diverse and Inclusive Workplace and Leading Through the Lens of the Law—to ensure that managers know what is expected of them and their role in creating a diverse and inclusive workplace, contributing to our progress on the sixth global sustainability goal on Equality & Diversity.

In 2018 our Sustainability Department delivered training to our sales teams in a number of regions focusing on the value of sustainable business and products to our customers and engaging the supply chain on these issues. We plan to roll this training out further through 2019.

Every employee undergoes a formal annual performance review process where employees and managers are encouraged to discuss performance and update goals throughout the year. These goals must reflect how each person contributes to the guiding principles of our business.

Our performance management process is based on these principles:

- Ensure that priorities are clear
- Provide a framework for ongoing feedback and coaching
- Document accountability
- Provide a focus on behaviors (competencies) and communicate the expectation of "how" we work together
- Identify opportunities for development to improve in current role and prepare for future roles.

Beyond this, all global employees are required to complete training on business ethics and social responsibility, ensuring responsible business is a part of everyone's role. Our extensive training also focuses on our Code of Conduct and is required of all employees. Further training on anti-bribery and corruption, conflict of interest, privacy, data protection, material handling, and environmental responsibility is required. In addition, because we are Serious about Safety, extensive safety training is conducted on an annual basis with over 107,900 course completions during 2018 in the United States alone.



# Shaping Univar through our people

Our people are a key part of what makes our business great. We are committed to ensuring our employees are listened to, are able to provide feedback to us, and know we are taking action on what is important to them. In 2018 we took a significant step forward in building our supportive, open culture for employee feedback. Under the banner "Uspeak...We Listen...We Act!" we launched our first global anonymous employee survey covering key topics including workplace culture, leadership, safety, sustainability, performance, and values.

Our leadership teams across the world are taking the results from this employee survey and are focused on positive change in the areas that are most important to our teammates. Through 2019 we will continue to analyze and extract the value from the survey results, meaningfully engage with colleagues, and share our learnings and improvements, which will drive us toward our vision of being the most valued chemical and ingredient distributor in the world.

## Univar's community outreach

**The community engagement activities and fundraising events we hold across our operations is much more than doing "good." The projects and actions taken are driven by our people for causes that matter to the individuals that make Univar great. Our collective actions form a key part of our corporate social responsibility agenda, allowing us to positively impact the communities in which we operate, providing opportunity for our teams to give back to their local areas and supporting causes around the world.**

### Inspiring the next generation

Our Downers Grove headquarters hosted children of our colleagues in celebration of Take Our Daughters And Sons to Work<sup>®</sup> day. Beyond our global employee family engagement activities throughout the year, this event focused on bringing Univar's chemistry to life for the next generation and highlighted the range of opportunities through our industry.

### You Be The Chemist<sup>™</sup>

In 2018 we continued our support for the Chemical Educational Foundation<sup>®</sup> You Be The Chemist<sup>™</sup> challenge. As a gold sponsor, Univar supports this program inspiring students and engaging educators to build a better world through the science of chemistry. You Be The Chemist<sup>™</sup> is building the future workforce by celebrating the role of science and chemistry in everyday learning and life igniting a passion for chemistry and science-related careers.

### Univar—a polymer ambassador

In 2018 we have furthered our work around educating the next generation around plastics. Distrupol is proud to have enrolled with the BPF's Polymer Ambassador scheme. The Polymer Ambassador scheme is an initiative to give people from the polymer industry the opportunity to teach children and students about the exciting world of polymers, engaging with them about the possibilities of science, engineering, and manufacturing.

### Chemistry for kids

Univar in the Nordics is a member of IKEM, which organizes 1,400 chemical and plastic companies operating in Sweden. Through many activities, IKEM works to promote chemistry and its necessity for how we live in today's society and how we develop sustainable solutions for the future. We supported the distribution of 4,500 experiments to teachers, enabling 110,000 children to take part in fun and exciting experiments across Sweden.



# Fundraising events

## J.P. Morgan Corporate Challenge®

In 2018, 30 of our colleagues ran the Chicago J.P. Morgan Corporate Challenge, the largest event of its kind on record. Through funds raised, our team was able to support Chicago Cares, a community cohesion organization promoting local volunteering opportunities and improving a city which many of our colleagues hold dear.

## Kenya school support

Over the last five years, Univar has supported a school in Kenya, supplementing the school with educational resources and providing the children with materials needed to improve attendance and support their learning. The donations and collective effort of our employees has allowed the school to enroll more students, ensured female students can consistently attend education, and helped ensure all essential learning materials are made available to students who might otherwise not be able to attend formal education.

## Supporting disadvantaged communities, Brazil

At our Osasco site, employees used their competitive edge to have a fundraising challenge in support of the local community. In celebration of the Brazilian annual event of Children's Day, our teams collectively gathered and raised funds for over 3,000 toys, which were donated to children through six child poverty alleviation associations in the Osasco area.



# Responsible labor practices

Our commitment to responsible labor practices—both across our operations and through our supply chain—is absolute. In doing so we continue to adhere to the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Through this we have greater confidence in the areas of labor practices, which we determine to be material, while signaling to our customers and suppliers what we stand for in this area. These important commitments of respecting the right to freedom of association, collective bargaining, and prohibiting all forms of modern slavery

and child labor are the minimum standards that we uphold across our business. Further detail on our employees' collective bargaining and union membership can be found in our 2018 Annual Report.

In 2018 we have been encouraged to see that we are not alone in having confidence in our responsible labor practices. As covered on page 26 of this report, we have been externally and independently recognized by ISS Oekom for industry-leading performance on social and ethical performance.

# Legal compliance

Building and maintaining trust and strong relationships with our stakeholders is something to which we give great value. Through 2018, we were not subject to any substantiated complaints or incidences of corruption, bribery, anti-competitive behavior, data loss, or privacy breaches.

Furthermore, we were not in breach of and did not receive any material penalties in relation to the sale of banned products, non-compliance with marketing and labeling regulations, product health and safety, or occupational health and safety or environmental laws and regulations. Significant penalties/fines are considered to be those in excess of \$100,000.



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# Nexeo Solutions' approach to better business

As we moved through the transformational combination of our two great companies and became Univar Solutions, it is important to also reflect on Nexeo Solutions' sustainability program to date. Nexeo Solutions released its first global sustainability report in 2017, formalizing the wider agenda of corporate social responsibility and establishing sustainability goals. The material over-leaf details each of Nexeo Solutions' goals set out in 2017 and highlights progress through 2018.

# Protecting our environment

## Target:

Reducing Volatile Organic Compound (VOC) emissions by a minimum of 4 tons.

## Progress against the global goal

In 2018 Nexeo Solutions operations continued their longstanding significant environmental infrastructure investments as part of efforts to reduce the impacts of operations. Through the installation of improved VOC scrubbing systems, Nexeo Solutions has exceeded the global goal set in 2017 of reducing VOC emission by more than four tonnes per year.

Nexeo Solutions has continued to realize the value of proactive energy and emissions management. Through energy efficiency measures, environmental investments, and responsible service offerings, Nexeo Solutions has achieved significant energy use and emissions improvements since baseline data was set in 2012.

As well as energy and emissions, Nexeo Solutions has continued to make significant advances in reducing the environmental impacts of waste generated, through both operations and customer facilities.

# Deliver a differentiated customer experience

## Target:

Increase Net Promoter Score (NPS) from chemicals customers by two points compared to the previous year.

## Progress against the global goal

Nexeo Solutions' customer-tailored services are a key part of delivering a differentiated customer service. Over 450 employees help customers become more resource-efficient by providing a one-stop service for all materials, supplied via Nexeo Solutions' technology-driven distribution and services network.

Since 2018 Nexeo Solutions has continued to deliver services that allow customers to achieve their own sustainability goals around waste. Through waste management services, Nexeo Solutions has supported customers by identifying options to reduce waste and applying sorting and separation practices for customer waste. This is done alongside partners to recycle, compost, recover, repurpose, or treat all types of waste. Over the last year, Nexeo Solutions teams have continued to support customers to reduce total waste quantities, and in some cases completely eliminated customer waste to landfill; this is just another way Nexeo Solutions delivered extra value to customers.

# Upholding ethics and compliance

## Target:

Achieve compliance training completion for all covered employees.

## Progress against the global goal

Through 2018 Nexeo Solutions have continued to champion already high standards held regarding business conduct and ethical practices. Beginning in 2017 Nexeo Solutions developed and implemented the Global Standards of Business Conduct (GSBC) to define a set of standards that serve as an ethical compass for

decision-making in all business activities. The GSBC defines the minimum standards of behavior expected of all employees in the company.

Additionally, Nexeo Solutions has continued to support ethical labor practices and legal compliance as a signatory to the United Nations Global Compact and actions supporting the United Nations Sustainable Development Goals (SDGs). Through efforts on upholding ethics and compliance, Nexeo Solutions' actions have helped support SDGs 5 and 10—Gender Equality and Reduced Inequalities, respectively.

# Engaging employees

**Target:**

Invest in employees through annual performance reviews, professional development plans, and training.

**Progress against the global goal**

Employee engagement at Nexeo Solutions has remained a key part of the company's global sustainability strategy. Through all-employee training programs, skills development investments, and working closely with the communities around their facilities, Nexeo Solutions has furthered their historic employee engagement, delivering value beyond the business.

# Working safely

**Target:**

Aspirational goal of zero recordable injuries and improve performance each year. Expand additional safety training to 100 percent of employees in North America.

**Progress against the global goal**

2018 was another proud year for the safety record of Nexeo Solutions. In the last year, the company's TCIR rate remained to be industry leading at a rate of 0.53, reflecting the hard work of Nexeo Solutions' teams globally and the paramount importance of safety instilled throughout the organization. Through 2018 Nexeo Solutions continued to expand their employee safety observation program, promoting employee habits of keeping safe behaviors and safe conditions at the forefront of all employees' thinking.

# Sourcing responsibly

**Target:**

Secure supplier acknowledgement of the Nexeo Solutions Supplier Code of Conduct:

85 percent of top 80 percent of lbs. purchased from suppliers.

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90 percent from indirect procurement suppliers based on cost.

**Progress against the global goal**

A key part of Nexeo Solutions' efforts in improving responsible sourcing is actioned through the globally applied supplier standards program. In 2018 Nexeo Solutions has progressed on the journey of communicating the global Supplier Code of Conduct, detailing aspects of expectations on suppliers around ethics and responsible conduct, including upholding human rights, labor rights, anti-corruption, anti-bribery, and environmental stewardship.

Beyond the direct procurement of products sold, Nexeo Solutions has furthered work of building sustainable decisions into indirect procurement through resource efficient packaging and energy efficient infrastructure.



# Sustainable procurement rating

## Target:

Achieve a minimum EcoVadis score of 55 and a Corporate Social Responsibility (CSR) Silver rating status.

## Progress against the global goal

Since initially reporting to EcoVadis in 2015, Nexeo Solutions has made significant improvements in this increasingly important sustainability assessment platform. In 2018 Nexeo Solutions was awarded 55/100, resulting in a CSR Silver award being issued by EcoVadis and meeting Nexeo Solutions' global target set in 2017. Not only is this a significant improvement for Nexeo Solutions, but also this independent assessment ranked the company within the top 18 percent of companies in

their industry for overall sustainability performance.

Univar's acquisition of Nexeo Solutions makes great sense for our businesses in terms of our shared vision, mission, values, and reach. In addition, the close complimentary alignment of our approach to sustainable business makes a strong foundation on which we will build the sustainable future of Univar Solutions.

Nexeo Solutions has made great strides in its work to embed the values and practices of sustainable business into their culture. The similarities, synergies, and value in our respective approaches to sustainable business, outlined below, will be the basis for building our future as Univar Solutions.

|                                                             | Univar<br>Our Home,<br>Our Responsibility | Nexeo Solutions<br>Not just in what we do,<br>but how we do it |
|-------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------|
| Public Sustainability Report                                | ●                                         | ●                                                              |
| GRI framework based reporting                               | ●                                         | ●                                                              |
| Global sustainability goals                                 | ●                                         | ●                                                              |
| Materiality-based CSR agenda                                | ●                                         | ●                                                              |
| EcoVadis participation                                      | ●                                         | ●                                                              |
| Commitment to sustainable solutions                         | ●                                         | ●                                                              |
| Focus on sustainable operational excellence                 | ●                                         | ●                                                              |
| Ultimate goal to improve lives through sustainable business | ●                                         | ●                                                              |

By bringing the best of the best together through this acquisition, we are leveraging our position to become sustainability leaders in our industry, focused on collaboration and knowledge sharing. This integration heralds an important step up in our collective efforts to achieve the sustainability goals we have set to 2021.

Through 2019 we are bringing the best of our respective approaches to doing business sustainably together and bringing to a close our independent programs. Overleaf we set out the ambitious new vision for sustainable business at Univar Solutions.



# Our sustainable future— Univar Solutions

By combining the experience and resources of Univar and Nexeo Solutions, the new Univar Solutions is uniquely positioned to drive growth and deliver significant value for shareholders, customers, suppliers, and employees. This is reflected in our renewed vision, mission, and set of cultural values below.

## A new age of sustainable business for Univar Solutions

We are a purpose driven, values based company and we are building on our existing commitments to embed sustainable practice into our business. As Univar Solutions, we are setting out a new and enhanced focus on sustainable business across our operations globally and in collaboration with our supply chains. Through this we are committed to becoming leaders in embedded organizational sustainability where the economic, environmental, and social aspects of everything we do influence our decision-making.

Our vision, mission, and cultural values as Univar Solutions—combined with our teams' expertise and our unique industry position—put us on track to change the face of responsible chemical ingredient distribution. We will continue to create value beyond our business, delivering material benefits to our customers, suppliers, shareholders, employees, and the communities in which we operate. The collaborative efforts with these stakeholders will play a key part of our sustainability agenda moving forward and help us deliver our aim to be the most valued chemical ingredient distributor on the planet.

### Vision

To redefine distribution and be the most valued chemical and ingredient distributor on the planet.

### Mission

Streamline. Innovate. Grow.

### Cultural values

Serious about safety  
Where people matter  
Valuable to others  
We do what we say  
Together we win

## Holding ourselves accountable— Univar Solutions' sustainability goals

While our business undergoes the greatest transformation in our history, we are not leaving our existing commitments behind. The closely aligned approach taken by both Univar and Nexeo Solutions on sustainable business and our near parallel material aspects mean that our goals remain relevant and ambitious to Univar Solutions. As we move forward in our journey toward more sustainable business, we will continue to update the specific targets, but remain steadfast in

working toward our 2021 global sustainability goals. In addition and as illustrated overleaf, we are taking another positive step to enhance what we want to achieve through our goal on Resource Use. Under this goal we are developing our focus away from simply using less and instead toward building the principles of the circular economy into our operations and into our supply chains.

The *Advancing a Circular Economy* pictorial to the right defines the characteristics of **Resource use**, as listed in the goals below.



As a result of this proactive and ambitious refocus, we present Univar Solutions' goals for 2021.



### Energy & Emissions

Minimize our environmental impact by reducing energy usage and associated emissions.



### Resource Use

Embed the principles of advancing a circular economy into our practices globally.



### Responsible Handling

Protect our people, communities, and environment by leading a "Zero Release" culture to minimize major releases.



### Safety

Continuously improve our proud safety record, protecting our workforce and demonstrating we are **serious about safety**.



### Sustainable Supply Chain

Lead on transparency in the supply chain as we responsibly manage and influence the environmental and social impacts of our suppliers.



### Equality & Diversity

Demonstrate our commitment to providing equal opportunities to all employees, through training, education, and reporting.

The goals for 2021 form the center of our journey toward a more sustainable future as Univar Solutions. However, we cannot achieve our global goals alone. Our vision for a more sustainable business is a one in which all stakeholders join our efforts and realize the shared value together; after all it is **Our Home, Our Responsibility**.



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# Behind the report

## Significant reporting changes

The year ending December 31, 2018, has been an exciting one for Univar. Market expansion and acquisition forms one of the five pillars of our global strategic plan. In the 2018 calendar year, Univar identified the opportunity to strengthen our end-market capabilities and reinforce our product and service portfolio through the acquisition of two companies in EMEA—Kemetyl Industrial Chemicals and Earthoil Plantations Limited.

With the exception of the above, there were no further material changes to operational locations, the company's capital structure, Univar's global supply chain structure, reporting periods, material topics, or their boundaries.

# Material restatements

Material restatements have been made to historic data relating to energy, emissions, waste, and water in this report compared with those results published in Univar's 2017 Sustainability Report. In part this is due to recalculations reflecting significant changes due to acquisitions by Univar in 2016 and 2017, which were not previously accounted for. Further retrospective revisions of information, which have become available since previous reports, also contributed to the updated figures in these recalculations. All recalculations of emissions have been carried out in line with the GHG Protocol Corporate Accounting and Reporting Standard, the principles of which have been applied to non-emissions-specific metrics.

Minor restatements have also been made to global release metrics and TCIR figures to retrospectively reflect the effect of acquisitions and to include events relating to the calendar year, which were concluded following the publication of the reports and those from acquisitions.

As well as the revisions above, we have revised the primary units of measurement in the intensity metrics of our Energy & Emissions and Resource Use sustainability goals. The denominator units used have been changed from "per metric ton merchantable" to "per million USD in sales." These revisions help us to more accurately reflect our performance based on the activities of our business as Univar Solutions.

# Emissions methodologies

We continue to align our emissions data collection methodology with the GHG Protocol's Corporate Accounting and Reporting Standard alongside the GHG Protocol Technical Guidance. Data has been collated for all operational sites and significant offices for the 2018 calendar year using the 2018 UK Government GHG factors for all conversions with the exception of non-UK electricity, which was calculated using 2015 UK Government GHG factors, the latest versions available. All emissions figures featured in this report relate to our Scope 1 (direct) and Scope 2 (indirect) emissions only. Where appropriate, we have made informed estimations for a small number of sites. All emissions data in this report relating to previous years were calculated using the corresponding year's UK Government GHG factors with the exception of non-UK electricity, which, like 2018, is calculated using the most recent 2015 UK Government GHG factors.

At present, we do not publically report our Scope 3 emissions, although a limited range of these

emissions are collected in select regions. Moving forward, Univar Solutions will further identify reliable, accurate Scope 3 emissions data across our regions with the longer term intent of disclosing appropriate category Scope 3 emissions. As we continue to make progress toward our global sustainability goals, our fixed 2016 baseline for all sustainability metrics reported in this document remains the data set against which subsequent data is compared.

Using guidance from the GHG Protocol Corporate Accounting and Reporting Standard, Univar has included data from all operations deemed to be under Univar's operational control. This excludes third-party warehouses and third-party operated transportation. In instances where accessing the data for some of our smaller rented offices has proved disproportionately difficult to obtain, we have chosen to estimate energy, waste, and water data, applying informed estimation methods.

## GRI Content Index

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and submitted to the GRI report registration system, notifying the GRI of this claim.

Details of any omissions of individual GRI Standards, or parts thereof, are provided in the GRI Content Index with explanation. Currently, neither this report nor the data within it have been externally verified. Univar Solutions' GRI Content Index can be found in our separate [GRI Content Index document](#).



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