

A photograph of a modern glass skyscraper. The image is taken from an interior perspective, looking out through a window. The window frame is visible on the right side. The glass reflects the sky and other buildings. In the lower right, a person in a dark suit is walking on an interior balcony or walkway, silhouetted against the bright light coming from the window. The overall tone is professional and modern.

## Uponor's sustainability statement

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

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# Sustainability at Uponor

Operating in an industry with a strong influence on sustainable living, Uponor's 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 and work in. Sustainability plays a key role in fulfilling this objective. At Uponor, we embrace sustainability in its broadest form, taking account of the delicate balance between environmental stewardship, social responsibility and a commitment to long-term profitable growth. Through innovation and partnerships, we are committed to long-term value creation and to creating a more sustainable world that delivers the ultimate goal of shared sustained success.

In 2017, as part of our commitment to creating a more sustainable world, Uponor completed its first materiality assessment to determine our key environmental, social, and governance (ESG) impacts and opportunities. Using the results of this assessment, Uponor is in the process of renewing its Group-wide sustainability strategy and goals, which align with our most material ESG topics and will enable us to maximise our positive impacts in these focus areas.

## Sustainability governance

Uponor's strategy recognises sustainability as a potential and clear demand driver: our target is therefore to include sustainability in all key business processes. A dedicated Corporate Responsibility and Sustainability team is responsible for driving the Group sustainability programme, with a particular emphasis on identifying, planning and executing initiatives with the aim of simultaneously improving our environmental and social performance and reducing operational costs. The Executive Committee and the Board oversee the sustainability programme.

## Uponor's four pillars of sustainability

Uponor's current approach to corporate responsibility and sustainability is based on four pillars, which are derived from the triple bottom line (i.e. the environmental, social and financial pillars). These pillars support the achievement of our objective and provide a framework for our sustainability endeavours. The four pillars are:

### **CULTURE: Strongly integrating sustainability into our corporate mindset**

To succeed in our journey towards a sustainable future, we will develop a corporate culture of sustainability with the full commitment and engagement of all of our employees.

### **CARE: Driving down our environmental impact**

Throughout our manufacturing and non-manufacturing facilities, we are committed to minimising resource utilisation and waste, and implementing renewable energy sources.

### **CUSTOMER: Enriching lives through our innovative solutions**

Through our innovative and sustainable solutions, we will help to achieve zero carbon emissions while creating comfortable and healthy built environments.

### **PARTNER: Engaging stakeholders in our sustainable journey**

We will collaborate with all of our stakeholders to create sustainable communities for future generations.

Our four pillars will become the context of how we manage corporate responsibility. From the pillars, we have defined five focus areas for driving our sustainability programme further.

# A more sustainable world

## Shared sustained success

### CULTURE

Integrating sustainability into our corporate mindset

### CARE

Driving down our environmental impact

### CUSTOMER

Enriching lives through our innovative solutions

### PARTNER

Engaging external stakeholder in our sustainability journey

## Corporate responsibility

### Sustainability focus areas

Uponor's sustainability work focuses on the following focus areas: Corporate citizenship, Environment, Health & Safety, Partnerships, and Building on people. The focus areas help manage and advance our goal fulfilment and commitment, as outlined in our four pillars of sustainability.

#### Corporate citizenship

Being a global company with a presence in 30 countries and products sold in close to 100 countries, Uponor takes the utmost care to maintain its corporate ethics and integrity, and fair employment practices across its entire value chain. We want to be known and respected for transparency, fairness and equal opportunities among our employees, our future talent pool, and our customers, partners and investors.

#### Code of Conduct

Uponor's Code of Conduct is a practical guideline for all Uponor employees on dealing with issues regarding ethics, laws and regulations, conflicts of interest, gifts and bribes, confidential information, the environment, politics and, of course, employees, customers and suppliers. The Code of Conduct promotes moral behaviour and acts as a guideline for ethical decision-making. The Code of Conduct has been approved by the company's Board of Directors.

The Code of Conduct requires all Uponor companies, employees and suppliers to comply with the relevant international and national laws and regulations wherever Uponor conducts business. Among these are laws and regulations promoting fair competition; governing publicly traded securities; addressing corporate governance; protection of individual privacy; safeguarding against corruption; and dealing with product safety as well as labour laws. Any breaches of the Code of Conduct are subject to disciplinary action. Uponor's Code of Conduct can be found on the company's website at <https://www.uponor.com/legal-information/code-of-conduct>.

To ensure awareness and knowledge of the Code of Conduct among its employees, Uponor conducts training on a regular basis. In 2017, our Internal Controls and Group Legal functions conducted an Ethics, Compliance & Controls survey to analyse and increase employees' awareness of the Code of Conduct. A link to the questionnaire was sent to all employees with an email address (around 2,100 employees) and the response rate was 50%. The survey was administered by a third party, to keep it fully anonymous.

#### Bribery/Anti-corruption

Bribery or corruption matters are covered by the Fraud Prevention Policy. The purpose of this policy is to set out Uponor's attitude to fraud and its intention to prevent it, as well as the responsibilities of all Uponor employees regarding fraud prevention. Uponor does not tolerate fraud of any level.



The policy is approved and overseen by the Board of Directors of Uponor Corporation. The CEO and Executive Committee are responsible for the evaluation of this policy on an annual basis. This policy applies to all Uponor employees worldwide, as well as to all of Uponor's associates (representatives, consultants, vendors, contractors, outside agencies, and/or any other parties in a business relationship with Uponor).

All fraud and allegations (anonymous or otherwise) are investigated thoroughly, regardless of the suspected fraudster's position, length of service, or relationship with Uponor. Employees who violate this policy are subject to disciplinary action. Associates who violate the policy are subject to the termination of all commercial relationships with Uponor, to liability for damages, and to taking criminal responsibility for their actions.

### Fair employment practices

Uponor respects human rights and follows the guidelines of the United Nations' Universal Declaration of Human Rights. Uponor is a responsible employer and supports equal opportunities for its employees. No discrimination is allowed. 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. An anonymous whistleblower channel is under preparation and should be in place by 2018, replacing the current non-anonymous system. For more information on Uponor's commitment to fair employment practices, please visit <https://www.uponor.com/legal-information/code-of-conduct>.

### Diversity

Uponor aims to have a diverse workforce that creates the best possible environment for an innovative and efficient way of working, in order to build a successful business performance. Uponor is committed to its Equal Opportunity policy and strives to provide an environment where every employee and customer feels respected and valued, regardless of race, colour, religion, sex, language, political or other opinions, national or social origin, property, birth or other status.

Apart from following up on the agreed criteria at Uponor Group, segment and country levels on a regular basis, the Uponor Executive Committee discusses diversity and its status annually, on its People Day, and reports its conclusions to the Board of Directors. If a cause for concern is noted, corrective actions are taken immediately. For more information on Uponor's Diversity Statement, please visit <https://www.uponor.com/legal-information/diversity-statement>.

### Board diversity

The company intends its Board of Directors to represent diverse expertise in various industries and markets, a diverse range of professional and educational backgrounds, a diverse age distribution and both genders. Uponor Corporation does not have employee representation on the Board. For more information on the diversity of the Board of Directors, please visit <https://investors.uponor.com/governance/board-directors>.

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“Uponor’s suppliers are expected to meet our ethical, social, environmental and quality standards, and comply with the applicable international and national laws and regulations.”

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### Supply chain management

Uponor is an industrial company that offers products and services to business clients in international markets. Our offering consists of high-quality products that have a long-service life both in commercial or domestic applications. Therefore we put emphasis on quality, safety and reliability, among other things.

As set forth in the Code of Conduct and the frame purchase agreements, Uponor's suppliers are also expected to meet Uponor's ethical, social, environmental and quality standards, and comply with the applicable international and national laws and regulations. Uponor evaluates and audits existing and new suppliers according to these principles. Uponor's Corporate Responsibility principles require that all products and services sold under the Uponor brand are sourced according to practices which uphold internationally accepted standards. Our aim is to ensure that environmental, ethical, social, and health and safety issues, as well as labour practices, are not separate add-on features, but are embedded within all of our sourcing processes. For more information regarding Uponor's Supplier Policy, please visit <https://www.uponor.com/legal-information/supplier-policy>.

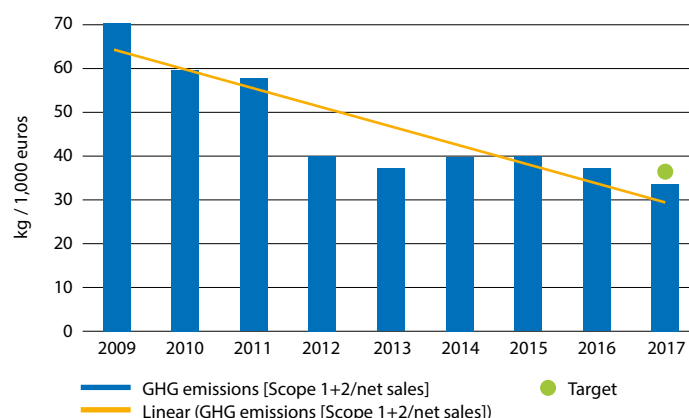
### Environment

Uponor aspires to harmonise the interests of people, the environment and the economy. Uponor considers the environmental aspects of its product offering and continuously aims to reduce the overall environmental impact of its business operations. We pursue a certified environmental management system according to ISO 14001 and an energy management system according to ISO 50001, in order to reach our environmental and energy targets systematically. For more information on Uponor's Environmental Policy, please visit <https://www.uponor.com/legal-information/quality-environmental-management-policy>.

## Greenhouse gas emissions

Global warming and the desire to minimise greenhouse gas (GHG) emissions is a key driver of Uponor's efforts to address its own energy usage. We have set ourselves the goal of reducing our scope 1 and scope 2 GHG emissions by 20% per net sales by 2020, from our 2015 levels. We also have the goal of using 100% renewable, green energy, wherever possible, by 2020. To advance our green energy mix, Uponor signed a 10-year agreement in 2017, to obtain ca 40% of the power needed for its Apple Valley, Minnesota (U.S.) site from 100% renewable sources (wind and solar). Uponor's site in Germany has been sourcing 100% green electricity since 2014.

## GHG emissions relative to target



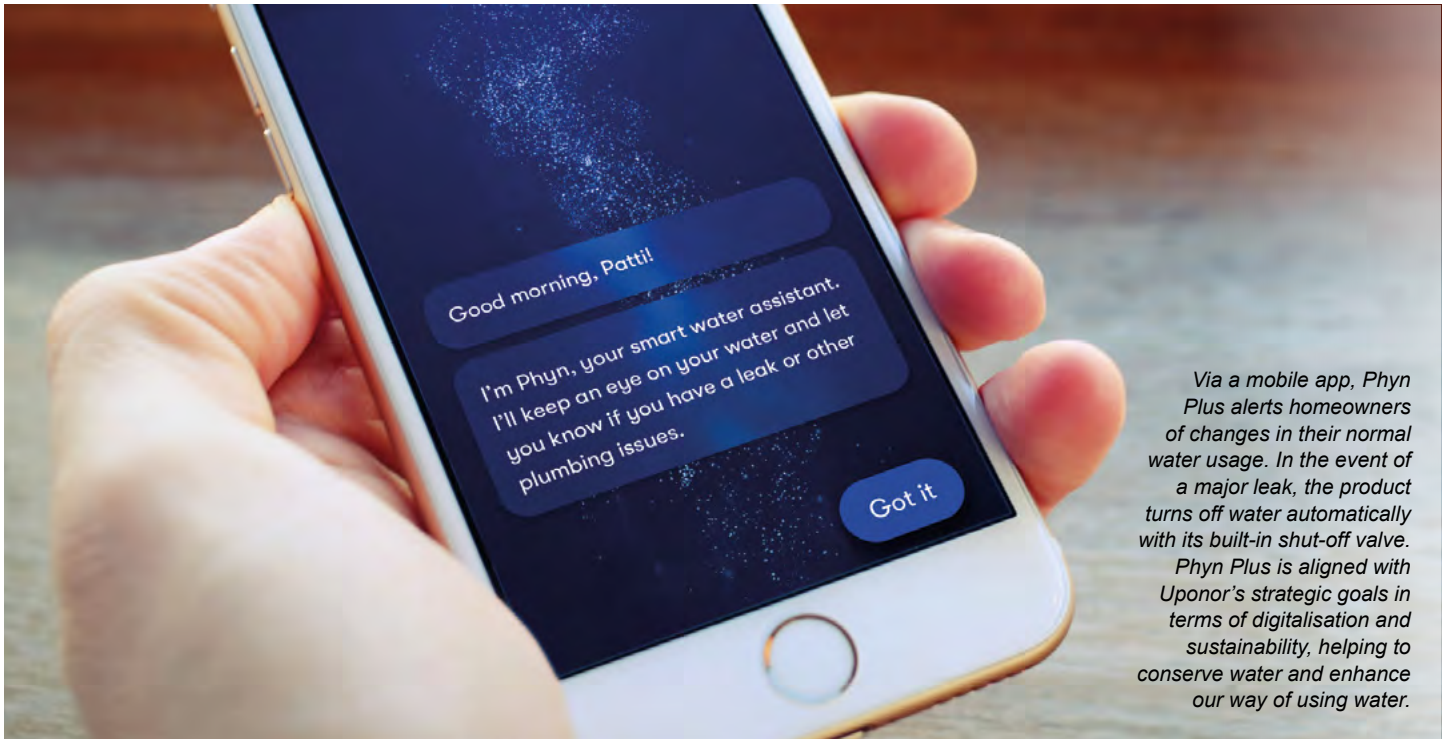
Measure	Unit	2017	2016	2015	2014	2013
<b>Environmental indicators</b>						
Total energy consumption	1,000 MWh	<b>198.5</b>	198.5	185.1	184.2	149.3
- Electricity purchased	1,000 MWh	<b>157.3</b>	149.6	138.3	130.6	101.7
- of which, certified green electricity	1,000 MWh	<b>20.7</b>	14.5	11.5	11.1	2.2
- Self-generated electricity	1,000 MWh	<b>0.4</b>	0.9	1.1	1.0	1.2
- Fossil fuels used	1,000 MWh	<b>41.0</b>	48.9	46.8	53.6	47.6
- Heating	1,000 MWh	<b>26.5</b>	33.7	31.6	35.9	33.1
- of which renewable	%	<b>17.1</b>	14.7	13.4	12.9	3.5
- Own fleet vehicles (including leasing)	1,000 MWh	<b>14.6</b>	15.2	15.2	17.7	14.5
Raw materials used	1,000 tonnes	<b>140.8</b>	132.7	127.1	122.5	84.6
Water consumption	1,000 m <sup>3</sup>	<b>156.4</b>	168.4	190.9	190.0	111.4
<b>Total GHG emissions (Scope 1)</b>						
Total GHG emissions (Scope 1)	1,000 tonnes	<b>7.5</b>	8.7	8.5	9.6	9.3
<b>Total GHG emissions (Scope 2)</b>						
Total GHG emissions (Scope 2)	1,000 tonnes	<b>32.1</b>	32.2	33.5	31.1	24.3
<b>Total waste</b>						
Total waste	1,000 tonnes	<b>18.8</b>	16.4	16.4	15.1	11.1
- Waste recycled	%	<b>92.4</b>	97.4	97.5	95.3	95.9
- Waste to landfills	%	<b>7.6</b>	2.6	2.5	4.7	4.1
Hazardous waste, of total waste	%	<b>4.5</b>	1.5	1.1	1.1	1.5
<b>Total number of manufacturing sites</b>						
Total number of manufacturing sites		<b>15</b>	15	14	14	10
<b>ISO 14001 certified sites</b>						
ISO 14001 certified sites		<b>13</b>	10	10	12	8
- sites certified	%	<b>87</b>	67	71	86	80
<b>ISO 50001 certified sites</b>						
ISO 50001 certified sites		<b>4</b>	3	2		
- sites certified	%	<b>20</b>	20	14		

The overall data accuracy level is at >95%.

In 2017, our sustainability performance was improved by major operational streamlining, including the closure of pipe production in Móstoles, Spain, and its relocation to Virsbo, Sweden, as well as the relocation of pre-insulated pipe production from Nastola, Finland, to Virsbo, Sweden, which was completed in 2017. The amount of fossil fuels used declined groupwide, while the amount of certified green energy increased. Water consumption also decreased as a result of process modernisations. Overall greenhouse gas emissions also fell. We report a Scope 2, market-based figure where information is available, and a location-based figure elsewhere. The aim is to report a scope 2, market-based figure for all sites, wherever such information is available for 2018.

While the total amount of waste developed rather stably, the amount of waste delivered to landfills increased markedly. The main reason for this was the dismantling of an unused process water installation and nearby contaminated soil, which had been jointly used by Uponor and two businesses divested in the 1990s. This is also the reason why the amount of hazardous waste clearly exceeded our normal annual level.

Some figures for previous years have changed due to newly installed measurement techniques and improved accuracy in the data. The data does not yet include information for the manufacturing sites in Canada, Russia and China, where the setting up of environmental reporting is ongoing and which will be included in 2018. Nor does it include the factory building acquired in 2017 in Hutchinson, Minnesota, in the USA, which is not yet operational.



*Via a mobile app, Phyn Plus alerts homeowners of changes in their normal water usage. In the event of a major leak, the product turns off water automatically with its built-in shut-off valve. Phyn Plus is aligned with Uponor's strategic goals in terms of digitalisation and sustainability, helping to conserve water and enhance our way of using water.*

With a strong emphasis on driving down its environmental impact, Uponor is striving to increase its internal energy efficiency and reduce costs by focusing on employee behaviour, production processes and the supply chain. As of 2017, 13 of our 15 production sites have been ISO 14001 certified and four sites ISO 50001 certified, thereby providing a strategic advantage in terms of direct internal benefits from a robust environmental management system, as well as establishing recognition of the company's sustainability credentials by external stakeholders. The plan is to have all sites certified under ISO 14001 and ISO 50001 by 2020.

### Water

Uponor is working continuously to reduce its overall environmental footprint. The companywide Environmental and Energy programme includes several projects and initiatives to improve the efficiency of operations, including water efficiency. All of Uponor's production sites use a closed-loop water circulation system for extrusion cooling purposes.

The environment and one of our most precious commodities – water – are also central to the innovative solutions we develop. For example, Phyn Plus (launched in the U.S. in January 2018), the new smart home device resulting from the joint venture between Uponor and the consumer electronics company, Belkin, alerts homeowners the moment a leak is detected and mitigates damage by shutting off the water. For more information on our product offering, please visit <https://www.uponor.com/products>.

### Hazardous waste

Waste from Uponor production sites and our use of materials have low potential for generating "hazardous waste". In a typical year, less than 1.5% of Uponor's total waste is hazardous. We have been able to decrease this share over the years due to implementation of our environmental programme (e.g. our water treatment plant for oily water emulsion). Hazardous waste is recycled by Uponor's contracted, certified disposal companies, making the total waste quantity low at the end of the life-cycle.

In 2017, however, the amount of hazardous waste increased markedly. The main reason for this was the dismantling of an unused process water installation and nearby contaminated soil, which had been jointly used by Uponor and two businesses divested in the 1990s.

### Chemical management

Based on information provided by suppliers, all Uponor products and systems comply with the requirements of the European REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation. The Declaration of Conformity can be found at <https://www.uponor.com/legal-information/reach>. While North America does not have a REACH regulation of its own, Uponor follows the EU regulation throughout the company, when appropriate.

Uponor has established a REACH team, where specialists regularly analyse changes in legislation, production etc. The team performs quarterly follow-ups of activities and defined measures and, if the relevant changes occur, Uponor's REACH team investigates the effects on its products internally. If needed, the team contacts the suppliers involved and evaluates the situation internally with Development/Production teams.

### Circular economy

Uponor believes that it is crucial to embrace the transition from a take-make-waste economy to a circular economy. To do this, we will focus on innovation. Our key projects based on circular economy thinking are related to recycled, returnable, recyclable packaging systems, alternative resins, as well as re-integrating production scrap and post-consumer recycle back into the value stream.

### Product innovation and development

Uponor has a strategy based on generating sustainable growth, where innovation is one way of fulfilling our ambitions and achieving our stated growth objectives. Uponor utilises a web-based platform for idea management, with the related funnelling process. At a minimum, an idea must support one innovation driver and one of our corporate commitments, e.g. sustainability, health and comfort, to qualify for further consideration in the innovation pipeline.

We continuously strive to create innovative solutions that help to create more comfortable, safe and eco-efficient buildings. Our environmentally friendly systems for underfloor heating and cooling, wall heating and cooling, and for the thermal activation of building structures, ensure excellent living and working climates. With low operating temperatures and comfortable room ambiance, radiant heating systems represent a highly energy-efficient method of heat distribution in buildings. Due to higher system temperatures in cooling mode and lower system temperatures in heating mode, radiant systems are perfectly suited for renewable energy sources. This allows a major reduction in the primary energy consumption and CO<sub>2</sub> emissions of buildings. For more information, please visit <https://www.uponor.com/products>.



*Soil contamination comes from a variety of sources. Many of the substances found in contaminated soil permeate standard polyethylene potable water pipes, causing water contamination. The Uponor Barrier PLUS provides a new, sustainable way of keeping potable water clean in contaminated soil, and can be completely recycled.*

*Uponor's lightweight and durable Weholite® is increasingly often selected for tank solutions requiring high capacity, such as waterworks, storm water, fire water and chemical tanks, alkalisation plants and attenuation basins. The product's ready-to-install feature saves approximately 5.5 weeks at the work site and more than 110 tonnes of CO<sub>2</sub> emissions.*



## Health & Safety

The safety and well-being of our employees and customers is of paramount importance to Uponor.

### Employee health & safety

The health and safety of our employees is a management priority and always takes precedence over financial considerations. We also expect our employees to contribute to our occupational safety and health goals in a manner that aligns with their responsibilities. Employee health and safety topics are covered by the Quality Environmental Management Policy, which can be found on the company's website at <https://www.uponor.com/legal-information/quality-environmental-management-policy>.

As part of the World Class Operations methodology, Uponor has been implementing a zero accident target for all Uponor production sites since 2008. The system is built on unit-specific safety teams that drive a safer workplace through training and regular meetings focusing on risk assessment and accident prevention, including

incident reporting and root cause analysis. The teams also perform internal and external benchmarking. The initiatives implemented have resulted in a generally improving trend for accidents. In 2017, largely due to the ongoing, extensive transformation programme, the trend weakened, driven by an increase in reported accidents in Uponor Infra. In general, accidents that result in sick leave are caused by slips or falls, handling errors, or contact with machinery or a vehicle.

### Installer health & safety

Realising that construction work can be dangerous, Uponor strives to ensure installer health & safety at the work site. Uponor's plastic pipe systems offer solutions that make it safer for the installers who help to create the structures we live and work in every day. For example, the PEX pipe offers installers a durable but lightweight solution that is much easier to carry than metal pipes and eliminates the risk of fire at a worksite. Uponor's patented fitting systems enable connections to be made in seconds, eliminating dangerous solvents and joining chemicals so that installers can breathe freely without inhaling toxic fumes.

Measure	Unit	2017	2016	2015	2014	2013
<b>Social indicators</b>						
Number of employees (FTE)		4,075	3,868	3,735	3,982	4,141
Employee turnover	%	11.2	4.5	5.0	3.3	7.8
Total working hours	1,000 hours	7,172	6,808	6,574	7,008	7,288
Workforce accidents		64	54	86	74	45
Incident rate (LTIF)	per million work hours	9	8	13	11	6

The overall data accuracy level is at >95%.



## Occupant health & safety

As well as being environmentally friendly, our products create healthy and comfortable built environments, and safe and resilient infrastructures. Our radiant heating and cooling solutions help to keep buildings energy-efficient, while improving indoor air quality and ensuring the comfort of occupants all year long.

The key factor in drinking water hygiene is preventing the growth of unwanted substances and living organisms. This can be achieved by ensuring a continuous flow of water, the right water temperature and no storage of hot water. Uponor's closed loop installations and automatic flushing units keep water flowing and avoid stagnation at all times. Our pipe technology and design methods help to keep the water temperature below 25°C and prevent cold water delivery pipes from warming up. Our heat interface units generate hot drinking water on demand.

In step with urbanisation, paved areas are increasing in number, resulting in the reduction of natural storm water run-off areas. The problem of flooding is affecting our way of life and is extremely costly for communities. But it is not just the amount of water that is increasing; floodwater brings polluted sediments, chemicals and loose objects. Collecting water sediment also protects the environment. At Uponor, we have been actively working on the challenges presented by storm water for many years. Uponor Smart Trap collects 100% more sediment than traditional sand trap chambers. Its renovation module can be installed in existing chambers, thereby avoiding the use of additional resources.

Uponor announced the acquisition of a budding water analytics technology in 2016. In 2017, the technology was commercialised for its first application in the infrastructure segment. Through online



analysis, users of the technology can detect sudden changes in water quality, signalling an event in a drinking water distribution network. The early online warning system enables water utilities to both locate the source and mitigate the problem much faster – which will lower health hazards and their related costs. The system can provide major help in making drinking water distribution systems safer and healthier. For more information, please visit <https://www.uponor.com/products>.



## Partnerships

The starting point of Uponor's operations is to provide value for our customers and partners. We focus on long-term cooperation, providing a reliable partnership, and offering solutions that enable customers to thrive in their businesses. The ultimate goal is to partner with other professionals in creating better human environments. Collaboration and forming partnerships is also the basis of our approach to promoting sustainability.

Uponor works with branch and trade organisations to influence local and international policy makers on topics related to energy, health and water. Such organisations include The European Plastic Pipe and Fittings Association (TEPPFA), Plastic Pipe and Fittings Association (PPFA) in North America and REHVA (Federation of European Heating, Ventilation and Air Conditioning Associations). We also work with the U.S. organisations Residential Energy Services

Network (RESNET), National Association of Home Builders (NAHB), Leading Suppliers Council, Minnesota Sustainable Growth Coalition and Earthshare, as well as national Green Building Councils and the globally operating World Wildlife Fund (WWF), to name a few. An Uponor employee currently holds a board position on the World Green Building Council. In 2017, Uponor Corporation became a member of FIBS, a corporate responsibility network for businesses and organisations in Finland.

Uponor strongly supports the development of legislation and policy that reduce the environmental impact of products and technologies used in the construction industry, thereby mitigating the effects of climate change. In 2016, Uponor became a member of the Finnish Climate Leadership Council established to influence Finnish businesses and research organisations in their response to the threats posed by climate change, and to improve their ability to benefit from the related business opportunities. Uponor has been a Founder



*Ilari Aho, VP, New Business Development and CSR, speaking at Uponor Future Building event in Stockholm, Sweden in May 2017. The event brought together many professionals of the construction industry, providing ideas and inspiration on the future of the building industry.*

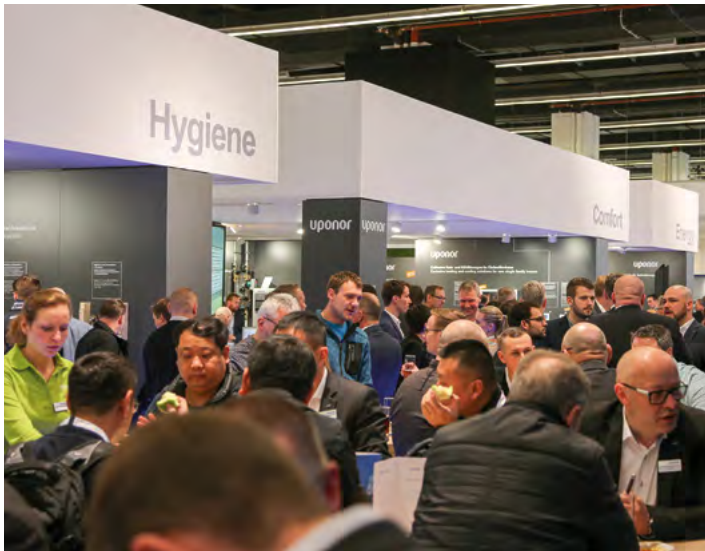
member of the Stockholm Water Prize since 1995. Through participation in national, European and global standardisation work, Uponor is helping to drive local and international legislation in this direction.

Furthermore, Uponor annually organises congresses and events at which planners, architects and other professionals discuss various sustainability-related themes. For example, in 2016/2017, the Uponor Tap Water Expert Forum was organised in Germany to educate people about drinking water hygiene in general and Uponor's specific solutions. In North America, Uponor organises a convention every two years to educate customers about its systems offering. This convention is attended by around 1,000 visitors. In Central Europe, Uponor organises an annual Uponor Kongress for German-speaking plumbing and heating industry professionals. The next congress in March 2018 will be the 40<sup>th</sup> of its kind.

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“We focus on long-term cooperation, providing a reliable partnership, and offering solutions that enable customers to thrive in their businesses.”

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*Uponor partners with professionals through various different congresses and exhibitions around the world. From top left to right: ISH exhibition 2017 in Germany; Uponor Kongress 2017 in Austria; launch of Phyn Plus at Consumer Electronics Show (CES) 2018 in the U.S.; Uponor Infra at Rørcenterdagene 2017 in Denmark.*



Uponor has received several external recognitions for its human resource management. In 2017, the Dakota-Scott Workforce Development Board recognised Uponor North America as one of three Employer of Excellence award winners. Strong employer image is an asset in an area such as Minnesota, U.S., where employers are challenged with low unemployment.

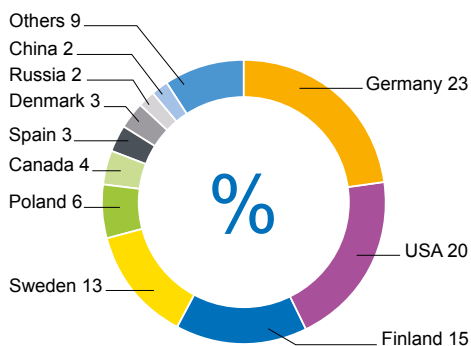
## Building on our people

We acknowledge the importance of an organisational culture in supporting the Uponor strategy in creating value and driving profitable growth. Uponor's People strategy consists of three key building blocks: fostering great leadership, strengthening our strategic competencies, and equipping employees to take the initiative and have an impact. Uponor provides each employee with a variety of opportunities to support their continued development through on-the-

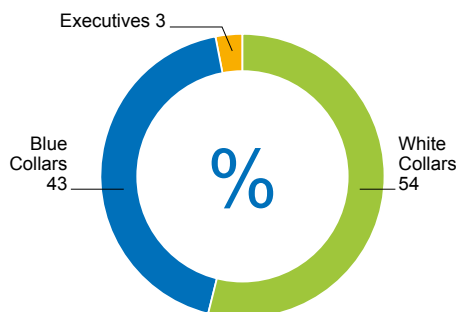
job learning, learning from others and more traditional methods such as classroom-based studies and eLearning. In 2017, we began to offer global virtual English language training for all our employees.

We strive to provide unique career paths and offer leadership development programmes. Competent leaders are the key to the successful execution of Uponor's strategy. We continue to foster great leadership and strengthen our strategic competencies through four global flagship leadership development programmes, focusing on the critical areas of leading business, leading people and leading oneself.

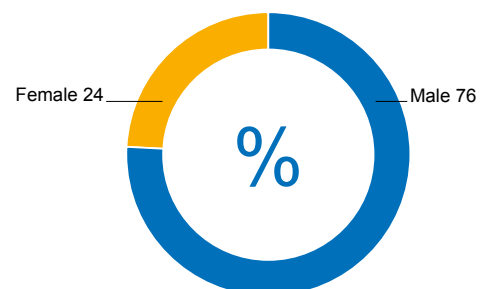
Employment by country (FTE) 31.12.2017



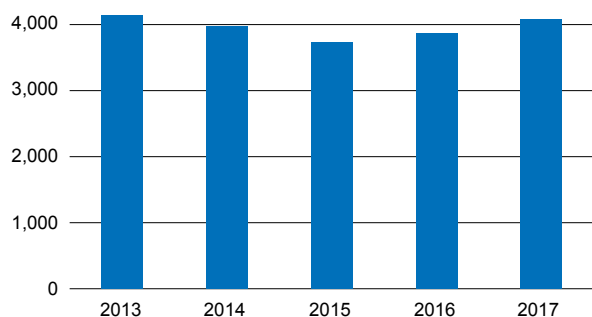
Employees by occupation 31.12.2017



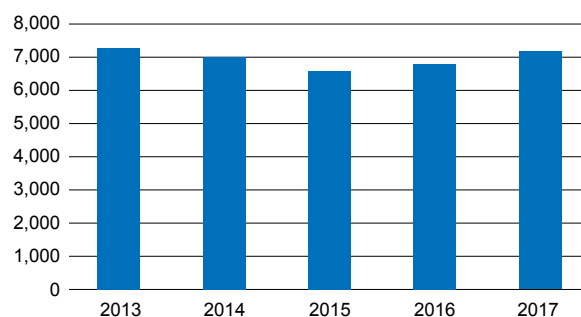
Employees by gender 31.12.2017



Total headcount  
(FTE) 31.12.2017



Total working hours  
(1,000 hours)



These programmes run every year with invitation-based participation. During 2017, 106 persons – 29% females and 71% males – participated in the programmes. In addition, a global Leadership Event was held in March 2017, bringing together close to 150 leaders across the company to discuss strategic leadership topics such as the customer experience, employee engagement and business growth opportunities. During 2017, we also began to pilot a new cross-segment mentoring programme.

Uponor has had international trainee programmes since 2011, which have been very successful and well-liked. Many of the trainees join Uponor in permanent positions. During 2016–2017, there were 10 trainees, 3 females and 7 males from Finland, Sweden, Germany and the U.S. The fourth trainee programme started in mid-January 2018. For more information about the programme and participant experience, please visit <https://www.uponor.com/company/careers/trainee-programme>.



*Uponor has had trainee programmes since 2011. Build on Uponor: International Trainee Programme offers young graduates valuable work experience, the opportunity to develop their leadership skills and to collaborate and network globally.*

### Employee engagement

The cornerstone for becoming an employer of choice is that our employees are engaged and perform in order to achieve the Uponor goals. One of the ways in which we equip employees to have an impact is through our biennial Our Voice engagement survey and periodic Our Voice pulse surveys. Our Voice provides all Uponor employees with an easy channel for giving feedback on our ways of working and ideas for a better working environment. The response rate of Our Voice survey in 2017 was ca 74%.

### Uponor's risk environment

Risk management is an integrated part of all Uponor operations, not a separate function. It is incorporated into the existing Uponor management and planning procedures and key performance indicators.

Uponor's Risk Management is governed by Uponor Group Risk Management Policy and its guidelines, which include the Business Continuity Guideline, Crisis management Guideline and Security Management Guideline. Financial risks are covered by the Group Treasury.

All commercial activities include risks, some of which can be negative while others may offer opportunities. At Uponor, Risk Management focuses on the identification, assessment and mitigation of negative risks, or threats. Positive risks, or opportunities, are handled as part of normal business and strategy development.

Uponor has zero tolerance of risks in the following areas: Health & Safety, Compliance & Laws, and Financial resilience.

### Threats

Uponor conducts a Group-wide Risk Identification and Assessment process (RIA) twice a year. As a result, twenty core risks are identified, assessed, scored and ranked, and a Mitigation Plan is drawn up for all named risks.

While the top core risks have remained fairly stable through recent years, newer risks include issues such as digitalisation and other emerging technologies. In addition, increasing attention is paid to risks concerning sustainability issues.

Uponor's 2017 top core risks are as follows:

1. Greater competitive pressure, e.g. growing and diversifying competitor landscape
2. Restrictive changes in regulation affecting Uponor products, applications or core materials for health, environmental or other reason
3. Mass quality problems or serial defects in products
4. Digitalisation and other emerging technologies, i.e. Uponor's ability and speed to adopt new technologies or business models
5. A business interruption due to a supply chain interruption
6. Tax risks
7. Geopolitical risks
8. A business interruption due to a critical IT system failure or cyber crime
9. Zero-energy houses which reduce the need for heating solutions
10. The risk appetite of General Product Liability (GPL) insurance markets

### Opportunities

Global megatrends such as climate change and resource scarcity, continuing urbanisation, demographic and social change, as well as technological breakthroughs and disruptions, potentially pose global long term threats or negative risks. For Uponor, they may also create

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“Uponor has zero tolerance of risks in the following areas: Health & Safety, Compliance & Laws, and Financial resilience.”

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opportunities because the environment, clean water, water saving and energy saving are directly linked to many of them. It has been forecast that a growing middle class and rising living standards will, by 2030, lead demand for food to rise by 35%, water by 40%, and energy by 50%.

In the 2017 report of the World Economic Forum, the top global risks included issues such as the water crises, extreme weather events, the failure of climate change mitigation and adaptation, large-scale involuntary migration and major natural disasters, which can be viewed as providing Uponor with potential opportunities.



Uponor partners with Habitat for Humanity to help rebuild homes in areas affected by national disasters. In 2017, local Uponor employees and partners donated and helped to install plumbing products for 160 Habitat homes, saving the organisation over USD 1,600 per home.

# uponor

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