

Evolution

2020 ANNUAL REPORT

Growth and
resiliency in a
time of change



Empowering Trust[®]

Evolution

One of the biggest lessons from 2020 is that there is strength in unity during a time of rapid evolution. Working with our customers, and in collaboration with regulatory authorities, we helped to expedite critical medical and safety solutions to the market, hospitals, temporary care facilities and retailers around the world. We developed digital solutions, such as remote audits, to reduce risk while conducting business. We remained a trusted constant partner to our customers in a world of continuous change.

2020

Our evolution extended beyond the pandemic, to our core values as humans and a company. We continued to refine the ways we support social justice, equity and environmental issues within UL and our communities. We know the year ahead will create new challenges and new successes. As we work together with our customers to advance safety, security and sustainability in a transformed world, we will continue to foster innovation, drive positive change and empower trust — together.

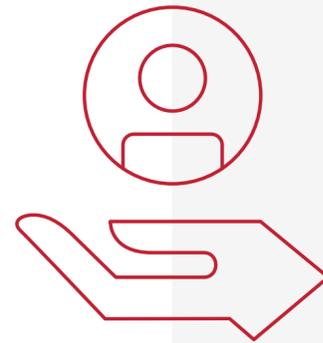
Thank you to our employees, customers and stakeholders

I thank every UL employee for their extraordinary performance this year. I thank our customers for your continued loyalty. I thank our stakeholders for your contributions to supporting and enhancing the pursuit of our mission.

COVID-19 and UL

A lethal, microscopic pathogen brought the world to a standstill in 2020, shutting down businesses and limiting traditional human routines while inflicting devastating losses of life and livelihood. The global COVID-19 pandemic, the largest health and economic crisis in a century, continues to reshape how we live, work and play.

UL's work is essential, and thanks to our employees, UL never closed. Our designation as "essential" imposes a set of responsibilities. We're essential to the safety of healthcare workers and their patients, fire and police departments, the energy grid and utilities. UL is essential to the safety of the global supply chain. The UL Mark instills trust in our



From the very beginning of the pandemic, UL was on the ground helping our customers. I'm so proud of the way we rapidly refocused our operations to meet the needs of our customers.

Our total impact is too great to list in detail, but a few highlights include:

- [Supported medical device manufacturers](#) in ensuring the safety of breathing and intensive care products.
- [Certified UVC sterilizing units](#) that are used for disinfecting equipment in healthcare facilities.

customers' products and services and reassures consumers around the world. In the face of uncertainty and even conflicting debates about how to combat the virus, safety and safety science have never been more important.

Steadfast in our mission of safety, UL employees worked together to meet the enormous challenges of the pandemic. We altered work schedules and workplaces to permit our laboratories and field services to continue to operate. We developed innovative ways to serve our customers, enabling them to keep their essential businesses operating and bring their new products to market quickly.

- [Expedited the testing and certification of a new COVID-19 filtration system](#) for hospitals and nursing homes.
- [Developed virtual food safety audits](#), improving the safety of grocery store and restaurant food supplies.
- Worked with a laboratory-grade refrigeration equipment manufacturer to [certify the minus 70 degrees Celsius storage systems that process biological products and help advance vaccine development](#).
- [Advanced UL Verified Healthy Building Mark](#) to offer proven indoor environmental quality (IEQ) testing and verification, helping businesses provide reassurance to employees and safely stay open.
- [Assisted the broader business community to safely return employees to offices](#) by developing and distributing the Start Safe Playbook, a set of industry best practices regarding safety, environmental and public health measures.

Our Strategy and our Ambition

As a 126-year-old company, UL celebrates its proud legacy but also embraces its stewardship to customers and employees to ensure that UL will continue to prosper for the next century. To this end, we had already begun refreshing our strategy when the pandemic struck.

We had a choice to make, and we kept going. We were determined that this crisis would not be wasted; we would come out of the downturn stronger, evolving to focus our portfolio and remain professionally relevant. We named our evolution the “Alpha Strategy.” Our research and analysis confirmed that UL has an enviable set of core capabilities, fueling enormous potential for us to extend our value to our customers by working with them to solve the modern safety challenges they face.

We regard our core capabilities in safety science — fire, electrical and energy safety — as our crown jewels. Our core is the place of our biggest competitive advantage, and it’s how most of our 90,000 customers first got to know us.

Our core also provides the foundation to move into new and attractive adjacency markets. It’s an increasingly interconnected world, and we are ready and willing to work with our customers to provide solutions for addressing those new risks where they need and want our help.

At the forefront of Alpha Strategy is our Ambition, a clear statement of who we aspire to be: We will serve as our

customers’ most trusted, science-based safety, security and sustainability partner.

Our Ambition is grounded by our mission to help to make the world a safer place. We direct this mission toward customers who are turning to us to help them better understand and address the interactions between components, products, systems and assets and create safer solutions. Our customers want more of UL’s science and technical expertise. They want a partner to help them solve their biggest innovation challenges.

Equally critical to our Ambition are our employees who perform so admirably, taking pride in their performance. “We are really carrying out our mission, making the world a safer place,” one employee emailed. “If this is our blueprint for going through a crisis, we are showing our true colors with excellence.”

Our Ambition concludes by articulating a focus on leadership in all of our businesses and delivering best-in-class stakeholder returns through continued growth coupled with operational excellence.

In addition to the pandemic and the resulting economic crisis, 2020 was not an easy year for any of us in the U.S. as protests against long-standing racial and social injustices erupted across the country. At UL, we paused and asked all employees around the world to connect with each other; almost 1,000 employees joined inclusion conversations. We listened and reflected on the emotions many of our

colleagues felt in the wake of injustices that they themselves experienced throughout their lives. Drawing on these inclusion conversations, we developed the UL Diversity + Inclusion activation plan, a true commitment to action. UL is dedicated to providing a physically and psychologically safe workplace where all employee contributions are recognized and rewarded and where all employees can learn and grow.

Conclusion

In summary, despite the many challenges of 2020, UL achieved profitable growth by developing new innovations that enhanced our service delivery, controlling expenses, and gaining market share with many of our industry-leading offerings. Additionally, we continued to evolve by overhauling our operating model to support the Alpha Strategy.

I feel extraordinarily privileged to lead one of the world’s most important organizations. UL’s mission and work matter. We live our mission every day.

**We’re evolving in pursuit of our Ambition.
The best is yet to come.**



A handwritten signature in black ink that reads "Jennifer Scanlon".

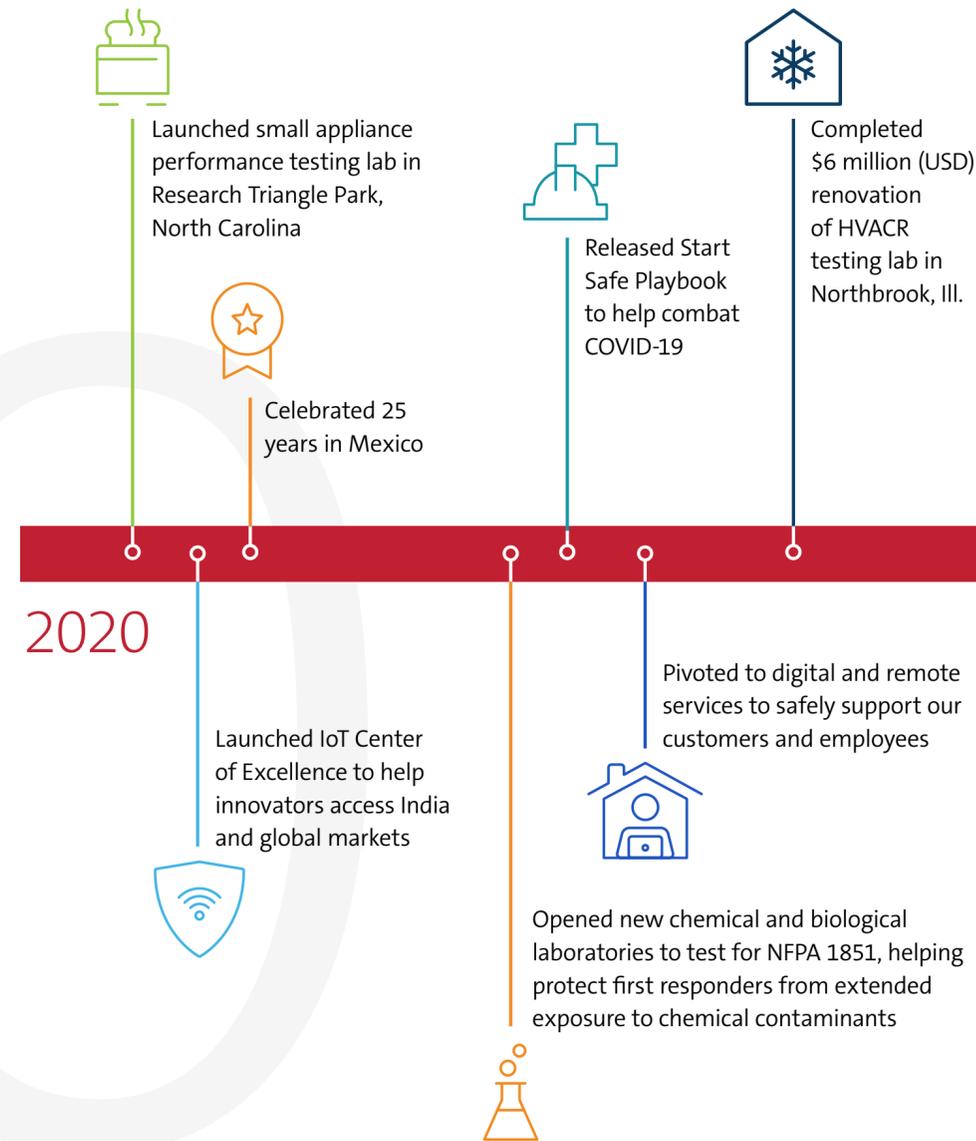
Jennifer Scanlon

Pronouns: she, her, hers
President and Chief Executive Officer, UL Inc.

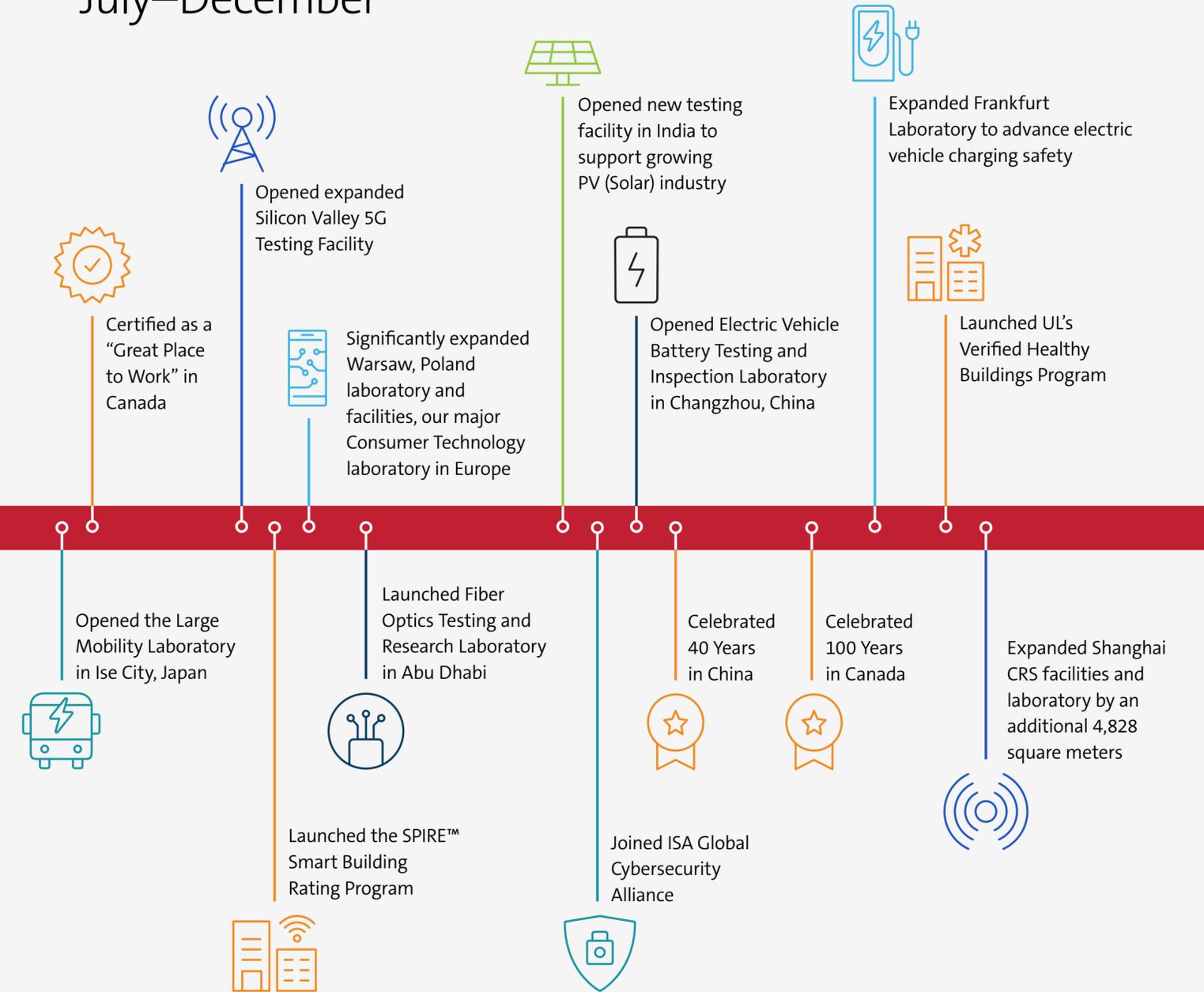
Our year in review

Our year
in review

January–June



July–December

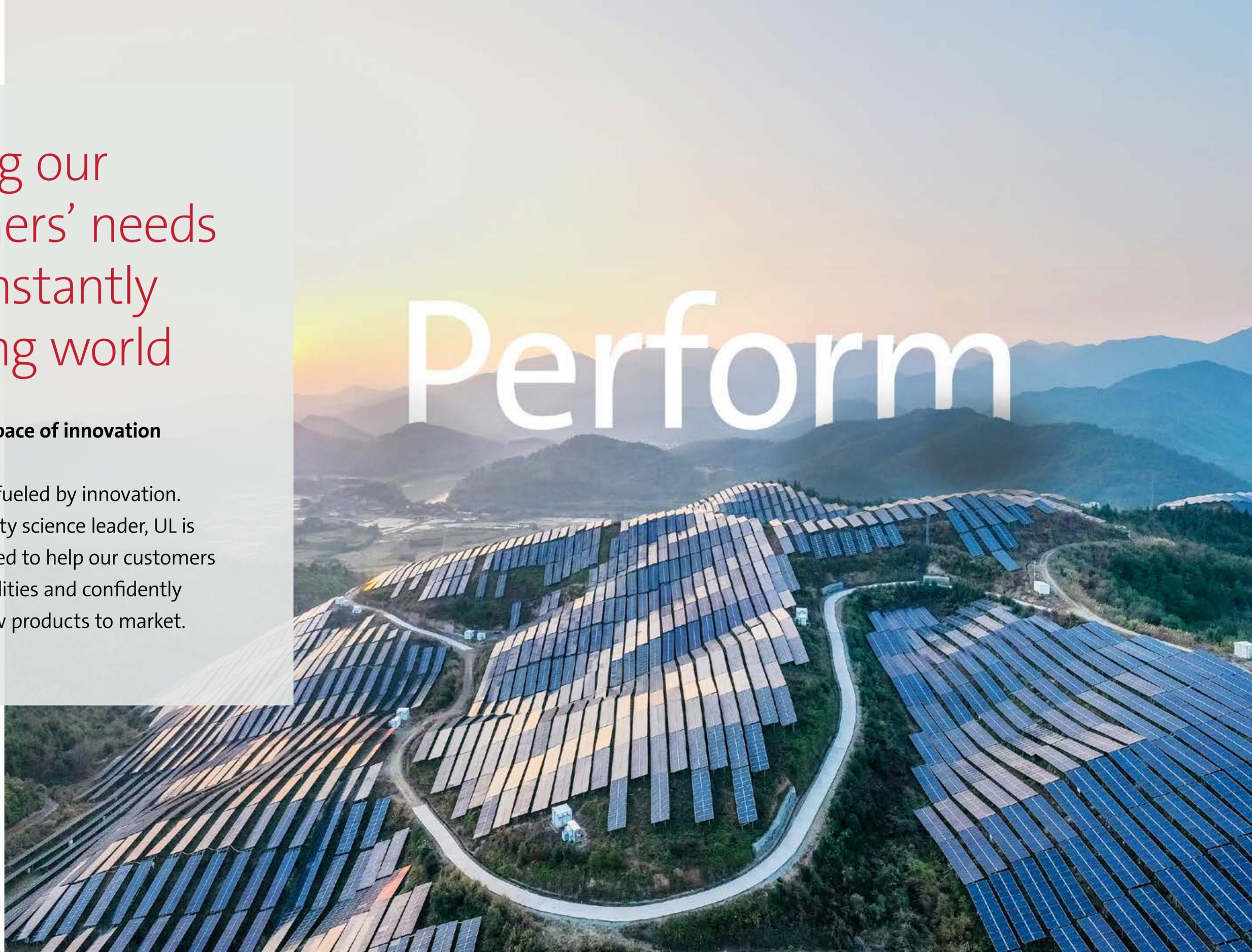


Meeting our customers' needs in a constantly changing world

Accelerating the pace of innovation

All industries are fueled by innovation. As the global safety science leader, UL is uniquely positioned to help our customers see all the possibilities and confidently bring exciting new products to market.

Perform



Enhancing micromobility safety

Perform

Panasonic became the first organization to certify to UL 2849, the Standard for Electrical Systems for eBikes, for their GXO and GXL models, BEP-NUA251F and BEP-NUA252F series. The UL 2849 Standard aims to minimize risks from e-bike system fires or explosions, such as lithium-ion battery thermal runaway, as well as electric shock hazards. With this certification, UL continues to help innovators quickly bring to market safer and more sustainable electric mobility products.



Reducing fire risks

Fire safety systems, such as automatic detection and alarms, smoke ventilation systems, water suppression, lightning conductors and fire doors, all have specific requirements for maintenance and routine inspection. It can be difficult for building owners and managers to accurately track and manage all of these critical tasks. Our software platform, UL Built InForm™, makes it easier to proactively protect occupants from fires and other safety risks. We developed this solution in response to the Grenfell Tower tragedy, which is still under investigation, and highlighted the need for more comprehensive building management solutions.





Cord-free EV charging

The Lumen Group worked with UL's engineers and laboratory technicians globally on the safety and performance of their wireless power transfer charging equipment. Using this technology, the driver of an electric vehicle (EV) can simply park in a designated location to charge their EV — no cords or direct contact needed. This pioneering work may lead to further innovations, such as enabling an EV to charge whenever it is stopped, such as at drive throughs, toll booths or stoplights. The Lumen Freedom wireless power transfer system was the first to achieve certification to UL 2750, the Outline of Investigation for Wireless Power Transfer Equipment for Electric Vehicles.

Innovative energy options

Bidirectional chargers power up EVs and, at the same time, provide energy back to the electrical grid. This technology enables EV owners to earn money while they are parked for doing their part to help stabilize the power grid. Fermata Energy's bidirectional electric vehicle charging system is the first in the world to be Certified to UL 9741, the Standard for Bidirectional Electric Vehicle (EV) Charging System Equipment.



Strengthening security in new, connected arenas

Enhancing mobile payment security

Provider of secure personal authentication for mobile payment solutions, MYPINPAD is the first company globally to be certified to the Payment Card Industry (PCI) Security Standards Council's Contactless Payments on COTS (CPoC™). This means that MYPINPAD SoftPOS meets key security requirements that help ensure the payment process is protected. With this certification, UL is helping open new customer experiences and economic opportunities for merchants who now can bypass traditional credit card terminals and conduct a contactless transaction on a smartphone or tablet without any external hardware.



“We are extremely excited about our collaboration with UL. With its extensive experience in the payments industry, UL has helped MYPINPAD drive trust with both partners and customers and paved the way for significant adoption of a disruptive technology that has the potential to change forever card payment transaction schemes.”

— Justin Pike, chairman and founder, MYPINPAD

Protecting the connected home

GE Appliances is the world's first household appliance brand to test its connected products against UL's IoT Security Rating assessment, a security verification and labeling solution for consumer Internet of Things (IoT) products. Using an easily understood grading system on product labels enables manufacturers and developers to clearly communicate the security features of their products, helping consumers make informed purchasing decisions.



Reducing ocean pollution

Each year, more than 11 million metric tons of plastics enter oceans, a number that is estimated to triple by 2040, according to the Ocean Conservancy and the Pew Research Center. UL and OceanCycle are collaborating to reduce ocean plastic pollution by supporting the harvesting and recycling of plastic waste before it enters oceans. To build manufacturer and purchaser confidence in the use of these materials, the two companies are working together to increase market access and awareness of the standards for recycled plastics.



“HP believes that what’s good for the environment is good for both business and society. We recognize the importance of third-party validation in bringing recycled content claims to market. Validation to UL’s recycled content Standard helps ensure we are transitioning to a circular economy reliably and transparently while creating a positive social impact for plastic collector communities.”

— Ellen Jackowski, chief sustainability and social impact officer, HP Inc.



Innovating responsibly

HP focuses on using sustainable materials in their innovative products while also creating good economic opportunities for underserved communities. The company is the first to achieve validation to UL 2809, the Environmental Claim Validation Procedure (ECVP) for Recycled Content Standard, which now includes auditing social responsibility procedures. HP achieved their recycled content validations from UL for five of their resins, which contain content from recycled, ocean-bound plastic.



Meeting the sustainability challenges of the future

Managing safety risks

UL Field Evaluations helped a nationwide wellness retailer to meet sustainability goals and manage employee and workplace safety risks. The retailer installed energy management systems (EMS) to support its sustainability and cost management initiatives. Eager to ensure compliance of the equipment, the retailer partnered with UL to perform on-site and virtual safety evaluations of the EMS to NEC requirements.

Perform



“For field engineers, one of the biggest benefits of Business Resource Groups is their power to connect people across physical distances and build a sense of community and belonging across the entire company.”

— **Sherrie Matterness,**
program/project manager,
UL's Field Operations



Enhancing our services

Customers are at the center of everything we do. We strive to understand the needs of our customers and to make interactions with UL as seamless as possible. Acting on customer feedback to enhance our UL Follow-Up Services program, we launched several programs to streamline the way customers engage with us. The Enhanced Partnership Model moves our customers into a predictable, simplified invoicing structure allowing for future enhancement of our services. Our Field Services app allows our customers to easily purchase and repeat label orders on an easy to navigate e-commerce solution.

Our sustainability commitment

At UL, we are on a shared mission with our customers and stakeholders to make the world a safer, more secure and sustainable place. As a Signatory to the UN Global Compact, we maintain a principles-based approach to doing business that motivates us to achieve positive outcomes for our customers and stakeholders through prioritizing the sustainability of our planet, its people and prosperity.

Perform

As we support our customers' sustainability goals through our solutions, we drive progress on all UN Sustainable Development Goals (SDGs). Through our operations and the corporate sustainability initiatives we undertake, we target the following SDGs:



Goal No. 3

Good Health and Well-Being — Ensure healthy lives and promote well-being for all ages



Goal No. 11

Sustainable Cities and Communities — Make cities and human settlements inclusive, safe, resilient and sustainable



Goal No. 12

Responsible Consumption and Production — Ensure sustainable consumption and production patterns

We have detailed our sustainability strategy and commitments in our 2020 Sustainability Report.



Supporting new possibilities

As part of UL's commitment to the UN SDGs, we provided pro bono certification and funding for a renewable solar-powered light developed by Watts of Love, a nonprofit organization bringing safe, clean lighting to some of the world's poorest communities. [Watts of Love](#) solar lights eliminate dependency on dangerous and toxic kerosene as a light source, improving the health and well-being of each recipient and their family. Every light is distributed in tandem with a financial literacy program that teaches participants how to convert the resulting kerosene savings (upward of 15% of a family's earnings) into sustainable income.



Living our mission: working for a safer world

Responding to challenges, driving positive change

2020 challenged the world to move at the speed of science. At UL we had started work to refresh our business strategy before the pandemic began. Teamed with our safety science expertise, this enabled us — in partnership with our customers and stakeholders — to be an essential part of the global battle against COVID-19.

We supported our customers with expedited safety testing and certifications for medical devices, equipment and essential supplies, developed processes for virtual audits and helped businesses to safely reopen when the time was right. We also looked within to confront bias and injustice, sharing our experiences in a series of global inclusion conversations and creating new, measurable commitments that will result in a more equitable future at UL and in our communities.

Transform

A woman in a white lab coat, blue surgical cap, and white face mask is working in a laboratory. She is using a pipette to transfer liquid into a multi-well plate. The background shows laboratory equipment and a computer monitor.

UL and our customers were essential in 2020

Many of our customers played vital roles in the battle against COVID-19. We are proud that they chose to partner with us to support this critical work, some of which is shared in this video.

Transform



Supporting customer innovation

Easy access to COVID-19 testing is critical to controlling the spread of the virus. Our customer, DnaNudge, developed an innovative, personal-use COVID-19 testing solution to detect the presence of the virus in just over an hour, outside of a laboratory environment. UL team members from the U.K., Poland and Denmark collaborated across borders and business divisions to rapidly develop and conduct appropriate testing procedures for this breakthrough solution. UL's ability to evaluate the safety of breakthrough technology was essential to our customer's success.

Transform



"This team kept an essential production line running. If UL wouldn't have completed the testing in time, our customer would have had to halt production."

— **Paul Hilgeman, engineering manager, UL's Life and Health Sciences**

Leveraging safety science expertise

When far-reaching supply chain shortages forced changes to the construction of medical devices and equipment, our team was able to accelerate the certification process necessary to quickly get these products to market so that temporary emergency facilities, hospitals, urgent care centers and healthcare workers could access the technology they needed to save lives. Our rapid response to supply chain issues also helped our customers avoid costly production shutdowns.



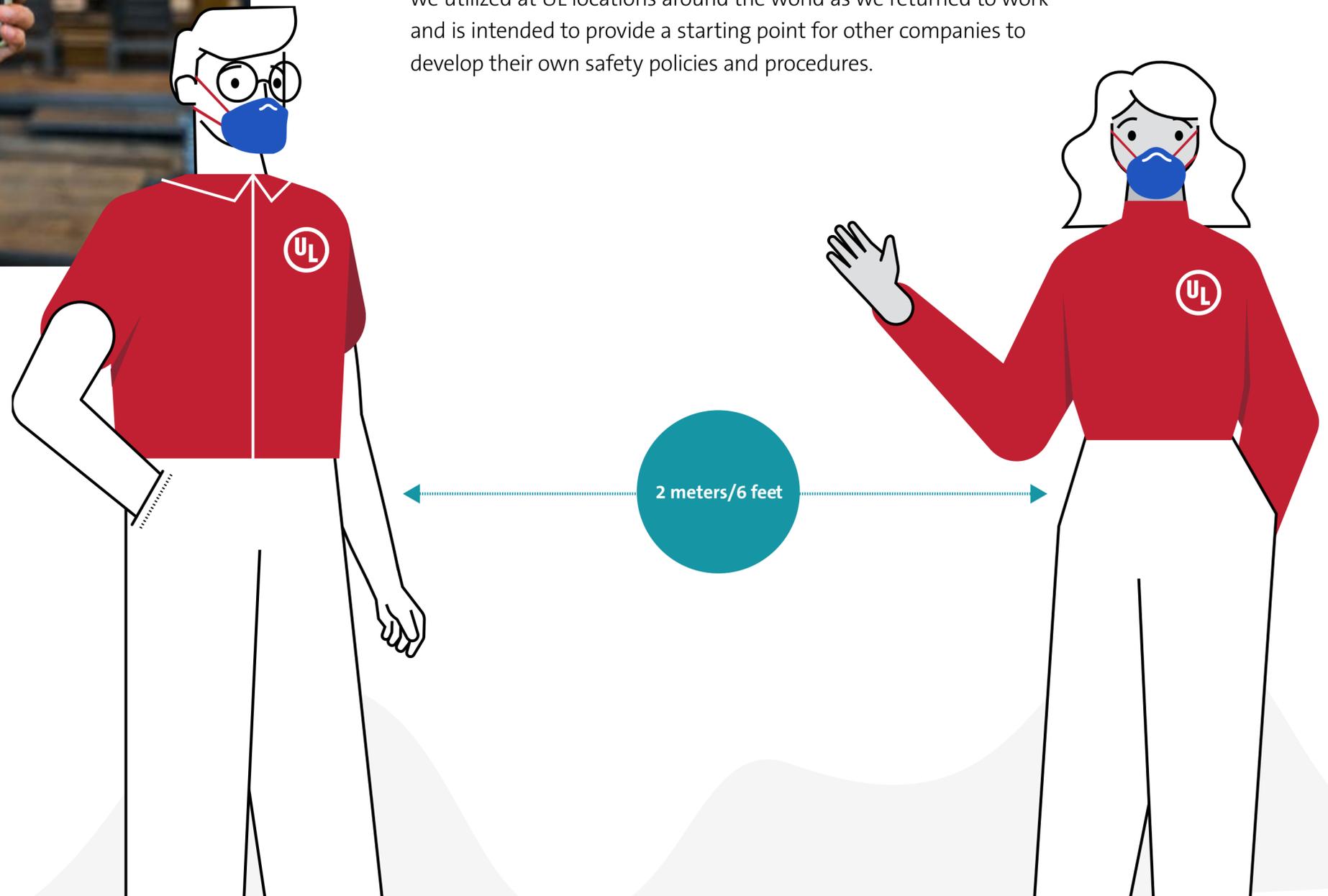


Sharing our expertise

With operations that span the globe, we understand the complexities of reopening economies while protecting employee health and safety. To help our global colleagues navigate the new normal within the workplace, UL developed the [Start Safe Playbook](#), combining our collective expertise with guidance from leading health organizations. The playbook detailed the best practices we utilized at UL locations around the world as we returned to work and is intended to provide a starting point for other companies to develop their own safety policies and procedures.

Demonstrating quality commitments

Some vital processes can't be halted, even during a pandemic. We prioritized the development of a process to enable remote audits and inspections to be conducted by auditors using livestream video to review details of the operation. Our field engineers also carried out remote inspections to help our manufacturing customers to keep up with demand and avoid costly shutdowns.



Partnering with our customers to defeat COVID-19

Protecting public safety

Several months into the pandemic, UL's Lighting team started receiving inquiries from manufacturers about ultraviolet-C (UVC) germicidal devices, such as portable handheld wands, boxes and even germicidal bulbs for use in homes, restaurants and schools. This raised concern, as these devices can create a health risk if UVC light is improperly contained. We collaborated with the American Lighting Association (ALA) and the National Electrical Manufacturers Association (NEMA) to create a position paper outlining what consumers need to know about UVC technology and use.

Transform



Diversity and Inclusion

Diversity and inclusion is an integral part of our “working for a safer world” mission. During the height of the social justice protests in 2020, we provided opportunities to our employees around the world to openly share their thoughts, questions and concerns with peers.

We also responded by developing the UL Diversity and Inclusion [activation plan](#), a blueprint we will use to build equity into our company. We publicly committed to the [intentional steps](#) that we will take to build a more inclusive UL in our first Diversity and Inclusion report.

Transform

We now have seven Business Resource Groups (BRGs) with more than 2,500 members globally. All employees are welcome to join any of our BRGs.

- Black BRG
- UL Latino BRG
- Women in Leadership BRG
- Military BRG
- UL Parents BRG
- Young Professionals BRG
- PRIDE UL BRG



Extending our expertise and facilities to meet our customers' needs

Identifying opportunities, empowering growth

Our customers want us to creatively help solve their biggest challenges, and they need us to do so quickly and efficiently. To achieve this, we work to understand where innovation is going next and what we'll need to support our customers' future needs. We keep pace with our customer's innovation, but always remain unwavering in our commitment to follow science's lead.

Expand



Expand



Delivering innovation needs

The automotive industry is in the midst of a paradigm shift. Increasing consumer expectations for connectivity, interoperability, transparency and safety paired with rapid advancements in electric and autonomous vehicles are pressing manufacturers to increase the speed of innovation while building and maintaining brand trust. This has resulted in demand for EMC testing continuing to grow in Japan's automotive market. To address this market need, we expanded our Kashima Laboratory to support the industry during this transformative time. The expansion allowed us to add capabilities to test EMC on high voltage components (for electrified vehicles) as well allowing for OEM mandated durability and environmental testing.

Fostering new technologies

Thunderbolt™ 4 is the next-generation connectivity solution capable of transferring data, outputting a display and providing power. Gaining approval to conduct Thunderbolt 4 host product certification testing allows us to help manufacturers and brand owners adhere to relevant interoperability requirements and confirm their compliance in the marketplace.



Expand



Securing the supply chain

Our Supplier Cyber Trust Level solution helps organizations minimize supply chain cybersecurity risks by focusing on the trustworthiness of suppliers' security practices. This industry-first solution analyzes multiple trust categories: the software and hardware development life cycle, hosted systems, information management systems, and third-party management. The end result: a clear view of the trustworthiness of a supplier's security practices, which companies can use to strengthen the security of their supply chains and the digital economy.

Supporting IoT excellence

Our new IoT Center of Excellence in Bengaluru, India, helps product innovators address compliance and market access challenges in the complex world of connected devices by connecting our expertise with our customers' business needs. Customers can leverage UL experts' IoT knowledge of components and interoperability throughout the entire production cycle, helping them bring compliant products to the global market. We also added an additional 12,000-square feet of laboratory space to the facility with scope for further expansion.



Building digital solutions

Our expanded Silicon Valley electromagnetic compatibility (EMC) and wireless testing laboratory is now one of the largest 5G testing facilities in North America. The multimillion-dollar expansion added a 39,000-square-foot building to the existing campus, with the facility's footprint now spanning a total of 178,900 square feet. The laboratory addresses the growing demand for 5G wireless testing and certification services and offers startups, scaling businesses and large corporations access to state-of-the-art technology and a comprehensive service solution, including certifications to meet market regulatory requirements around the world.



Fostering customer innovation

Our unique modeling and simulation-based service enables customers to leverage digital modeling tools to support the certification process. This helps deliver greater product insight, more innovative designs and reduced time to market. The modeling and simulation service also harnesses the power of UL's long-standing model verification and validation practice. Our stringent process helps establish the credibility of a computational model, enabling confident decision-making.

Expand



“As a trusted partner, UL empowers its customers to bring their innovations to market more quickly and efficiently but just as safely.”

— Mahmood Tabaddor, manager,
UL's Predictive Modeling
and Analytics team



“This Verification underscores Irvine Company's commitment to providing healthy work environments. In working with best-in-class providers to provide peace of mind with proven indoor environmental quality, our customers will be able to focus on bringing their teams back to the workplace with confidence when the time is right.”

— Mike Bennett, senior vice
president, Irvine Company
Office Industry Association

Verified Healthy Buildings

The Irvine Company is the first in the U.S. to have its workplace communities designated as Verified Healthy Buildings. With comprehensive tests for indoor air, water and environmental quality, our Verified Healthy Buildings program enables building owners and operators to communicate their commitment to maintaining safer, healthier indoor spaces. The Irvine Company received the UL Verified Healthy Buildings Mark for nearly 25 million square feet of office space across the company's coastal California and Chicago portfolios.

Executive leadership

Our executive team is dedicated to ensuring we deliver great experiences to all of our customers, stakeholders and employees. Based around the globe, their experience and passion for living our mission of working for a safer world continually inspires all of us to drive positive innovation and, in partnership with our customers, endeavor to create a safer, more sustainable and equitable future for everyone.

Executive leadership



Jennifer Scanlon, President and Chief Executive Officer, UL Inc.

Executive leadership



Linda Chapin
Executive Vice
President and Chief
Human Resources Officer



Jason Fischer
Executive Vice
President and President,
Enterprise and Advisory



Lynn Hancock
Executive Vice
President and Chief
Transformation Officer



Sajeev Jesudas
Executive Vice
President and Chief
Commercial Officer



Jackie McLaughlin
Executive Vice President
and Chief Legal Officer



Ryan Robinson
Executive Vice
President and Chief
Financial Officer



Gitte Schjøtz
Executive Vice President
and Chief Technical and
Operations Officer



Weifang Zhou
Executive Vice President
and President, TIC

Senior leadership



Tom Blewitt
Senior Vice President
and Chief Scientist



Morten Claudi Lassen
Vice President,
Europe region



Todd Denison
Senior Vice President,
Americas region



Dominick Danessa
Head of Operational
Excellence and Innovation



Ghislain Devouge
Senior Vice President,
TIC Consumer



Erik Palm
Senior Vice President,
Corporate Finance



Mette Pedersen
Senior Vice President,
Labs and Operations



Konrad Pienaar
Senior Vice President,
Accounting and Financial
Reporting



Upayan Sangupta
Senior Vice President,
Field Engineering Services



Kathy Seegebrecht
Senior Vice President and
Chief Marketing Officer



Karriem Shakoor
Senior Vice President and
Chief Information Officer



Jeff Smidt
Senior Vice President,
TIC Industrial



**Sreelatha
Surendranathan**
Chief Digital Officer



Alberto Uggetti
Senior Vice President, Global
and Strategic Accounts



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