WATER LAB

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On a shared mission

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UL Sustainability Report 2019

On a shared mission

UL Sustainability Report 2019

In 2019, UL celebrated 125 years of working for a safer, more secure and sustainable world. As our work continues, we recognize that our mission to progress the safety, security and sustainability of our world is a call to all who hope to protect our planet, its people and the prosperity of future generations. In our first sustainability report, we share our story with the belief that by revealing our successes and challenges we will add insights to the collective journey toward a thriving, abundant future for all.

CEO message

UL has been working for a safer world since 1894. That was our founding mission 125 years ago, and that mission still excites and engages all of us. I don't believe there could be a higher purpose than endeavoring to make the world a safer, more secure and sustainable place. In fact, our mission feels more alive and important today than ever before.



UL's sustainability purpose goes beyond addressing the effects of climate change. As an independent safety science company with a 125-year legacy of proven results we must do more and demand more of ourselves than that. We must help pave the way forward to a self-sustaining world.

Safety, security and sustainability are interconnected. They pose similar risks and opportunities. As we work for a safer world, we must also strive for a healthy planet that is sustainable in the long term and the prosperity of all people as we progress.

We are not alone in our desire to make the world a better place. This is a mission we share with all who dream of an abundant future for our children. In 2019, we became a Signatory to the United Nations Global Compact, joining the nearly 10,000 companies who've stepped up to commit to responsible business and to taking strategic action to help meet the global challenge issued by the UN Sustainable Development Goals (SDGs).

We know that sharing our mission with our peers on this journey is an important step in building the kind of collaborative leadership that will protect our natural resources and inspire the innovations our future prosperity demands.

We are dedicated to helping shape a global culture of sustainability through:

The actions of our people. This year, our employees helped clean more than 125 streams around the globe to raise awareness about the importance of safe and accessible water for all, celebrating our 125th anniversary by making an impact on the SDGs. **Our services and offerings.** We help our customers implement their visions of a sustainable world, as well, by supporting transparency in supply chains and sourcing, enabling environmental health and safety, and promoting a circular economy that replenishes and reuses the natural resources we rely on. Safety continues to be our priority through our work to support the responsible development of resilient, secure and sustainable communities.

Our own actions. We are committed to reducing our carbon footprint, respecting our planet's finite resources, innovating our water and waste management, and sharing the improvements and efficiencies we discover on our journey toward making an even greater positive impact on society.

Our world continues to evolve, and we evolve with it. UL is still progressing after 125 years because our work matters. It matters to the more than 14,000 employees who fulfill our mission every day, to the customers who depend on us to test the cutting-edge technologies of our time and to the public who relies on our scientific rigor, independence and sense of civic duty. Through science, innovation and adaptation, we will continue to progress our planet, its people and prosperity.

Join us on a shared mission to work for a safer, more secure and sustainable world.

Jennifer Scanlon President and CEO, UL



Who we are

We have talented, enthusiastic and ethical people at UL, who enjoy the responsibility of powering our mission to work for a safer, more secure and sustainable world. From our beginnings in Chicago at the World's Columbian Exposition more than 125 years ago to our international operations today, UL remains the global safety science leader because our people stand together, rallied around our mission.

Our diverse employees lend their unique cultural and generational perspectives to each other and to the work they perform, providing key insights into the communities we serve across the globe. Our people embrace diversity and inclusion because, as scientists and engineers, we understand that a diverse company is stronger and more resilient.

Number of UL employees worldwide



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5,000



Where we are

With offices and locations spanning more than 40 countries and 230 locations, UL has stayed relevant by continuing to test the cutting-edge technologies of our time, wherever those technologies arise. Although we are a global company, we maintain a local approach wherever we operate, providing customer service in local languages and nurturing the critical governmental and regulatory relationships that allow us to keep abreast of changing trends and offer greater efficiencies to our customers.

What we do

Our mission never ends, even as the scope of our business grows across industries. Through our services and offerings, we help ensure better products reach the global marketplace — and that means helping more people stay safe and secure as the world advances.

Government

Financial and Professional Services

in an interconnected world.

From Secure Mobile Payment Solutions

to UL 360, our offerings help strengthen

security and protect private transactions

From Electrical Distribution Services

Compliance, we help drive sustainability,

From MedTech to Pharmaceuticals and

Biotech, we work with our customers to

help bring needed medical innovations

to Cybersecurity Assurance and

Healthcare and Life Sciences

to market safely and efficiently.

Industrial Products and Services

From Electrical Distribution Services

to Industrial Automation and Control

customers gain a comprehensive view

within any given system to help prevent

System Cybersecurity, we help our

of product and process efficiency

potential hazards and failures.

public safety and trade.



Automotive and Mobility

From Electric Vehicle (EV) Testing to Green Wire and Cable Certification programs, we test and validate automotive materials and help our customers manage their supply chains, helping bring safer products to market all around the world.



Built Environment

From Accelerated Weather Testing to Building Envelope Assessment, we help our customers design, build and manage smarter, safer and more sustainable buildings.



Consumer Products

From Chemical and Wastewater Management services to Cosmetics and Personal Care Testing, we help our customers solidify consumer trust and differentiate their products.



Energy and Utilities

From Battery and Energy Storage Testing to Offshore Wind Energy Services, our expertise in storage and renewables helps both established and emerging energy markets meet growing demands, while protecting people and the environment.



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Life Safety From Fire Emergency Apparatus Testing

to Medical Device Biocompatibility and Toxicity Evaluation, our services help protect first responders, people and

property. Our research and insights in this industry lead the way to discovering new ways to prevent and defend against threats.



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Materials and Chemicals

From Fire. Smoke and Gas Device Certification to Chemical Policy Management, we help manufacturers, distributors, importers and retailers manage chemicals to safeguard human health and the environment.



Through offerings like California Proposition 65 Compliance Solutions and Children's Furniture Testing, we take a proactive approach to protecting consumers and the brands they trust. Our analytic and management software solutions address sourcing, safety, environmental and quality challenges.



Technology and Electronics

From Recycled Plastics Testing and Certification to Landfill Waste Diversion Validation, we help our customers improve their infrastructure and bring innovations to market.

125 years of making the world a safer place

UL was founded in 1894. For more than 125 years, we've been committed to pure scientific research, innovative testing and trusted validations. We foster the types of positive, collaborative relationships that help bring solutions to life, ensuring our sustainable progress as a society. We've adapted to meet the needs of every generation we've served, and we will continue to transform to best contribute to the needs of generations to come. Long before the concept of sustainability became commonplace, we were working passionately to help secure the safety of people in every environment. As the world continues to present new challenges and problems to solve, we will continue to put the wellbeing of all people, our planet and its prosperity at the forefront of everything we do.



TE IN SELECTED AREA 112 17 -. . -42 2 0 * • 0~ FFFI On our approach

At UL, sustainability is central to who we are and what we have to offer. We enthusiastically embrace our mission to work for a safer, more secure and sustainable world, improving people's lives by improving quality and safety in every industry we serve. Increasingly, our work reveals how safety, security and sustainability are interconnected: each a vital aspect of promoting peace and prosperity today; each a necessary consideration for the future well-being of our planet and its inhabitants.

We believe our global reach and safety science expertise uniquely position us to have a profound and positive impact on the world. We also know that there is always more to discover, more to share and more to do. As a result, in 2019, we've strengthened our strategic approach to sustainability and laid the foundation for how we will accelerate and report on our progress in years to come. We are excited to collaborate and innovate in new ways, and to challenge ourselves, our customers and stakeholders to secure a resilient, inclusive and abundant future for all.

Our strategy

Our corporate sustainability purpose is clear. We want to positively impact our planet, its people and prosperity through environmental and social sustainability initiatives, as well as our services and offerings. We hope to inspire every person we can to help build a global culture of sustainability. We will apply our human, financial and brand capital to our utmost capability to further integrate sustainable practices into the heart of our business and to help address the critical challenges of our world with active and committed expertise.

Our year began with a resolution to contribute toward and align our strategy with the United Nations' SDGs, 17 goals defined by the UN to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. As a global company impacting the world through our operations, we share in the responsibility and urgency to help promote the prosperity of all people, everywhere. By aligning to the SDGs, we amplify our ability to contribute to the collaborative effort to help solve the urgent environmental, political and economic challenges facing our world.

SDG alignment

In order to identify sustainability topics material to our employees, businesses and stakeholders, we conducted an internal materiality assessment. Once these issues were determined and prioritized, we examined the 17 SDGs to align with the goals that best reflected our mission, values, business and corporate sustainability objectives. This internal analysis (below) resulted in our prioritization of the following SDGs to guide our course ahead:



<u>Goal No. 3</u> Ensure healthy lives and promote well-being for all at all ages. Public safety and the reduction of preventable deaths has been UL's priority since our founding in 1894.

Goal No. 11 Make cities and human settlements inclusive, safe, resilient and sustainable. UL's work helps support the kinds of innovative, secure and safe living and working environments our people, planet and future prosperity require.

Goal No. 12 Ensure sustainable consumption and production patterns. UL addresses our own consumption of resources with dedicated environmental task forces; while our services and offerings enable our customers to reduce waste, employ sustainable business practices, explore circularity, achieve supply chain transparency and adopt the safe proliferation of renewable energy.



Planet

We are committed to minimizing the adverse impacts our global offices and operations have on the environment. We are focused on responsibly managing our utility usage; reducing, repurposing and diverting our waste; and, engaging our global employees in implementing local solutions to address environmental issues in their communities.

Consequently, we support employee subject matter experts on task forces aimed at improving our energy efficiency, conserving water and finding new ways to responsibly address the waste we produce. Through our environmental sustainability efforts and these internal task forces, we will better understand how to reduce our negative impact and foster sustainable progress.

We are committed to setting robust science-based targets to reduce our carbon footprint, preserve natural resources and lessen our environmental impact. We are dedicated to improving environmental sustainability throughout our operations by discovering and deploying sustainable efficiencies and innovations. To demonstrate transparency and evaluate our progress, we will continuously measure and report on our challenges and achievements.



People

We must all be involved in the work it will take to build a safer, more secure and sustainable planet. We apply our human capital through volunteerism, thought leadership, skill-sharing and partnerships to make a personal and positive impact on our local communities.

Our responsibility to people means taking care of our employees alongside the public we serve. By prioritizing employee education, volunteerism, diversity and inclusion, we help create a healthy working culture that recognizes giving back and personal growth as important components of well-being. UL's social sustainability efforts connect local and global issues directly to our mission of working for a safer world, offering opportunities for us to apply our human capital to addressing the issues that best utilize our competencies. Employee participation in volunteer service enhances our mission and deepens our connection to the communities where we work and live and to each other.

Through our nonprofit partnerships, we collaborate to address the SDGs and provide disaster relief and charitable donations. Through our research, thought leadership and educational opportunities, we bring sustainable strategies, innovations and practices to our customers, employees and stakeholders. We expect our suppliers to practice responsible sourcing, foster safe work environments, exhibit transparency and ensure the secure distribution of goods, and we have created a global sourcing task force to monitor this commitment and continually evaluate improvements.



Prosperity

We are confident that our offerings help make the world safer, more secure and sustainable, and we seek to uncover even more ways to advance trust in our world. Our impact grows with every company that employs our services, in every geography where we are located and with every person that uses UL Certified products. Because of this, we have the unique opportunity and responsibility to promote sustainable practices every day with every task we undertake. As we continue to evolve and learn, we empower ourselves alongside our customers and stakeholders to prioritize a prosperous future for us all.

Governance

Prioritizing sustainability requires the leadership and support of our stakeholders and every UL employee in every role. In this transformative year, we established a dedicated Corporate Sustainability team, founded a cross-functional sustainability council and engaged multiple employee task forces to address our energy usage, supply chain, waste production and carbon footprint. We look forward to achieving our goals and the discoveries we will make along the way.

Corporate Sustainability Council — Our sustainability actions, commitments and impacts are governed through this highly engaged and experienced group of employees representing all business units, functions and geographies. The council analyzes social, environmental and strategic opportunities to support our sustainability vision and enhance our operations. Employee task forces focusing on sustainability issues report directly to the council.

United Nations Global Compact — In 2019, UL became



a Signatory to the United Nations Global Compact, formally committing to collaborate and report on our responsibility, progress and contributions to the principles of sustainability and the global impact of our actions. <u>Global Reporting Initiative (GRI)</u> — Although, we are a private company, we recognize and value the importance of sustainability reporting to improve how we address future risks and opportunities. As our reporting matures, we will continue expanding our coverage utilizing the GRI Standards.

TruCost Data assessment — We work with <u>TruCost</u> to obtain external review and validation of our data and SDG alignment.

Our 2019 sustainability report has been externally reviewed by sustainability reporting experts and advisors at the **Boston College Center for Corporate Citizenship** and the **Ethical Corporation.**

Partners

Sustainability demands collaboration. We may all have individual and corporate missions to fulfill, however, we share in common one mission higher than all of us, to steward this planet and its people to health and well-being in a way that does not endanger future generations. We are excited to have initiated key partnerships in 2019 to enrich our expertise and help progress **SDG No. 17** — **Partnerships for the Goals.**

United Nations Global Compact — Becoming a Signatory to the Compact inspires us to raise the bar every year with new challenges for ourselves, our customers, our stakeholders and the public. Further, we join a movement of leaders that support social and environmental sustainability and the actions and governance required to make a real impact.

Impact 2030 — Our partnership with Impact 2030 helps us scale the impact of our human capital investments to advance the SDGs.

UN SDG Action Campaign — By participating in the **Global Week to Act for SDGs**, we expand our capacity to inform, influence and inspire a broad, global audience to step up for the SDGs.

Vice President of Corporate Sustainability, Barbara R. Guthrie, is a member of **Sustainability Council 1: Strategy and Implementation.** This peer-learning group explores best practices for integrating sustainability into business.

Boston College Center for Corporate Citizenship

provides education and panel opportunities to support the goals of sustainability professionals and their organizations. Tina Vaughn, social sustainability manager, participates in the Community Involvement Leadership Roundtable.



Trucost ESG Analysis S&P Global



THE CONFERENCE BOARD



Materiality assessment

In 2018, we conducted a materiality assessment to identify the sustainability issues where we could sharpen our focus to achieve the greatest impact. This internal assessment by UL's global leaders covered the sustainability topics addressed by the SDGs and other issues pertinent to our operations. The potential environmental, social and economic impact of each issue was determined based on published studies on global risks. Issues were prioritized according to:

- Stakeholder importance (via survey results and interviews)
- Organizational importance (alignment to company mission, strategy and core competencies)





As a global safety science leader, we embrace our responsibility to positively impact the planet by acting to preserve prosperity for future generations. We recognize that our actions have a ripple effect, and we trust that by concentrating our efforts on the mindful use of our planet's resources, we will help realize a safe and secure future for all humanity.

The influence we have on our environment is measurable through our energy use, water consumption and waste generation. As we perform tests in our laboratories, conduct field evaluations and help our customers improve their offerings, our daily operations provide opportunities to investigate new ways to reduce harm and implement efficiencies.

Environmental sustainability

Our global corporate headquarter campus in Northbrook, Illinois, supports our highest concentration of employees, with the largest footprint of any of our offices and sites around the world. Hosting more than 1,700 employees and 20 buildings, operations at Northbrook well-represent the diversity of UL's enterprisewide service offerings. Testing performed at this site includes fire protection, cybersecurity, alarm systems, small and large appliances, hazardous locations, building envelope testing and more. From Northbrook, we are able to scrutinize a quality sample of our enterprise energy usage in order to discover and deploy improvements.



We are launching our reporting journey by disclosing our available data from this core location. This data will serve as the starting point to inform our strategy on three areas of global operational impact.



Energy We are committed to reducing our worldwide energy usage and improving efficiency in our buildings and laboratories, with a task force especially created to devise solutions.



Water We are exploring our global water usage, especially in parts of the world experiencing water scarcity, and finding new ways to recapture and reuse water.



Waste We are examining ways to divert waste from our landfills through the incineration of products we must destroy as part of our testing protocols to generate energy and seeking responsible, collaborative and innovative methods to repurpose the materials that leave our owned and operated locations.

As we acquire quality data from our global, owned facilities in the coming years, we will also introduce processes that allow more visibility of our impacts and footprints in our leased facilities.

Energy

As our operations grow, we are committed to mindfully evaluating how we use energy in our daily operations and how we source that energy.

In 2019, we examined our global headquarter baseline data and calculated our carbon emissions. We are currently developing the processes needed to expand on this research in order to investigate solutions. We have empowered an employee task force of subject matter experts across business units to reveal areas of improvement around our energy consumption and recommend solutions at all of our locations.

Several of our offices and laboratories in Europe are operating on 100% renewable energy. In 2020, our 120acre headquarter campus in Northbrook will also be operating on 100% Green-e® certified carbon offsets. Recognizing that credits are an interim step, we are working to increase energy efficiency throughout our offices and laboratories and exploring a retrocommissioning project to improve our building system performance overall.

As this is our first year of reporting, our carbon footprint is not verified. In future reports, we plan on having our emissions verified.

Scope 1 and 2 GHG emissions in metric tonnes of CO₂e¹



¹ In this report, we have collected consumption data to calculate our footprint for Scopes 1 and 2:

Scope 1: Emissions from natural gas end of December 2019 estimated using average daily consumption from the same period previous year, i.e., Dec. 2018
Scope 2: Emissions from electricity end of December 2019 estimated using average daily consumption from the same period previous year, i.e., Dec. 2018.
We are working to receive quality data for our other locations and are evaluating Scope 3 categories for future reports.

Achieving zero carbon

In 2019, a team of committed employees took the initiative to reduce UL's carbon footprint, transitioning offices in Frankfurt, Cologne and Arnhem, and a UL fire laboratory in Rosenheim to source 100% renewable energy. The combined effect of their efforts was a reduction in about 600 metric tonnes of CO2 emissions from the atmosphere annually, roughly the equivalent emissions of 120 households in Germany. UL's offices in Oldenburg and Wilhelmshaven had already transitioned to renewable energy in 2018.¹

This group of UL employees came together from different functions including facilities, finance, global sourcing and engineering to research clean energy opportunities in the area. By collaborating, they were able to negotiate group rates, making the transition to carbon free energy a win for the environment and the bottom line.

For their leadership in transitioning these sites to 100% clean and renewable energy, the employees making up this grassroots task force were nominated for the UL Mark of Excellence Award. The Mark of Excellence is an award offered annually to recognize UL employees who have contributed outstanding, collaborative or innovative work to the organization. Their successful initiative has helped inform UL's corporate sustainable energy management approach and has also influenced similar working groups and undertakings in the U.K., France and Italy.



¹ Calculated using the EPA Greenhouse Gas Equivalencies Calculator



2018



Water used per sq. ft. in 2019

35.77 gallons



Water used per employee in 2019



² Consumption from quarterly invoices and estimated values. December 2019 estimations calculated by multiplying average daily consumption from the same period and previous year with number of days.

Water

Our global headquarters in Northbrook sits in the heart of the Great Lakes region, one of the world's largest sources of fresh water. The majority, 84%, of North America's surface fresh water and nearly 21% of the world's supply of surface fresh water comes from the freshwater ecosystem of the Great Lakes, according to the U.S. Environmental Protection Agency. Though fresh water is less of an issue in this region, neighboring these Great Lakes is a constant reminder of our responsibility to protect our natural resources and of the need for clean, safe and accessible water to nourish all forms of life. With offices and laboratories around the globe, we are keenly aware of how water scarcity affects many of the communities where we live and work on a daily basis. We are committed to uncovering and evolving ways to reuse and recycle this precious resource, particularly in our laboratories.





Lake Welborn

Unique to our corporate headquarters, we have a 12.5 acre "working" lake where we drain and utilize water daily to support our laboratories and cool the buildings in our main campus, providing the majority of our air conditioning. Lake water is used in many of our temperature and humidity chambers, our air compressors and our irrigation system. The lake also serves as an emergency backup water source for our large-scale fire test building and as a free site for community emergency firefighters and divers to perform water search and rescue drills.

In the early 1980s, we expanded Lake Welborn from 4.5 acres to 12.5 acres. This provided the necessary mass to increase the lake's cooling capacity. The excavated earth was used to resurface approximately two acres for employee parking.

Community firefighters perform search and rescue drills in Lake Welborn.

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Photos of the thermal storage system construction project, 1983-1985. UL made a pioneering decision in energy conservation by installing a thermal storage system at the basement level, which thaws frozen lake water to cool the floors above.



To ensure the lake's water quality, the majority of campus roads and parking lots are diverted away from the lake. Water levels are regulated by pumping excess water to the North Branch of the Chicago River. By law, we are required to test the water quality when we pump into the river. All past filed reports have exceeded the Illinois Environmental Protection Agency (IEPA) water quality standards. Today, we continue to make significant efforts to care for life in and around the lake, building fish habitats and clearing invasive species to promote native plant growth. Lake Welborn serves as the backdrop for many company gatherings and community events. Walking paths around the lake contribute to employee wellness by offering access to nature during the working hours.

Waste

Enacting our mission to work for a safer, more secure and sustainable world demands that we create the various, relevant conditions needed to test and certify products and systems. Testing for safety requires our engineers to synthesize all foreseeable hazards that could arise from environmental, abnormal, and life-cycle conditions. While testing whether products operate as intended, we must also help ensure that should those products fail to operate properly, they will fail safely in order to protect our employees. Tests conducted by our engineers are, by necessity, stringent, robust and repetitive. They may involve the application of extreme heat, duress and other methods to prove that a product is safe for people to use. Oftentimes, those tested products then become a part of our waste stream, along with any temporary structures created to perform specific tests.



It is our unique challenge to balance the safety and well-being of consumers as they interact with products in the marketplace while introducing more circularity into our operations. We are eager to meet this challenge as we examine opportunities to better manage our waste.

When possible, we currently divert our waste from landfills through methods such as recycling. However, we are prioritizing collaboration with our business partners to find even more ways to responsibly dispose our waste. At both an enterprise and local level, we are also educating our employees about their individual responsibility to help reduce our overall waste. To date, our estimated diversion rate for our global headquarters is less than 50%. However, we are committed to gaining full transparency of all waste streams and increasing our waste diversion in the coming year. We will evaluate our sample and nonsample waste streams, identify opportunity for reuse and repurpose, and raise awareness and education to our colleagues regarding the importance of waste diversion.

Working toward zero waste

Bentonville, Arkansas — Work done in UL's Bentonville Consumer and Retail Services Laboratory includes the chemical and analytical analysis and the physical and mechanical testing of textiles and apparel. Customers will often need to provide samples of these types of goods for testing. In some cases, the testing process will not destroy the submitted samples and the resulting waste ends up in landfills.

In order to find ways to address this waste-to-landfill challenge, the Bentonville laboratory began exploring more sustainable methods to manage their softlines testing remains. A Bentonville softlines customer also wanted to improve their efforts to manage waste and collaborated with UL employees on this topic. With a shared desire to achieve zero waste, the Consumer and Retail Services Laboratory and softlines customer were able to implement a solution to reuse and recover their submitted samples.

UL has particular challenges in this space. The testing samples received from customers often span an exceptionally broad range of items. In this case, it was impossible to find one Bentonville vendor who would accept all the types of items for recycling, so the softlines laboratory employs two vendors.

"There was a lot of Googling to find a solution, and a lot of trial and error," Kristie Humphreys, administrative services manager of verification services in Bentonville, said. "Many of the vendors we contacted could only handle a specific type of material such as cotton, for example." Currently, some of the test samples are sent to a waste-to-energy facility. The rest are recycled for use in industrial applications.

"We also have to protect the privacy and intellectual property of our customers, so we had to ensure these goods did not get back into the marketplace," Humphreys added. "Other types of companies might be able to lower their costs by reselling goods to be upcycled or sold as used."

The change in processes required more work from the team, such as sorting goods into the appropriate colored bags and/or labeled bins. However, after employees adjusted to the new routine, there was no measurable increase in time spent managing waste. Bentonville employees are now trying to find even more ways to recycle their sample waste, which can include metals, plastics and many other materials, while collaborating with UL's Corporate Sustainability team to share their progress.

"I think many of us who are working on solving sustainability issues are in the same place. We're working locally or by division to solve problems and then share what we've learned so that others can address their challenges," said Operations Director, Mark Moor. "It would be ideal to discover ways to do even more at a lower cost, because we all know it's the right thing to do."



On tomorrow

We intend to maximize our positive impact in the future and are excited by the innovations and efficiencies our journey will inspire. We are collaborating with our business divisions, customers, stakeholders and service providers to reduce our carbon footprint, responsibly divert waste, and reuse and recycle water as we progress.

In order to achieve our environmental sustainability objectives, our next step is to acquire high-quality data on our owned global facilities. This will allow us to set specific intensity goals and reduction targets for the unique consumption of our various facility types.

We will launch pilot programs at our headquarters then implement best practices at our other sites around the world. And, we'll continue to measure and report on our performance as we engage our employees with quality education around environmental issues and impact areas.





In the coming years, we plan on implementing energy conservation initiatives across our global campuses and identifying innovative and strategic projects to support a transition to a low-carbon economy. In the shorter term, we commit to:

- Implementing efficiency initiatives at global sites
- Purchasing renewable energy when possible
- Monitoring our energy use, particularly in areas where energy rates are higher



Water is a vital, irreplaceable resource to all life and industry. In the years to come, we hope to explore and uncover new ways to recapture and reuse our water as we prioritize water management. In the shorter term, we commit to:

- Evaluating water recyclability in our laboratories
- Developing a policy for water use in offices and laboratories
- Surveying the environmental impact of our water use in regions of scarcity

Waste



The challenge of waste management requires strategic planning at the start of a product or process, long before waste is produced. In the coming years, we plan to incorporate circularity principles — reuse, refurbishment, remanufacturing and recycling — into our waste strategy wherever possible. In the shorter term, we commit to:

- Increase employee awareness of waste diversion
- Implement a new global recycling program
- Integrate circularity principles into our operations where possible

People

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We benefit from a global and diverse workforce of committed, passionate employees. At UL, living our mission to work for a safer, more secure and sustainable world means going beyond the work we undertake. In recognition of our people's passion for improving the communities where we work and live, each full-time employee receives

two volunteer time off (VTO) days a year to

dedicate to volunteer service.

We also offer all our employees quality education and career advancement opportunities. We value their contributions and support an inclusive environment because it makes our work more meaningful and our company more successful.

In 2019, UL president and CEO, Jennifer Scanlon, signed two pledges related to UL's commitment to inclusion:

- The Equity Principles of the Chicago Network that commits us to work toward achieving gender equity in leadership roles throughout our organization by 2030.
- The <u>CEO Action for Diversity and Inclusion Pledge</u> to actualize inclusive culture. The pledge is the largest CEO-led commitment to advance diversity and inclusion within the workplace. CEO signatories commit to cultivating workplaces that support diversity and inclusion through important dialogues and actions. They also commit to implement unconscious bias training and to create and share strategic inclusion and diversity plans with their board of directors.

Our mission remains the same. The way we live our mission includes positively impacting our customers and stakeholders, the communities around the globe where we have a presence, and the public that we serve. Safety and sustainability go hand-in-hand. The way we go about the business of keeping people safe must meet today's needs without compromising tomorrow's opportunities.



At work

Working at UL means sharing a common commitment — to positively impact our planet, its people and prosperity — with all of our colleagues around the world.

Our employees are key to our company's success and value, and in turn we invest in their growth and success. We begin by encouraging open, honest conversations so that everyone has an opportunity to share their perspective and expertise to enhance the common good.

Diversity and inclusion (D&I)

We are working together to sustain a diverse and inclusive culture where everyone can thrive. Beyond being a moral imperative, we understand that the best solutions are created when people collaborate and think beyond their own perspective.

UL's third Diversity + Inclusion Summit was held at our location in Research Triangle Park, North Carolina, and broadcast live to our employees around the globe via webcast. <u>Research by Accenture in 2019</u> reveals that the "innovation mindset is six times higher in the most-equal cultures than in the least-equal ones." We value our people and undErstand the need for the innovations our future prosperity demands.



Business Resource Groups (BRGs)

Our BRGs are voluntary, employee-driven groups that help us to foster an inclusive workplace by supporting diverse perspectives and empowering community advocacy and transformation. All UL colleagues are able to join all BRGs. **Black BRG** Dedicated to driving inclusion through education and awareness, the Black BRG aims to accelerate UL's commitment to engaging employees with diverse backgrounds, skills and capabilities to work together to deliver UL's mission.

PRIDE UL BRG PRIDE UL is committed to increasing awareness and understanding of our LGBTQ+ community. PRIDE stands for People Recognizing Identities and Differences for Equality. This BRG strives to create a positive and supportive work environment, helping deliver UL's commitment to D&I, and the recruiting and retaining of LGBTQ+ talent.

ULatino BRG

The ULatino BRG promotes the heritage of Hispanic and/or Latino UL employees by sharing the Latino/ Hispanic culture through educational opportunities, networking, cultural events and social gatherings. This BRG also supports the professional development and leadership opportunities for Latino/Hispanic team members to help recruit and retain top talent.

Women in Leadership BRG (WILBRG)

WILBRG helps accelerate the advancement of women working at UL by cultivating a strong community of female leaders. The BRG helps members develop their leadership skills and personal/business networks, shares best business practices and thought leadership, and promotes career opportunities for women.



Young Professionals BRG

The Young Professionals BRG aims to build and nurture an inclusive environment that engages millennials in support of UL's mission and business. Goals and objectives include supporting UL's effort to attract, develop and retain millennial talent, building an internal support system for millennials to share experiences and information, developing personal and professional growth opportunities, and influencing change to help grow and digitize the business.

2019 BRG highlights:

- In honor of Pride Month, the Pride flag was showcased at a number of UL's main sites.
- Young Professional, Black BRG and WILBRG hosted a variety of career growth events centered around inclusive leadership, mentoring and work-life integration.
- To raise awareness during Mental Health Awareness Month, the Young Professionals BRG hosted educational events for employees.
- This year marked the launch of the Global Diversity and Inclusion initiative involving more than 30 focus groups across UL.
- This year also marked the third annual Leadership Summit, focused on building a globally inclusive culture.

Diversity and Inclusion Council

Formed in 2018, our D&I Council shares recommendations and offers guidance to build UL's D&I strategy across UL's global entities. The council also determines measurable goals and metrics to monitor the progress of our D&I initiatives. Council members include executive-level employees and representatives from each BRG.

In the community

UL's social sustainability efforts connect local and global issues directly to our mission of working for a safer world, offering opportunities for our people to make a personal and lasting impact. Employee participation in volunteer service enhances our mission and deepens our connection to the communities where we work and live.

Sustainability Champions

In 2019, we operationalized a global network of employee volunteers to drive sustainability at the local level in their communities. These Sustainability Champions support our enterprise volunteer initiatives as well as other local volunteer efforts put forth by employees at their locations.

As we continue to develop global and regional campaigns to support the SDGs and utilize our employee talent, we are implementing a new online platform to measure our impact through donations and volunteer service.



UL University (ULU)

We provide education and training to all our employees with access to a free and comprehensive portfolio of instructor-led, online and self-directed learning options. We also facilitate mentoring opportunities that enable everyone involved to share their unique knowledge and skills.

In 2019, ULU won the 2019 Association for Talent Development (ATD) BEST award. Each year, the ATD assesses best-in-class learning and development functions from organizations all over the world and ranks them according to inclusive access to learning and development for all employees, alignment of learning programs to business outcomes and the impact of individual training programs.



580,000 Total training hours

Average training hours per employee

←

Employee volunteers in Taiwan use their volunteer time off benefit to clean a local waterway for our 2019 global volunteer initiative, 125 streams for UL's 125 years.

125 streams for UL's 125 years

In 2019, to celebrate our 125th anniversary, we launched our first-ever global volunteer initiative, with an ambitious goal to clean 125 streams around the world. This volunteer effort captured the spirit of our mission and inspired our employees in a collective global effort to raise awareness about the necessity of clean, accessible water and progress the SDGs.

Stream cleanups were held in 20 countries: the U.S., Canada, Germany, Argentina, Denmark, Ireland, Italy, the Netherlands, Turkey, the U.K., China, Taiwan, Japan, Korea, Malaysia, New Zealand, Singapore, Thailand, South Africa and India.

More than 1,500 employees volunteered more than 6,000 hours to cleanups around the world. Led by their local Sustainability Champion, each team selected a body of water to clean, improving streams, rivers, lakes and oceans in their communities. In India, employees were so inspired by the 125 Streams initiative, they adopted the lake they volunteered to clean, Seegehalli Lake in Bangalore. They are committed to continuing work over the coming years to revitalize the lake and its surrounding area.

We're proud to say we reached our goal to clean 125 streams in our 125th year. Along the way, we helped restore habitats and ecosystems, made a positive impact on our communities, united employees across the globe and embodied our mission of working for a safer, more secure and sustainable world. By cleaning 125 streams, we helped to combat waterborne diseases, contributed to inclusive and accessible green spaces for all citizens and reduced the release of waste into the water system.

Partnering to improve lives

UL and Safe Water Network

Safe Water Network brings together resources to address the challenge of water contamination, lack of access to clean water, and water and sanitationrelated illnesses and deaths. We support their efforts to develop and implement solutions to provide safe, affordable water to people in need in India, Ghana and Kenya.

In partnership with Safe Water Network, UL's Field Engineering team in India supports the installation and inspection of water filtration stations. Additionally, UL grants help support the training of local village residents to self-manage those stations and provide education on water hygiene and safety. This project offers a start for safe water throughout India.

FIRST Robotics

FIRST (For Inspiration and Recognition of Science and Technology) was founded in 1989 to inspire young people's interest and participation in science and technology. *FIRST* designs accessible, innovative programs that motivate students to pursue education and career opportunities in STEM while building life skills.

Since 2006, UL has been the official Safety Partner for *FIRST* Robotics. Serving as Safety Advisors, UL employees volunteer at robotics competitions around the globe where they help teams create a culture of safety and help ensure all participants practice important safety measures throughout the competition.

Aligning to the SDGs

125 streams for UL's 125 years



In 2019, more than 200 UL Safety Advisors attended more than 125 competitions, contributing more than 6,000 volunteer hours.

Safety Animation Award

Each year, *FIRST* teams from across North America compete for the Safety Animation award by creating short, animated videos focused on safety. The winning submission is shown at all *FIRST* competitions during the season. In 2019, volunteers reviewed more than 160 entries for the 2019 Safety Animation Award. For 2020, teams have been asked to submit videos on the theme "Sustainability is on the RISE," paying particular attention to sustainable cities and communities and responsible consumption and production.

Danish Science Cup

UL volunteers in Ballerup, Denmark, support the Danish Science Cup, a science competition for 18-year-old students organized by the Danish Society of Engineers. Safety is an important criteria in evaluating projects in the competition.

Habitat for Humanity

We consistently support Habitat for Humanity's work through volunteer efforts and charitable contributions, donating to fund employee build days at Habitat for Humanity homes in the U.S. and China. In 2019, UL sponsored the refurbishment of an entire historic home. UL volunteers helped to identify older technology and infrastructure in the home that could be refreshed and reused, diverting more waste from the landfill. Overall in 2019, more than 250 employees volunteered more than 1,700 hours.

In the world

As a 2019 signatory to the United Nations Global Compact, we apply their definition of social sustainability to ourselves:

"Social Sustainability refers to the proactive way a company identifies and manages business impacts on employees, workers in the supply chain, customers and communities."

- United Nations Global Compact

Collaboration between UL's Corporate Sustainability Council, Corporate Sustainability, Human Resources and Ethics, and Compliance supports our social sustainability efforts to make a positive impact through:

Volunteering — Each full-time employee receives 2 paid volunteer time off (VTO) days per year.

Disaster relief — UL matches employee donations to disaster relief efforts.

Philanthropy — We donate to important causes that progress the United Nations' SDGs, such as Habitat for Humanity, which aligns with Goals Nos. 6, 7 and 17.

Responsible sourcing — We expect our suppliers to practice responsible sourcing, foster safe work environments, exhibit transparency and ensure the secure distribution of goods.

Anti-counterfeiting — UL collaborates with law enforcement agencies around the globe to combat counterfeit goods to help protect the public and the supply chain. **Nonprofit partnerships** — We selectively partner with local nonprofit groups to learn from their expertise as we make a difference in the communities where we work and live.

UL's Ethics and Compliance office helps promote and maintain our values-driven culture, ensuring that the principles of integrity, honesty, quality and fairness are integrated into our business practices on a consistent basis around the world.

EXPLORE



How the Housing Bubble Created New Opportunities for One Organization



UL Teams Up to Renovate Home Steeped in History



Rebuilding a Home, the Sustainable Way





We define prosperity as a thriving, abundant future for all. The role we play in helping secure this possibility is critical to our world and directly linked to our founding legacy to "do something for humanity" by helping create safer living and working environments for people everywhere.³

Our everyday work finds UL employees engaging their expertise across a wide range of industries, helping to ensure the safety, security and sustainability of the products and processes we evaluate, test and certify. Scientific rigor and the pursuit of truth are hallmarks of the UL engineer. To know by test and "state the facts" was the oft-stated principle of William H. Merrill, Jr., the founder of Underwriters Laboratories.⁴ We apply his maxim to every test we undertake so that we may help guide societal progress in a responsible and honest manner.



³ Merrill, W.H. (1913, May). Underwriters Laboratories Inc., The Spectator
 ⁴ Small, A.R. (1913). Underwriters Laboratories Work in Waste Prevention, The Spectator, p. 46

As a global safety science leader servicing the industries that define the world around us, we are able to meaningfully impact the United Nations' SDGs through both our internal initiatives and our services. While we have aligned our corporate sustainability strategy to three goals — SDGs Nos. 3, 11 and 12 — our products and services enable our customers to impact additional SDGs.



- Our sustainability reporting and supply chain management tools provide our customers line of sight into their operations and help them report on their own sustainability journey. (Goal Nos. 9, 10, 11, 12 and 17)
- Our work in greenhouse gas emissions (GHG), circular economy, waste diversion, labor and human rights issues, performance testing, environmental air quality and emissions, and the broad range of environmental, social and governance issues of concern to investors, directly progresses many of the SDGs. (Goal Nos. 3, 6, 9, 11, 12, 13 and 15)
- Our experience with product development and chemicals of concern, renewable energy and battery technologies, refurbished and remanufactured products is vital to protecting the health of the planet and its resources. (Goal Nos. 3, 7, 9, 11 and 12)
- At the same time, our digitization efforts, software systems and implementation services play an enabling role in advancing the SDGs alongside our customers. (Goal No. 17)

All of these capabilities and services help our customers enhance their sustainability efforts, multiplying our impact as we work together to safely progress society.

EXPLORE



How One 20th Century Fire Shaped UL's History

Partnering to progress the SDGs

As a company founded on sharing our scientific research and discoveries to make the world a safer place, our environmental and sustainability experts today participate in and lead the important global dialogues surrounding sustainability.

SDG No. 17 reveals the need for cross-industry, public, private and civil society partnerships to accomplish sustainability goals. We embrace this SDG through participating in collaborative research and demonstration projects and working directly with partners across the circularity value chain.

In 2019, UL sustainability experts contributed to the following organizations to share insights, progress innovations and collaborate on advancing the SDGs:

WATCH



Bloomberg Sustainable Business Summit — For the past two years, UL has been actively supporting the Bloomberg Sustainable Business Summits. In 2019, we shared how emerging technologies are driving sustainable action and measuring success. Key takeaways from the 2018 summit were captured here.

CE100 — UL became a member of the Ellen MacArthur Foundation CE100 in 2019, collaborating with industry leaders to advance circularity. One of the first projects UL worked on was a <u>mass-balance approach</u> to calculating recycled input generated through a chemical recycling process.

GreenBiz — UL co-hosted GreenBiz's inaugural circularity-themed conference, Circularity19. Circularity offers innovative ways to operationalize sustainability into business. To learn more, listen to this GreenBiz podcast episode 177: <u>"Sounding off at</u> Circularity19."

Global Cities, Inc. — UL is a longtime partner of the annual Pritzker Forum on Global Cities. This event brings together mayors, academics, nongovernmental organizations (NGOs) and industry stakeholders from around the world to share knowledge and practices to address the challenges facing cities today. <u>This year's</u> forum focused on sustainable growth.

Sharing research and scientific expertise

U.S. Department of Energy (DOE) research – In January 2019, UL completed work on two DOE threeyear research grants to further understand the life of photovoltaic (PV) modules in collaboration with team members from the National Renewable Energy Laboratory (NREL), National Institute of Standards and Technology (NIST), academia and industry. These projects will inform the PV industry about the best ways to design and develop materials and PV modules, promoting more durable PV systems that exceed the current performance and financial aspects of solar power. In 2019, we were awarded another DOE threeyear research grant to extend our work analyzing the condition of fielded PV modules installed and operating in different environmental conditions around the U.S., and ultimately the world.

National Institute of Standards and Technology (NIST) and UL workshop — In December 2019, UL co-hosted the first NIST/UL Workshop on PV Materials Durability at NIST's campus in Gaithersburg, Maryland. This conference brings together leading scientific experts in solar power from around the world to address cutting edge ways to promote the best design, development, assessment and usage of solar power technologies.

Energy Storage System (ESS) Safety — UL extended our thought leadership in energy storage system safety by developing key new requirements for safety. ESS supports renewables by capturing the energy from solar and wind, allowing it to be accessed when needed, even if the sun is not shining and the



wind is not blowing. In late 2018, UL issued <u>UL 1974</u>, the U.S. and Canadian national safety Standard for Evaluation for Repurposing Batteries. This Standard promotes the safe reuse of EV batteries in the energy storage infrastructure, which helps extend resources, reduce waste and promote renewables. We followed our publication of the world's first electrical energy storage (EES) safety Standard, <u>UL 9540</u>, the Standard for Energy Storage Systems and Equipment, with additional published requirements to address the fire safety of these systems. UL's ESS and fire experts worked to issue new testing protocols that are being used by regulators around the country to help install ESS with confidence.

Biofuel research and requirements — UL worked with <u>U.S. National Laboratories</u>, automakers, the agricultural sector and industry stakeholders to proactively research, develop and publish requirements for new biofuels. Our work to establish requirements for mid-level ethanol fuel blends will lay the foundation for safety of fueling stations, support more rapid implementation of infrastructure and accelerate the ability to use more biofuels that burn cleaner than gasoline and produce lower levels of nitrous oxide (NOx) and other air pollutants. **EV Charging** — UL has been advancing requirements for EV fast charging technologies as well as EV wireless charging. Both of these technologies offer easier and safer EV charging, which supports broader uptake of EVs and other zero-emission vehicles by the public. As we see increased deployment of renewables, this allows for clean electricity to increasingly charge zero-emission vehicles (ZEVs) and reduces emissions from fossil fuels. Through summits, technical analysis, modeling and collaboration with key stakeholders, UL has been highly active in advancing safe, sustainable and practical ZEV tech.

PV Rapid Shutdown/Hazard Control — As rooftop solar PV power becomes increasingly popular across the U.S. and the world, it presents challenges for the first responder community in carrying out their tactics in a building with rooftop PV. PV panels continue to generate electricity when exposed to light — whether sunlight or even the artificial lighting used by fire departments at night — that can generate enough electricity to injure or kill first responders if they come into contact. The presence of water in firefighting operations elevates the risk. UL has been working with the first responder community, the solar industry, the U.S. National Laboratories and others to help ensure the safety of new technologies that allow first responders to rapidly shut down the distribution of electricity from a rooftop PV array, keeping them safe as they carry out their critical missions. We conducted essential work with Sandia National Laboratories to assess the electric shock hazards for firefighters and are using that research to drive the optimal requirements for the use of that technology. This effort helps promote rooftop solar use while also protecting the lives of the firefighters.

First hydrogen fuel station certification — In 2018, UL issued the world's first certification of the safety of a hydrogen fuel station. These stations are used to fuel hydrogen fuel cell vehicles (HFCVs) like the Toyota Mirai. HFCVs are extremely clean, as their byproduct is water. In 2019, these stations began being installed in the U.S., in southern California, to promote safe and clean transport in a region challenged by air pollution from vehicles using internal combustion and diesel engines.



International Electrotechnical Commission (IEC) Renewable Energy Scheme (IECRE) First Solar

Certificate — The IECRE is a new conformity assessment scheme to promote easier global deployment of large scale wind, solar and marine power plants. UL has been deeply engaged in setting up the scheme since its inception, in all three sectors. In 2019, UL issued the first certificate under the solar sector for <u>First Solar</u>, a leading global manufacturer of innovative solar systems.

Empowering our customers' impact

Testing, inspection, certification

UL GREENGUARD — According to the latest <u>Global</u> <u>Burden of Disease</u> study, 1.6 million people died prematurely in 2017 as a result of indoor air pollution. Healthy indoor air is critical to safe living and working environments. UL GREENGUARD Certification helps manufacturers make and market products that have low chemical emissions and contribute to healthier indoor air. The emissions criteria for GREENGUARD Certification are among the most stringent in the world, recognized by more than 400 building programs, standards and specifications globally. Customers, such as Pottery Barn, have adopted <u>UL</u> <u>GREENGUARD Gold Certification</u> for baby and child furniture, recognizing that health and safety are tied to sustainability.

Responsible sourcing for supply chains — Responsible sourcing services help our customers analyze risks and prioritize interventions through supply chain mapping, field research tools and risk indices.

<u>Healthy buildings</u> — Our audit and building commissioning services to support healthy buildings extend to asbestos, lead surveying, energy benchmarking and more.

Advisory

<u>Renewables technical advisory services</u> — Our comprehensive portfolio helps companies plan, design, finance, build, invest, operate, maintain and manage wind and solar. UL is leading the digitization of the renewables industry. Learn about Renewable Asset Monitoring Platform (RAMP) to see how we are helping our customers access and understand the data from their wind and solar plants to identify where they are gaining and losing energy.



Our **software and services** for regulatory compliance enable companies around the world to secure their supply chains and responsibly steward products with product intelligence to reduce risk, reach chemical compliance and promote materials. Chemical regulatory advisors, with a combined fluency in more than 30 languages, help companies meet changing regulations and increasingly robust product requirements.

UL acquired <u>HOMER Energy</u> in 2019 expanding our portfolio of services across the renewable energy value chain. This acquisition enables UL to grow advisory and digital services in microgrids, energy storage, hybrid energy systems, smart buildings and cities, and related domains. It expands our digital service offering by combining UL's experience and recognized thought leadership in solar, wind and battery technology with HOMER Energy's system design capabilities and distributed energy project database.

Education and training

Drawing on UL's expertise, UL's training and professional development solutions include instructor-led sessions, custom workshops and content development, on-demand e-learning courses and live webinars across a range of subjects:

UL's PV System Installation Certification online program was designed to meet and exceed existing industry requirements through a working cooperation with leading PV industry stakeholders, NGOs and professional associations. This program satisfies a need to improve the safety and performance of PV systems through a more qualified workforce.

U.S. Product Safety System: CPSC v. OSHA — This program was developed to help compliance staff, product designers, engineers and other professionals learn about the U.S. Consumer Product Safety Commissions (CPSC) and U.S. Occupational Safety and Health Administration (OSHA) regulations affecting everyday products and their safe distribution in global marketplaces.

Software solutions

UL's digital applications help customers see the big picture, drill down to essential details and capture critical information across their organization and value chain, simplifying sustainability-related processes and decision making. Turbo Carbon[™] — Reporting carbon emissions is a growing imperative, driven by new regulatory requirements, pronounced business benefits and increased societal expectations for managing carbon emissions. UL's Turbo Carbon solution makes carbon reporting simple, fast and affordable for brand owners and their supply chain.



UL 360 — This award-winning platform enables brands to manage their GHG and other environmental, social, and governance (ESG) data for internal decision making and external stakeholders. UL utilizes this platform to glean insights into our own global facilities and laboratories in order to discover efficiencies and enact improvements.

UL SPOT[®] is a UL product database that helps architects and designers, manufacturers, purchasers and retailers find sustainable products to meet green building requirements, purchasing guidelines and customer demands. This database raises awareness, encouraging the adoption of safer, greener and healthier products.

A sustainable future

Each of these services and offerings help us and our customers progress the SDGs. As we advance our own sustainability initiatives, we also proliferate our customers' contributions to the UN SDGs every day through the work we do. We are committed to sharing our journey through continuous reporting, as we embed sustainable strategies across our business to increase our impact.



Extraordinary lengths

We test and certify more than 70 different wire and cable product categories creating the connections that contribute to a safe, secure and sustainable world.

In 2019, we evaluated:

	Appliance wi	ing material 104,983,455,463 ft		
Ele	exible cord 10,502,521,796 ft	Communication cable	15 173 360 186 ft	
	Aldie edia 10,502,521,750 ft	Communication cable	1,113,303,100 H	
Building wires 40,688,239,446 ft				
Tatal langth of LU Cartified Wires produced in 2010.				
Total length of UL Certified Wires produced in 2019: 171,347,585,891 ft				
	1/1,547,	202,091	IL	
That's equal to				
•				
4,099		1/3	i 52,226,	744
times around the Eart	.h	of the distance between	kilometers	/ 1 1
V		the Earth and sun		



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