

Communication on Progress

3 September 2019, Vantaa

Statement of continued support by the Chief Executive Officer

In September 2018, Uponor committed to support the ten principles of the United Nation's Global Compact with respect to human rights, labour standards, environmental protection and anti-corruption, and to advance these principles within our company.

During the past 12 months, Uponor has made progress on embedding sustainability even more into our strategy. Uponor has made a prioritisation of United Nation's Sustainable Development Goals, where we focus on clean water and sanitation, decent work and economic growth, responsible consumption and production as well as climate action. These four areas are the ones where we feel that we can truly contribute and make a difference. Uponor will continue to deepen its sustainability approach by defining measurable targets for each focus areas.

This annual Communication on Progress describes how Uponor have started to integrate the Global Compact and its principles into its business strategy, culture and daily operations.

I am pleased to confirm Uponor's continued commitment to the ten principles of United Nation's Global Compact.

Sincerely yours,



Jyri Luomakoski
President & CEO
Uponor Corporation

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Uponor respects human rights as defined for example in the United Nations' Universal Declaration of Human Rights. All Uponor companies and employees shall comply with the spirit and the letter of applicable international and national laws and regulations wherever Uponor conducts its business.

In human right matters, Uponor Code of Conduct is a practical guideline for all Uponor employees. It deals with such issues as conflicts of interest, dealing with confidential information, the environment, politics, and of course employees, customers and suppliers. Employees are expected to take the code seriously - any breaches are subject to appropriate disciplinary action up to and including termination of employment.

Every Uponor employee is required to familiarise themselves with the Uponor Code of Conduct, and supervisors should run through it regularly, for instance in Leading performance discussions, or through team meetings. In order to take our Code of Conduct closer to employees and make it easier to understand, we have been preparing a new and easy to use e-learning module with practical exercises.

In 2018, Uponor launched a whistle-blower channel, which enables employees to report non-compliant behaviour also anonymously.

During the past 12 months, no incidents related to human rights violations were detected in daily management processes, internal audit investigations or through the whistle-blower channel in Uponor's operations.

[Uponor Code of Conduct](#)

Labour principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Uponor is committed to providing equal opportunities and strives to provide an environment where every employee and customer feels respected and valued. No discrimination based on for example race, nationality, age, religion, disability, gender, sexual orientation, union membership or political activity is allowed. Respecting the richness of our differences – in terms of individual traits, styles, education, experience, skills, beliefs and talent – not only benefits our organisation, but also contributes to the success of the community we serve.

Uponor's way of working is:

- Creating a culture that respects and values each other's differences and recognises that diversity is a great asset to the company and the people it serves;
- Raising awareness of and promoting belief in the advantages of diversity;
- Developing our processes to respond to these requirements in such a way that we will be able to follow up and lead our organisation towards achieving the right level of diversity and,
- Ensuring that all employees are aware of these objectives and encouraged to support them.

Diversity makes Uponor a better place to work, helps us better understand our customers' needs, and enables us to provide outstanding service.

In the end of 2018, women were well presented in Executive Committee (40%) and Board of Directors (50%). 25% of Uponor's all employees were women in the end of 2018.

Uponor does not allow child or forced labour or engage suppliers that do so. Uponor strives to provide fair compensation as well as a safe and healthy workplace for all employees.

The health and safety of employees is a management priority and Uponor is striving towards zero accidents. In 2018, Uponor's lost time injury frequency was 12.7 (8.9). The increase was due to increase in accidents during commuting and business trips.

[Uponor Code of Conduct](#)

[Uponor Diversity Statement](#)

[Management System Policy](#)

Environmental principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Uponor operates in an industry with a strong influence on sustainable living with an objective is to enrich people's way of life by offering high quality indoor climate, plumbing and infrastructure solutions that enhance the wellbeing of our customers and the communities we all live in. Sustainability plays a key role in fulfilling this objective. The environmental aspects of our product offering and the aim is to continuously reduce the overall environmental impact of our business operations. Through innovation and partnerships, Uponor is committed to long-term value creation and to creating a more sustainable world.

Uponor pursues an environmental management system according to the standard ISO 14001, and an energy-management system compliant with the standard ISO 50001, to reach its environmental and energy targets systematically. In 2018, 14 of our 18 manufacturing facilities were ISO 14001 certified and 7 ISO 50001 certified. The aim is to have all Uponor's manufacturing facilities certified under ISO 14001 and ISO 50001 by 2020.

Uponor continues to strive to reduce its greenhouse gas (GHG) emissions and waste. Uponor's scope 2 GHG emissions lowered driven by increased purchase of certified green electricity. Uponor aims to increase the share of green energy in the future. At the same time, scope 1 greenhouse gas emissions increased due to an increase in the products manufactured and addition of two new manufacturing facilities to the reporting scope. However in 2018, investments have been made to reduce electricity consumption in manufacturing facilities e.g. LED lighting and new more energy efficient heat pump system have been installed. Uponor's target is to reduce scope 1 and scope 2 greenhouse gas emissions by 20% per net sales by 2020, from 2015 levels.

Environmental matters are covered by Management System Policy

[Management System Policy](#)

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Uponor prohibits all bribery and refrains from participating in any money-laundering.

The purpose of Uponor's internal audit is to support the Board of Directors and management in monitoring the effectiveness of corporate governance, internal control and risk management. Internal audit mandate covers all functions and entities within Uponor. Internal audit function is authorized to have unrestricted access to all company records, physical properties and personnel relevant to the performance of functional duties and obtain the necessary assistance of personnel within Uponor when performing the audits. Internal auditing is an independent, objective assurance and consulting activity designed to add value to and improve Uponor Corporation's operations.

Uponor's Code of Conduct states that Uponor does not participate in politics and does not support political parties or groups financially or otherwise.

In addition to Code of Conduct, Uponor has a number of internal policies and guidelines to support building ways of working that prevents anti-corruption.

In 2018, Uponor launched a whistle-blower channel, which enables employees to report non-compliant behaviour also anonymously.

No incidents related to corruption or bribery were detected in daily management processes, internal audit investigations or through the whistle-blower channel in Uponor's operations.

[Uponor Code of Conduct](#)