





# **ESG** Report





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#### **Forward-Looking Statements**

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include any statements that are not statements of historical fact, including statements regarding our ESG plans, goals and operational strategies. The inclusion of any such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in Univar Solutions' filings with the U.S. Securities and Exchange Commission (SEC). Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the expectations expressed, including the risks and uncertainties described in our filings with the SEC, including specifically, the Risk Factors described in our annual report on Form 10-K. You should not place undue reliance on forward-looking statements. We undertake no obligation to update any forward-looking statements. In addition, historical, current, and forward-looking ESG-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

**GRI 2-3** 



environmental, social, and governance (ESG) reporting. Based on the principles of accuracy, completeness, balance, context, and verifiability, this report is a timely and comparable means of demonstrating and showcasing progress on our ESG journey.

The scope of this report includes all of Univar Solutions' global operations for the most recent calendar year, January 1, 2022 -

This report is a proud continuation of Univar Solutions' annual



The scope of this report includes all of Univar Solutions' global operations for the most recent calendar year, January 1, 2022 - December 31, 2022. In an effort to ensure this report is as useful as possible to our stakeholders, we have developed this content and specific disclosures with our stakeholders' needs in mind, using globally recognized ESG reporting frameworks. Notably, this report has been informed by the Global Reporting Initiative (GRI) Universal Standards. Efforts have also been made to align this report with appropriate disclosures of the Sustainability Accounting Standards Board (SASB) for the Chemical Industry, the United Nations Global

Compact (UNGC) requirements, the United Nations Sustainable Development Goals (SDGs), and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Further information on our lastest ESG disclosures as well as our content indices linking our disclosures to our report-aligned frameworks can be found on our **ESG Resources Page**.

Through careful consideration of these multiple global frameworks and a continuation of our aim to report on the topics most material to our business and stakeholders, we see this report as another important milestone in our sustainability journey and a meaningful resource to help inform our stakeholders while encouraging our value chain partners to join us on the journey to a more sustainable future.

Questions on the content of this report and our broader ESG journey can be sent to **sustainability@univarsolutions.com**.

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# **Executive Summary**



#### Letter from Our President and Chief Executive Officer, David Jukes

I am once again proud to see our business grow and deliver value to our customers while maintaining our focus on our ESG goals. I am pleased at the progress our organization has made in many of our areas of focus. Our continued progress reaffirms that our people are helping build a business that delivers financially, environmentally, socially, and ethically, and creates a better future for us Today. Tomorrow. Together.

As we head into 2023, we do so with more confidence than ever in our belief that Univar Solutions is a strong business with the capabilities and reach that will continue to set us apart, delivering more sustainable operations and solutions for our value chain partners than ever. However, we recognize that there are challenges on the horizon due to factors such as global economic fluctuations, ongoing geopolitical tensions, and supply chain disruptions. Despite these challenges, I believe Univar Solutions is well placed for one simple reason — we are a business built on our purpose, to help keep our communities healthy, fed, clean, and safe. We are not only focused on growing our business and generating strong sales, but also on making a positive difference to the world around us by helping to keep people safe, protect the physical environment, strengthen social responsibility in the supply chain, and create a business where our people can bring their whole, authentic selves to work.

# Trowing Together

As further detailed in this report, I am pleased to share these highlights on our ESG progress in 2022:

#### Our teams delivered significant progress on our environmental goals:

- Reduced our absolute Scopes 1 and 2 emissions by 16.31 percent from our baseline.<sup>1</sup>
- Disclosed our second year of Scope 3 emissions and delivered reductions in key areas, resulting in an intensity reduction of 25.26 percent of our overall Scope 3 emissions.<sup>2,3</sup>
- Reduced absolute hazardous waste totals by 25.3 percent compared to our baseline.1

#### We have strengthened our positive impact on society, where we have:

- Experienced our safest year on record since 2015, reducing our global Total Case Incident Rate (TCIR) by 30 percent to 0.33 in 2022, compared to our baseline<sup>1</sup> of 0.47.
- Increased diverse representation rates on gender and ethnicity at the people-leader level, achieving one of our targets ahead of schedule.
- Significantly evolved our community engagement program, launching our COMMUNITY BONDS program and opening more volunteering opportunities for our employees.

#### On Governance issues we have:

- Strengthened our sustainable sourcing activities, rolling out our Supplier Code of Conduct to new suppliers and hundreds of legacy suppliers in the US, covering over 32.5 percent of our product suppliers (measured by spend<sup>4</sup>).
- Commenced our global supplier sustainability assessment program, centered on employing the EcoVadis supply chain sustainability platform, with 44.5 percent of our product suppliers (measured by spend4).
- Increased our company's third-party ratings across the majority of our assessment platforms.

I am also proud to see how our people have continued to demonstrate excellence in all we do and to see this recognized externally. We have continued to drive progress against our Global ESG goals, helping deliver environmental and social value through our business and value chain.

In 2022, we achieved the following recognitions:

- Awarded a low ESG risk rating by Sustainalytics, placing us in the top 14 percent of our industry.
- Named by Newsweek as a member of their America's Most Responsible Companies 2023 List.
- Recognized as a Best Place to Work for LGBTQ+ Equality by the Human Rights Campaign (HRC) Foundation, after receiving a score of 100 on its Corporate Equity Index (CEI) for a second year in a row.
- Maintained our recognition as a Great Place To Work® in Brazil and Mexico.

2022 has been a continuation of our great progress to date, and I am truly grateful to our people worldwide for making this possible. The journey ahead of us in delivering on our ESG goals will be challenging. Still, we are in a better position than ever to meet these objectives while delivering on our purpose.



Thank you,

David lukes President and Chief Executive Officer

<sup>1.</sup> Baseline for goals to 2025 is calculated from the average of 2019 and 2020 performance.

<sup>2.</sup> Baseline for Scope 3 emissions is calculated on 2021 performance.

<sup>3.</sup> Scope 3 intensity calculated on a (tCO<sub>3</sub>e per \$M sales) basis.

<sup>4.</sup> Measured by percent total direct product spend.

#### **Global ESG Goals to 2025**



#### **Climate Action**

Implement the technology, processes, and culture to support our journey toward a net-zero carbon future.



#### Resource Use

Drive sustainable resource use through embedding the principles of circularity and operational excellence.



#### **Release Prevention**

Support the responsible handling of materials across our operations and supply chain.



#### **Sustainable Solutions**

sustainable products, services, practices, and technologies to support our customers' sustainability journeys.



#### **Serious About Safety**

Keep our employees, vendors, and customers safe at work through our safety-focused culture and practices.



#### **Diversity, Equity, & Inclusion**

Increase diverse representation at leadership levels and create the opportunities and culture to enable employees to bring their authentic selves to work.



#### **Community Engagement**

Demonstrate our commitment to help keep society healthy, fed, clean, and safe through financial investment and employee involvement in the communities in which we live and work.



#### **Sustainable Sourcing**

Drive improved sustainability performance and minimum standards across our diverse supplier base.





GRI 2-1 | 2-6

In 1924, George Van Waters and Nat Rogers opened a brokerage business in Seattle, Washington, buying and selling naval supplies, paint, raw materials, and cotton linters. Nearly 100 years later, and after many different incarnations of the business, we closed our initial public offering in 2015. In 2019, we acquired Nexeo Solutions, Inc. ("Nexeo"), a leading global chemicals distributor. The acquisition expanded and strengthened our presence in North America and provided the opportunity to create the largest North American sales force in chemical and ingredients distribution.

Today we are a leading global distributor of commodity and specialty chemicals and ingredients, as well as a provider of value-added services, to customers across a wide range of diverse industries. We purchase chemicals and ingredients from producers worldwide to warehouse, repackage, blend, dilute, transport, and sell those materials safely to nearly 100,000 customer locations across approximately 120 countries. We provide application development and technical advice to customers formulating new products and have a network of Solution Centers to support customer development activities. We operate an extensive worldwide chemical and ingredient distribution network, including approximately 9,700 employees and 600 facilities. Our business is serviced by approximately 4,900 tractors, tankers, and trailers; around 2,500 rail cars,120 rail and barge terminals, and 20 deep sea terminals, focused on the timely and safe delivery to a spectrum of customers, large and small. Our purpose is to help keep our communities healthy, fed, clean, and safe.

Chemical and ingredient producers rely on us to safely warehouse, repackage, transport, market, and sell their products as a way to expand their market access, enhance their geographic reach, and lower their cost to serve and grow their business. Customers who purchase our products and services benefit from a lower total cost of ownership, as they are able to outsource functions to us, such as "just-in-time delivery," product availability and selection, packaging, mixing, and blending. They also rely on us for safe and secure delivery and the off-loading of chemicals, compliant with increasing local and federal regulations. Customers and suppliers depend on our deep end market knowledge and technical expertise to provide formulation and recipe development services to help meet the latest market trends and adhere to regulatory requirements across our global network of Solution Centers.

Further detail on our business can be found in our 2022 Annual Report.



View our 2022 Annual Report







#### Company Purpose, Vision, Mission, and Core Values

Our overarching purpose is to help keep communities healthy, fed, clean, and safe. We work to accomplish this purpose through our vision to redefine distribution and be the most valued chemical and ingredient distributor on the planet.

With a simple mission to "Streamline. Innovate. Grow." we are well positioned to advance resource efficiency and develop innovative solutions to deliver long-term, sustainable growth.

As a purpose-based company, our core values are the following:

#### We Are Serious About Safety

We are vigilant and proactive to prevent safety hazards, and we will always place safety before profit.

#### We Do What We Say

We put service first and make commitments that we can keep, trusting others to do the same, and hold ourselves accountable while being bold, direct, and transparent.

#### **Where People Matter**

We care about others and their contributions and ensure diversity and inclusion. We do this while growing ourselves to grow our business.

#### Valuable to Others

We are here to solve problems for our customers and suppliers and to improve the communities where we live and work.

#### Together We Win

We play to win and get results while working to common goals and using common processes to continuously improve.

#### Sustainability as a Core Part of Our Strategic Plans

In 2022, we launched a five-year strategic plan. At the center is "Growing Together," putting the customer at the center of all we do. The plan is designed to enable our people to make a meaningful difference, as we help keep our communities healthy, fed, clean, and safe.

One of our six strategic imperatives is to "Build our Sustainable Future." Through this pillar, we have set our ambitions to build sustainability into our planning and growth across our organization, from our operations to executing on commercial advantage.

Actioning our strategic imperatives helps ensure that sustainability is fundamental to growing our business. As laid out in this report, we work to embed sound ESG practices across the entirety of our global operations and supply chain.



# Review



#### **Progress on ESG Goals to 2025**



## Climate Action

Implement the technology, processes, and culture to support our journey toward a net-zero carbon future.

#### Target for 2025

- 20 percent absolute reduction in Scopes 1 and 2 CO<sub>2</sub>e by 2025 against baseline.<sup>1</sup>
- 40 percent absolute reduction in Scopes 1 and 2 CO<sub>2</sub>e by 2030 against baseline.<sup>1</sup>
- Achieve net-zero direct emissions by 2050.

#### Updates to 2022<sup>2</sup>

• 16.31 percent reductions from baseline.<sup>3</sup>



#### Resource Use

Drive sustainable resource use through embedding the principles of circularity and operational excellence.

#### Target for 2025

- Reduce 15 percent of hazardous waste by 2025 against baseline.<sup>1</sup>
- Triple reuse, recovery, and recycling rate of non-hazardous waste by 2025 in comparison to the baseline.<sup>1</sup>
- Introduce sustainable water use at all sites identified to have current or predicted high water risk.
- Reduce water waste 15 percent by 2025 against baseline.<sup>1</sup>

#### Updates to 2022<sup>2</sup>

- 25 percent reduction of hazardous waste from baseline.
- Increased reuse, recovery and recycling rates to 17.2 percent from baseline.
- Increased sustainability assessment coverage at high-risk water sites.
- Reduced water waste 20.05 percent from our baseline.



#### Release Prevention

Support the responsible handling of materials across our operations and supply chain.

#### Target for 2025:

 Reduce significant chemical releases 40 percent by 2025 (against our baseline).<sup>1</sup>

#### Updates to 2022<sup>2</sup>

Maintained releases below our baseline.



## Sustainable Solutions

Leverage our portfolio of sustainable products, services, practices, and technologies to support our customers' sustainability journeys.

#### Target for 2025

- Develop and communicate product-level sustainability characteristics for our product ranges globally.
- Communicate the key sustainability impacts for non-product-related services to customers.
- Without compromising safety, offer circular packaging solutions for all suitable packed products.

#### Updates to 2022<sup>2</sup>

- Launched our global product sustainability framework.
- Conducted customer research on delivery-related benefits to help inform our projects on delivery impact transparency.
- We continue to offer circular packaging options across a number of industries.



#### Serious About Safety

Keep our employees, vendors, and customers safe at work through our safety-focused culture and practices.

#### Target for 2025

- Reduce TCIR rate 20 percent by 2025 from baseline.<sup>1</sup>
- Achieve regional alignment on our global behavior-based safety program at 100 percent operations by 2025.

#### Updates to 2022<sup>2</sup>

- Exceeded our goal to 2025
- Behavior-based safety programs in place at 59 percent of operations.



## Diversity, Equity, & Inclusion:

Increase diverse representation at leadership levels and create the opportunities and culture to enable employees to bring their authentic selves to work.

#### Target for 2025

- · Maintain a score of 100 on the CEI.
- Maintain a score of at least 78 on the company's internal Employee Engagement Diversity and Inclusion Index ("DEI Index").
- Increase female representation globally at the people-leader level and above by 2.8 percent from 32.2 to 35.0 percent by 2025.
- Increase the ethnic diversity at the people-leader level and above in the US by 2.3 percent from 18.7 to 21 percent by 2025.

#### Updates to 2022<sup>2</sup>

- Maintained our 100 score on the CEI.
- Increased our DEI Index score to 80.
- Increased female peopleleader representation to 34.2 percent.
- Increased ethnically diverse US people leader representation 21.0 percent.



# Community Engagement

Demonstrate our commitment to help keep society healthy, fed, clean, and safe through financial investment and employee involvement in the communities in which we live and work.

#### Target for 2025

- Charitable contributions through the Univar Solutions Foundation or other similar means.
- Employee volunteer hour contributions.

#### Updates to 2022<sup>2</sup>

- Maintained our charitable contributions through 2022.
- Launched our Community Bonds program in the US, enabling employee volunteering.



# Sustainable Sourcing

Drive improved sustainability performance and minimum standards across our diverse supplier base.

#### Target for 2025

- 100 percent of new and active suppliers issued our global Supplier Code of Conduct (SCOC) by 2023.<sup>4,5</sup>
- Assess 80 percent of our suppliers (measured by spend) on their sustainability performance, with minimum standards for those assessed being met by 2025.<sup>5</sup>

#### Updates to 2022<sup>2</sup>

- 32.5 percent of suppliers (by spend) issued and aligned with our SCOC.<sup>6</sup>
- 44.5 percent of suppliers (by spend) assessed via EcoVadis.<sup>6</sup>

- 1. Baseline for goals to 2025 and 2030 is calculated from the average of 2019 and 2020 performance.
- 2. Historic figures reported in this report may differ from those in previous reporting. This is due to purposeful restatements, details of which are provided in the Behind the Report section.
- 3. Reductions in emissions related to Scope 2 emissions were based on Market-based emissions for baseline and current year.
- 4. Wording updated since 2021 to support greater alignment with suppliers' compliance management systems.
- 5. Objectives under the Sustainable Sourcing goal relates only to product suppliers.

Measured by percent total direct product spend.

#### **Our Performance on External Ratings**

| Platform                    | 2022 Ratings     | Peer Comparison                 |
|-----------------------------|------------------|---------------------------------|
| Sustainalytics <sup>1</sup> | 18.7 (Low risk)  | Top 14 percent of peer group    |
| MSCI                        | BBB              | Below industry average          |
| CDP Climate Change          | В                | Above industry average          |
| EcoVadis <sup>1</sup>       | 70 (Gold)        | Top 3 percent of our peer group |
| ISS Oekom                   | C+ (Prime rated) | Top 10 percent of peer group    |

<sup>1.</sup> Based on 2023 rating.



# Environment



SDG 3 – Ensure healthy lives and promote well-being for all at all ages.



SDG 8 – Promote inclusive and sustainable economic growth, employment, and decent work for all.



SDG 12 - Ensure sustainable consumption and production patterns.



SDG 7 – Ensure access to affordable, reliable, sustainable, and modern energy.



SDG 9 - Build resilient infrastructure, promote sustainable industrialization, and foster innovation.



SDG 13 – Take urgent action to combat climate change and its impact.

We are committed to protecting the environment. This means focusing on sourcing and managing our resources in the most responsible way. We endeavor to provide value to the people we serve and to the planet, so that together, we win. Our environmental actions are designed to realize a better tomorrow by creating sustainable solutions for generations to come.



We remain committed to playing our part in tackling the climate crisis. Recognizing our related business risks and opportunities, we continue to work on enacting emissions reductions across our operations.

#### **Our Progress and Initiatives for Climate Action**

#### Goal

Implement the technology, processes, and culture to support our journey toward a net-zero carbon future.

|   | 2025 Goal             |  |
|---|-----------------------|--|
| Targets   | Baseline <sup>1</sup> | Update to 2022   |
| <ul> <li>20 percent absolute reduction in<br/>Scopes 1 and 2 CO<sub>2</sub>e by 2025<br/>against baseline.<sup>1</sup></li> </ul> | • 146,646             | <ul> <li>122,726 tCO₂e,</li> <li>16.31 percent reduction from baseline.</li> </ul> |

#### **Strategic Areas of Focus**

#### Infrastructure and Investment

- · Committed to investing in low-carbon technology across the business, allocating \$3 million in 2021.
- · Sourcing renewable energy through on-site and market-based tools.
- Increasing fuel and energy source diversity in our plant equipment and fleet.

#### **Processes and Procedures**

- · Maintaining site sustainability assessments, supported by improvement action plans.
- Strengthening policies and processes to facilitate accelerated transition to sustainable technologies.
- Engaging our supply chain in emissions reductions activities and data sharing.

#### **Strategic Areas of Focus (cont)**

#### Culture

- Development and delivery of global sustainable and ethical sourcing training for commercial teams.
- Enhancing learning and ownership of sustainability across our workforce.
- Employee recognition programs focused on advancing our ESG goals.

#### **Related SDG's**



- 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
- 7.3 By 2030, double the global rate of improvement in energy efficiency.



- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- 13.3 Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

#### **Related Material Topic**

· Climate Change and Energy

#### 2022 Climate Action Performance Highlights<sup>1</sup>

Reduced Scopes 1 and 2 emissions by 16.3 percent. Reduced Scope 3 emissions intensity by 25.26 percent.<sup>2</sup>

Increased share of renewable electricity to 10.29 percent of all electricity use.

Assessed 52 percent of our locations on sustainability.

Met our ambitions for investment in low-carbon technology.

<sup>1.</sup> Baseline for goals to 2025 is calculated from the average of 2019 and 2020 performance.

<sup>2.</sup> Scope 3 intensity calculated on a (tCO2e per \$M sales) basis.



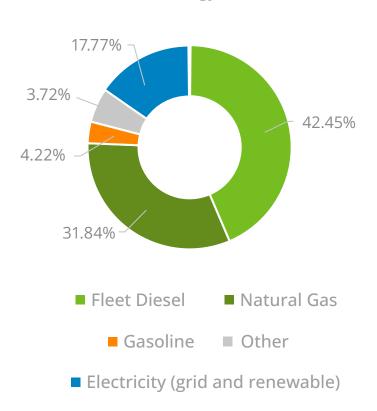
#### **Climate Change & Energy**

**GRI 3-3** 

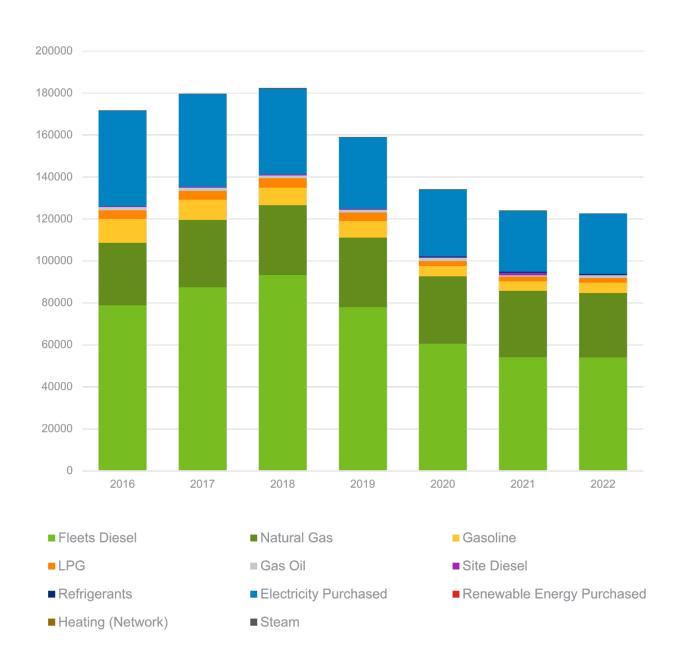
We are working to simultaneously reduce overall energy use while reducing the GHG intensity of the energy that we do use. As detailed in the Appendix, 46.67 percent of our global energy use is generated by our vehicle fleets.

Our efforts to reduce fleet emissions include shifting to non-fossil fuel-based forklift trucks and passenger vehicles, helping us reduce overall liquefied petroleum gas (LPG) and gasoline consumption. While this effort has subsequently increased our electricity consumption, the overall impact of fuel changes, coupled with greening grids and our procurement of certified renewable electricity, has reduced the overall emissions intensities of these activities. We are also pleased to report that our emissions have continued to decrease through 2022, continuing the strong trend we have worked to achieve from our 2019 baseline.

#### 2022 Energy Mix



#### Scope 1 and 2 Emissions (tCO<sub>2</sub>e) by Source



This 16.31 percent reduction in overall emissions against our 2019/20 average baseline keeps us on track for achieving our emissions goal to 2025 and positions us well to meet our 40 percent reduction goal to 2030.

#### **Scopes 1 and 2 Emissions**

When we set our goals to 2025 and 2030, we did so knowing that delivering such significant change would require a holistic management approach. Through 2022, our commitment has remained unchanged, and we continue to see the positive impact of our strategy. To drive success, we have mapped out our key areas of impact alongside our improvement opportunities, with our global roadmap on emissions reduction central to our plans.

We continue to follow a three-pillar approach regarding infrastructure and investment while working to ensure that our investments in such technologies return the greatest emissions impact per dollar spent. This approach is supported by our ongoing site assessment program and evolution of sustainability actions at the site level through collaborations with teams across our business.

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#### **Optimization**

We continue to pursue more efficient ways of operating wherever possible, from fleet routing to shutdown processes, to refine the ways we work.

#### **Electrification**

We seek options to electrify where appropriate, recognizing that more control can be gained on the source of electricity (i.e., electric fork lift trucks, passenger cars, and heat pumps).





#### Diversification

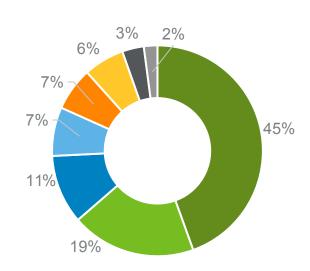
We consider alternative fuel sources such as LNG, hydrogen, and biofuels to support further emissions reductions as technology develops.

#### **Emissions Reductions Activities**

In 2020, we developed a framework for our global site sustainability assessment program. Supported by our EHS and Engineering and Operations teams, we have spent the last 36 months growing and evolving this program, which has since been rolled out to over 50 percent of our global locations. Our assessments focus on sustainability awareness at the local level, emphasizing energy usage, emissions, lighting, heating systems, waste, water, safety, and releases. The goal for each assessment is to identify local specific actions to realize our long-term goals and drive global change through local action.

At the end of 2022, this global program, through the work of our local teams, has produced a broad range of tangible improvement actions. A combination of local actions and globally relevant trends engage sites in our broader activities and enable contribution at the site level. The mix of assessed improvement areas is highlighted below:

#### **Sustainability Assessment Improvement Areas**



- Climate Action
- LED Lighting
- Energy Audits
- Safety and Release Prevention
- Waste and Water
- Training and Awareness
- Energy Monitoring
- Forklift Truck Replacement





#### **Operations**

Our Engineering and Operations teams continue to advance key climate action projects. In 2022, our Engineering team in the US led the implementation of LED lighting upgrades at a number of North American sites, supporting energy reductions and associated emissions, while improving workplace safety with improved lighting. This was in addition to advancements made, such as the upgrading of a number of boilers, the installation of more efficient air compressors and a heating ventilation and cooling (HVAC) system, and the further rollout of North American electric vehicle (EV) chargers for our light and heavy-duty fleet.



At our site in Commerce, CA, colleagues worked together to oversee the installation of our new >1MWh on-site solar array with battery storage, covering around 98 percent of the site's electricity needs.





**Malia Markey**Sr. Director,
Engineering



I'm proud of our journey to date and to have been able to contribute to a lower emissions future. My team across Southern Europe has for many years worked to embed sustainability into our operations and in 2022 we commissioned the installation of the third solar photovoltaic array in Spain, meaning all our Spanish locations are now generating on-site renewable energy. Together with our procurement of renewable grid electricity, we are running our operations with much lower CO<sub>2</sub> emissions.

**Maria Grueso**Regional Operations
Director, Iberia, Italy,
and Turkey



In Europe, Middle East and Africa (EMEA), our teams led substantial climate action projects in 2022. Across the UK, France, Nordic countries, and the Netherlands, our Operations teams implemented energy-efficient lighting upgrades, HVAC replacements, and efficient window and EV charger installation. In Middlesbrough, our largest UK site, the recently installed power monitoring software collects data on the need for power factor corrections. In Dublin, Ireland, we transitioned our site equipment to fossil fuel-free by installing an electrically powered air source heat pump, the first of its kind in our global operations. This eliminates the need for gas heating and reduces the carbon intensity of our business in Ireland.

Throughout 2022, we fulfilled our commitment to invest a minimum of \$3 million annually in global low-carbon technologies. We define low-carbon technologies as follows:

- Use less energy to perform the same function (assumes emissions tied to energy use), such as LED lighting over conventional lighting.
- Use a different, lower carbon intensity energy source to produce less carbon overall in achieving the same function, such as electric air-source heat pumps replacing a gas oil boiler.
- Generate lower or zero cooling (Cl) energy, such as solar photovoltaic (PV) installation.

Details of our low-carbon investment can be found in the **Appendix**.



#### **Transportation**

At Univar Solutions, we are proud of our work to build a smarter, cleaner transportation system in collaboration with our suppliers, business partners, and customers. In today's globalized environment rife with supply chain headwinds and an overburdened transportation ecosystem, shippers must diversify and actively manage their modes of transportation to find the right balance of effectiveness, efficiency, and environmental impact for their business, customers, and society as a whole.

Our fleet accounts for a significant portion (almost 47 percent) of our overall direct emissions. With a goal to reduce absolute emissions 40 percent by 2030, our transport teams are focused on building a more sustainable future for distribution. Univar Solutions owns the journey from receiving materials across our global network to the last mile of product distribution. We are working to develop a best-in-class, vertically integrated transportation function by minimizing our miles, adopting efficient equipment, and enacting targeted training. This model is designed to create a safe, collaborative transportation system that balances effective and reliable service with efficient cost, while helping deliver on our goal to reach net-zero emissions by 2050 and our purpose to keep our communities healthy, fed, clean, and safe.

#### **Minimizing Miles**

A key focus in reducing our emissions is minimizing the miles traveled by our fleet. As part of our multipronged approach focused on adapting which mode of transportation we use, we work to increase our payload, prioritize contracts with carriers with better payload and stronger emissions tracking, and optimize our network to remove excess miles driven along delivery routes. Our ultimate goal is to reduce our overall miles driven, creating both emissions reductions and cost savings.

#### Mode Management

Univar Solutions is working to convert a sizeable portion of our transportation miles to intermodal or rail options to minimize the number of miles that products are moved by trucks. With a single railcar able to ship the equivalent of 4.3 trucks, this is expected to reduce emissions by approximately 17 percent and offer a freight capacity solution that increases transportation efficiency.

#### **Carrier Optimization**

When determining external carrier partners, Univar Solutions incorporates standards into our annual bid process that favor carriers with better payload, fuel efficiency, and emissionstracking technology. These standards encourage carriers to use efficient equipment and reduce their emissions while improving safety performance.

Looking to the future, Univar Solutions intends to prioritize pilot programs that transport non-hazardous freight by electric and autonomous vehicles. By adjusting our route guide with a stronger emphasis on asset-based carriers with a deeper commitment to service, efficiency, and sustainability efforts, Univar Solutions is working to ensure that our complete portfolio of freight capacity is evolving to better serve its suppliers' and customers' expectations more effectively and efficiently.







#### **Network Optimization**

In Q4 2022, Univar Solutions initiated a route tracking analysis of approximately 100 branch locations across 13 districts within the US. Our goal was to increase asset utilization for dedicated and private fleets, ultimately reducing the number of miles driven. These initiatives are designed to move freight onto more efficient and effective assets under Univar Solutions' direct control and management, increasing service performance while yielding a lower carbon footprint as loads are optimized into more multistop configurations.

#### Targeted Training

How our trucks are driven, including acceleration, idling, braking, and anticipatory practices, is one of the most important factors that impact day-to-day fuel efficiency by up to 10 percent. Through targeted training for our drivers, dispatchers, and transportation supervisors, Univar Solutions aims to reduce emissions by modifying driver behavior and developing more efficient routes.

Univar Solutions is implementing an efficiency training program designed to reduce emissions and optimize our routes to improve mile per gallon (MPG) performance and minimize overall mileage through route optimization, promoting dispatch, and routing excellence to pair the right truck to the right route helps ensure the highest performing assets are on the longest length runs, maximizing efficiency.

#### **Diversified Fleet**

In 2022, we were among the first in the chemicals and ingredient distribution industry to integrate electric vehicles (EV) into our heavy-duty fleet. With support from our key partners, including Peterbilt and Nikola, we purchased and integrated four Class 8 battery-electric tractors and two Class 8 natural gas-powered tractors that will be powered with renewable natural gas. In 2023, we will be able to charge these vehicles with renewable energy at our Commerce, CA, location through the launch of our largest on-site solar PV project to date.

In conjunction with our heavy-duty fleet efforts, we are actively integrating hybrids into our light-duty fleet vehicles, including employee vehicles and service vehicles. In addition, we initiated trials on EVs, purchased our first hydrogen fuel cell forklifts, and continued the expansion of electric forklifts into our operations, bringing us closer to our net-zero ambitions.

#### **Integrating Driver Safety and Sustainability**

We continue to invest and implement industry-leading in-cab technology to help ensure our drivers can take full advantage of our fleet. Univar Solutions utilizes in-cab telematics to modify, monitor, and coach driver behavior, focusing on safety and reducing emissions by improving pre-trip and post-trip inspections, reducing sudden acceleration and braking, and introducing speed governance. By establishing these controls we expect to raise the bar on safe driving operations while improving fuel efficiency and reducing wear and tear on our assets.

#### **Scope 3 Emissions**

This year, for the first time, we are expanding our approach to include Scope 3 emissions reductions. As with Scopes 1 and 2, our primary Scope 3 focus has been to map our key areas of impact, assessing the emissions categories most relevant to our activities and priorities.

Fundamentally, our approach to Scope 3 emissions must be different, as the scale of our Scope 3 emissions is around 98.67 percent of our Scopes 1, 2, and 3 emissions combined.

Scope 3 emissions is a subject with which our stakeholders may be less familiar. As such, our approach for these indirect emissions relies on building collaboration, information sharing, and understanding across the value chain, knowing that we can only achieve our indirect emissions goals with full stakeholder participation.

#### **High-Level Approach to Scope 3 Emissions Reduction**

#### **Education**

By working with upstream and downstream stakeholders, we will work to increase knowledge on the importance of emissions reduction and the impact of Scope 3 emissions on our supply chain.

#### Collaboration

Through a shared understanding of supply chain emissions, we will collaborate with suppliers and customers to collate and share emissions related to activities upstream and downstream.

#### Selection

Whether through the selection of transport providers, waste treatment options, or the products we sell, Univar Solutions will work to reduce the embedded carbon in the products and services we procure and take to market.

#### **Scope 3 Emissions Reduction Activities**

At Univar Solutions, we are actively formalizing our Scope 3 emissions reduction strategy to 2030 and beyond. In our 2021 ESG report, we disclosed the results of our Scope 3 emissions mapping and calculations for the first time. We are pleased to share the initial progress made in the first year since setting our baseline.

As highlighted below, our Scope 3 emissions are heavily weighted by emissions in Category 1, procured goods and services. This category will be a key focus area for our supply chain sustainability actions in 2023 as we work with direct and indirect suppliers to support education, collaborative information sharing, and emissions reduction opportunity identification. We aim to source demonstrably lower carbon-intensity services and materials without reducing our quality of service.

#### **Scope 3 Emissions**

| Value Chain Scope 3 Category                | 2021       | 2022      | % Total (2022) |
|---|------------|-----------|----------------|
| 1) Purchased goods and services (with LCA)  | 9,881,535  | 8,794,033 | 96.60          |
| 3) Fuel-and energy-related activities       | 30,096     | 30,199    | 0.33           |
| 4) Upstream transportation and distribution | 179,826    | 251,259   | 2.76           |
| 5) Waste generated in operations            | 23,148     | 15,631    | 0.17           |
| 6) Business travel                          | 5,872      | 12,516    | 0.14           |
| Total (tCO <sub>2</sub> e)                  | 10,120,477 | 9,103,638 |                |

Scope 3 categories included in the table above include all categories assessed to be relevant to our business.

Across EMEA, we have engaged downstream transport providers to raise awareness of the importance of emissions calculations and performance sharing. This engagement, via our supply chain planning teams, has been rolled out alongside introducing and communicating our forward-looking hauler expectations and standards for fuel efficiency and emissions. We communicated to all EMEA third-party transport service providers our hauler expectations and intention to prioritize relationships with transport providers who meet and exceed our expectations.

We have also began efforts to increase transparency on product emissions footprints. With around 96.6 percent of our Scope 3 emissions falling into Category 1, we have engaged over half of our North American suppliers (by spend) on product carbon footprinting (PCF) as part of our product sustainable characteristics framework. Through this work, we increased awareness across product manufacturers on the importance of and value in PCF calculations. We are also working to incorporate this data into our product portfolio and marketing strategy for our range of sustainable and natural products, helping our customers to reduce their embedded emissions.

In 2023, we will continue to work on our global Scopes 1 and 2 emissions reduction roadmaps across our regions, implementing the actions from our global assessment plan, prioritizing investments in low-carbon technologies, and increasing our sourcing of renewable energy. Similarly, we intend to spend 2023 developing and implementing holistic and challenging Scope 3 emissions reduction strategies. In addition to engaging our suppliers via EcoVadis, we intend to advance our Scope 3 efforts through the following:

- Share learnings and support supply chain partners with understanding the fundamental importance of Scope 3 emissions tracking and reduction.
- Further map the emissions footprints of the materials we buy and sell to identify Scope 3 emissions sources and plan action aligned with our goals.
- Set expectations on emissions goals and actions in appropriate areas of our supply chain to support value chain emissions reduction.

#### **Non-GHG Air Emissions**

Greenhouse gases are not the only air emissions generated by our operations. By operating a diesel fleet and storing certain chemicals, our operations emit local air emissions, including particulate matter (PM), volatile organic compounds, and nitrogen oxides.

We continue to take action to reduce the impact that our operations have on local air quality. We regularly replace our fleet and work on meeting the latest standards on exhaust gases and PM levels. Our site-specific monitoring programs, including scrubber infrastructure, also help to reduce air emissions.



Over the next 12 months and beyond, we will work tirelessly to meet our objectives, and thanks to the support at every level of our business, I am confident we will achieve our ambitious goals.





**Liam McCarroll**Global Director
of Sustainability

#### **Culture—Engaging Our People on Emissions**

In 2021, we developed and rolled out our first-ever dedicated global sustainability training package to our employees. This course, "Today. Tomorrow. Together, Our Role in a Sustainable Future," provides 40 minutes of training on the importance of the environmental, social, and corporate sustainability goals Univar Solutions has established. The course focuses on each employee's role and responsibility in supporting our ESG goals. Through 2022, we continued the rollout of this training and worked to embed its teachings into our onboarding processes. As of the end of 2022, over 88 percent of our employees had completed this course.

#### Resource



At Univar Solutions, resource efficiency and waste prevention make good business sense. Through our global operations, we work to eliminate waste at the source where possible and ensure we can reuse, recycle, or recover resources at their highest residual value where elimination is not an option. Through more circular resource practice, we strive for optimal efficiency and to support our customers' ambitions, reducing collective resource use and climate impact and risk.

#### **Our Progress and Initiatives for Resource Use**

#### Goal

Drive sustainable resource use by embedding the principles of circularity and operational excellence.

| Targets  | Baseline <sup>1</sup> | Update to 2022  |
|--|-----------------------|---|
| <ul> <li>Reduce 15 percent of hazardous waste<br/>by 2025 (from our baseline).<sup>1</sup></li> </ul>                                | • 10,352              | • 7,731 tonnes, 25.3 percent reduction from baseline.                         |
| <ul> <li>Triple non-hazardous waste reuse,<br/>recovery, and recycling rates by 2025<br/>(from our baseline).<sup>1</sup></li> </ul> | • 15.75               | • 2022 rate of 18.46 percent,<br>a 17.2 percent improvement<br>from baseline. |
| <ul> <li>Introduce sustainable water use at all<br/>sites identified to have current or<br/>predicted high water risk.</li> </ul>    | · n/a                 | Reassessed all locations for water-risk.                                      |
| • Reduce water waste 15 percent by 2025 (from our baseline). <sup>1</sup>  | • 583,035             | <ul> <li>466,153 m³ consumption,<br/>20.05 percent reduction.</li> </ul>      |

#### **Strategic Areas of Focus**

#### Infrastructure and Investment

- Increasing availability of reuse and recycling facilities across our locations.
- Establishing partnerships to enable greater quantities of product and waste reuse.

#### **Processes and Procedures**

- Prioritizing high-waste locations for detailed resource use assessments.
- Standardizing operating processes to support waste prevention and reuse.
- Root cause analysis on release prevention.

#### Culture

- Education on increasing recycling rates.
- · Cross-functional workstreams to share learnings.

#### **Related SDGs**



• 8.4 – Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.



• 9.4 – By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



- 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.
- 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

#### **Related Material Topic**

- Waste and Circularity
- Water

<sup>1.</sup> Baseline for goals to 2025 is calculated from the average of 2019 and 2020 performance.

#### 2022 Resource Use Performance Highlights

Policy improvements to eliminate waste sources.

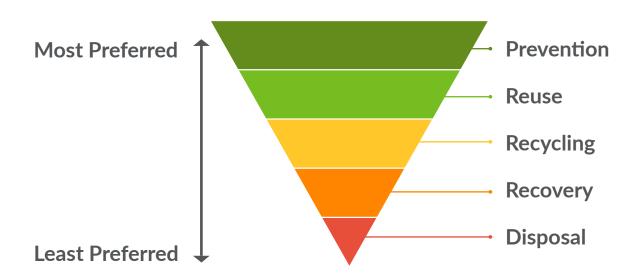
Optimized recycling services to reduce waste to landfill.

Significant water leaks detected and repaired.

#### **Waste & Circularity**

**GRI 3-3** 

Our approach to waste and circularity closely mirrors the waste management hierarchy, which serves as an excellent visual tool of our plan for pursuing the most environmentally responsible means of maintaining the value of the resources we touch.



By adopting a reduction mindset, we focus on elimination and circular resource use rather than linear consumption patterns. While we are focused on increasing circularity within our operations through our global goals, we are also working to source and take to market more sustainable products, creating more demand for circular solutions.

Responsible waste treatment is equally as important as waste prevention. At Univar Solutions, our self-generated waste is managed and disposed of where required by third-party disposal services. In North America, our ChemCare division manages the onboarding process of third-party waste vendors through their ChemCare Supply Chain Partner Audit program. The audit program includes reviews of compliance and EHSQ management systems, along with financial audits to assess each partner's fiscal stability. Audit frequency is based on disposal method risk, environmental compliance history, and business needs. We audit most of our partners on a four-year cadence.

Regional regulatory teams are accountable for ensuring waste storage and compliance at each facility and developing standards and processes to ensure regulatory compliance. Local branches use national waste classification and tracking systems to track our waste data. Tracking includes all hazardous and non-hazardous waste streams related to handled products.

#### **Waste Reduction Activities**

We recognize that our planet has finite resources. We aim to improve resource efficiency and waste and water management to enable circularity across our value chain in our operations.

#### Line Flush

Across our regions, we prioritize the aspects of our operations that cause the most significant volumes of waste. We are directing our global efforts toward line-flush activities, as one of our key sources of waste. Through 2022, we initiated assessments, led by our ChemCare team at our key US facilities, to help understand the composition of our waste streams and to improve current waste reduction and management practices. We are currently using the results to enhance line-flush waste reduction and recycling processes intended to be rolled out initially in the US.

#### Site Sustainability Assessments

As part of our site sustainability assessment program, we have undertaken local actions on waste reduction and worked with Operations and EHS teams to develop a series of improvement opportunities aimed at contributing to our global goals. Below are some of the actions highlighted as part of this crossfunctional program:

- Projects in North America to set standard naming and classification of waste, which will help to measure waste sources and identify areas for improvement in the future, including the facilitation of increased recycling.
- A policy implemented in the EMEA region to help reduce single-use plastics in kitchens and canteens. As a result, cutlery, food, and drink containers are now reused and washed, and, where single-use items remain, compostable or recyclable materials are used in their production.





#### Water

GRI 3-3 | 303-1

Strategically focusing on responsible water management is a key priority for Univar Solutions' operations teams. In 2022, we continued our work to identify opportunities to reduce water extraction and water waste within our operations. Our primary goal in 2023 is to focus on our groundwater use. Progress in this area requires full collaboration between our Operations, Engineering, Commercial and EHSQ teams.

Univar Solutions complies with individual permits for each site as required by external regulating bodies. We conduct internal compliance checks during EHSQ assessments for waste streams and effluent waste permits.

In 2023, we are redoubling our efforts to accomplish our water-related objectives. By engaging a broader set of stakeholders and taking a bottom-up approach, we plan to spend this year briefing our new groups on our resource use progress. We intent to trial new initiatives on operational procedures such as line flush, strengthening waste storage procedures to support increased reuse opportunities, and collaborating across functions to help our commercial teams support our ambitions on efficient water use and waste reduction.

#### **Water Reduction Activities**

Reducing our water consumption is key to being a responsible Company and an environmental steward. Our major water reduction activities center around participation in innovation programs and site assessments.

#### **United Nations Global Compact SDG Innovation Accelerator**

Our Sustainability and Operations team participated in the SDG Innovation Accelerator for Young Professionals, a United National Global Compact program, focusing on sustainable water use in our North American region. As part of this initiative, the teams reviewed our top three water use facilities in the US, with at least one of the sites located in an extremely high water-risk area. This program resulted in key takeaways for addressing water-use within our operations and water savings of approximately 900,000 gallons annually at one of our operational facilities. Univar Solutions plans to focus its capital expenditure investments on its forward-looking strategies for water-efficient technologies, improving processes that result in water waste, such as line-flush, dush suppression, and washing activities.

#### Site Sustainability Assessments

Site sustainability assessments allow us to monitor our water-related performance and identify improvement areas. Below are examples of outcomes stemming from these assessments:

- Thanks to a review of US facilities identified to have high water use, we diagnosed and fixed a leak causing significant water loss annually.
- Through the capture of tank flushing, our sites in the Nordic countries have prevented reintegrated waste streams back into suitable blended materials while maintaining product quality.
- From our assessment in Morolo, Italy, the local team has established a plan to reuse part of the treated wastewater produced by the site.



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As a business handling millions of tons of chemicals and ingredients annually, we must have a strong culture of release prevention, guided by our global action plans and continual improvement opportunities identified through release investigations. Being Serious about Release Prevention remains a core focus for all employees around the globe.

#### **Our Progress and Initiatives for Release Prevention**

#### Goal

Support the responsible handling of materials across our operations and supply chain.

| Targets  | Baseline <sup>2</sup> | Update to 2022   |
|--|-----------------------|--|
| <ul> <li>Reduce significant chemical releases<sup>1</sup></li> <li>40 percent by 2025 (against our baseline).<sup>2</sup></li> </ul> | • 83                  | <ul> <li>80 significant releases in<br/>2022, 3.6 percent below<br/>baseline.</li> </ul> |

#### **Strategic Areas of Focus**

#### Prevention

- Remains a key focus with an expanded focus on field presence.
- · Newly formed North American EHSQ organization, alongside our maturity in our behavior based coaching program, will help drive elimination of releases of our products.

#### **Training and Coaching**

- Stay atop the priority list of actions to embed Serious About Releases culture within our daily operations.
- · Development of targeted field observations to evaluate standard operating procedure compliance, increased communication of learnings from incidents, and refreshers on training to help improve our performance.

#### **Strategic Areas of Focus**

#### Maintenance

- Equipment and infrastructure are a priority for our engineering and operation teams globally.
- · Our US Engineering team is implementing a new maintenance software designed to promptly address deficiencies at operational facilities.

#### Culture

- · Continued efforts to minimize negative impact to the environment and remain true to our value of keeping our communities healthy, fed, clean, and safe.
- Release performance is reviewed by the Executive Committee monthly, along with our strategy on continuous improvement.

#### **Related SDGs**



• 3.9 – By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution.

#### **Related Material Topic**

Pollution Prevention

#### 2022 Release Prevention Performance Highlights

Competency-based training initiative.

Mandated "double-check" connections.

Implementation of upgraded maintenance software.

Significant chemical releases are defined as those releases over 90kg or 200lbs.
 Baseline for goals to 2025 is calculated from the average of 2019 and 2020 performance.

#### **Pollution Prevention**

**GRI 3-3** 

Operating with the same core principles of being Serious About Safety, our efforts to prevent accidental releases are centered around our employees being Serious about Release Prevention. These efforts cover all stages of material handling, from receiving goods, to processing on-site, and delivering to customers through our global fleet. In addition, we work directly with customers and suppliers to share information on product hazards, handling instructions and reporting of issues to help prevent accidental releases in the wider supply chain. Minimizing the impacts of any release is another crucial aspect of responsible handling. These commitments are addressed in our global **Environmental**, **Health**, **& Safety Policy**.

Univar Solutions has seen success in our release prevention efforts over the past five years. However, we have seen a significant increase from our 2021 performance, with human error continuing to be one of the primary causes of chemical releases. Our 2022 releases performance was not what we aimed to achieve. We experienced a 29 percent increase in significant releases, driving us to recommit our teams and commit substantial efforts toward our "All in on release prevention" campaign for 2023. We remain focused on our global action plans, customized by region, and place greater emphasis on coaching and training our front-line operators.

Below is the overall structure of our release prevention programming:

- Team: Emphasis on more on-site presence by our EHSQ teams to support our operations teams in training, standard operating procedure (SOP) reviews, and observations.
- **Culture:** Univar Solutions is working to be Serious about Release Prevention, along with being Serious about Safety. As part of this, we are working to deliver:
  - Top-down leadership accountability with a zero-tolerance mindset on releases.
  - Consistent, repetitive communication on the importance of release prevention.
  - Business and operations safety and release prevention performance goals.
  - Continued implementation of our 2022 release prevention action plan focused on improved investigations, procedures and cultural alignment.
  - Continuation of our "stop work authority" initiative, empowering employees to stop the job where they believe there is an unsafe act or condition.

- Behavior-Based Safety program:
- Continue to expand this program globally with an emphasis on focused observation and coaching moments to reinforce release prevention culture at the ground level with team members conducting chemical transfers and movements daily.
- Prevention: Preventative Maintenance Management System is expected to deliver results in 2023 through release prevention by targeting causes of mechanical failure.
- Rewards and Recognition: Rewarding and recognizing employees that consistently operate in accordance with our values and go above and beyond through our Above and Beyond the Call of Duty (ABCD) program; share best practices across global regions to drive implementation of best practices.

#### **Release Prevention Activities**

#### **Engineering Controls**

Although our strategy remains similar to what was reported in previous disclosures, we are working to continue to improve our performance by investing in engineering controls and maintenance programs. Our environmental management systems and the national operating and engineering standards in place across our operations will help contribute toward our significant release goal.

#### **Release Prevention Training**

In 2022, we introduced competency-based training as a key initiative in the North American action plan to implement better training programs and achieve higher proficiency in our chemical transfer operations. Having clear operational work instructions will better enable employees to perform core tasks safely and help minimize risk of an accidental release. As the program matures, we fully expect to drive releases toward our goal of zero.

#### **Empowering Stand-Downs**

To continue fostering our culture of chemical release prevention in 2022, EHS Departments in all regions held safety stand-downs to review the importance of release prevention with drivers and material handlers. Reinforcement of stop work authority was an essential part of the messaging during these meetings. Providing employees with this authority empowers our employees to speak up if a chemical transfer seems unsafe or a connection point cannot be verified, helping to prevent potential misdeliveries which could potentially cause a dangerous chemical reaction. Furthermore, we mandated that all connection points undergo a "double-check" before starting a chemical transfer.





#### Remediation

Despite our best efforts to prevent releases, we must acknowledge that if an unintended release occurs, responsible action must be taken to minimize the harm caused and to support the clean-up of any impacted area.

In 2022, the Remediation Group continued its mission to rehabilitate impaired lands by evaluating remediation approaches that limit resource use and lower waste generation rates. Univar Solutions implemented soil and groundwater remediation via in-situ methods, including soil mixing at one location and groundwater injection at two other locations. In addition, carbon regeneration was initiated at another site. These approaches to remediation aim to provide safe and suitable conditions to improve soil and groundwater quality while minimizing the waste directed to landfills.

We evaluate remediation systems based on resource use, location, and regulatory acceptance. By prioritizing sites, we can develop duplicative processes to support our sustainability journey.

#### **Integrating Safety into Remediation**

The remediation group has been tracking safety performance for more than five years. An interactive dashboard displays the real time metrics that allow Univar Solutions to evaluate safety observations and field hours, with the goal of zero recordable incidents. This information ties directly into Univar Solutions' 2025 ESG goal on safety and serves as a constant reminder of our targets. In 2023, through our focus on continuous improvement, our Remediation team will work to ensure the remediation health and safety program aligns with our Global Safety Program.

We will continue to rehabilitate impacted sites in a manner designed to protect human health and the environment. Our Reserve Policy ensures that Univar Solutions consistently recognizes environmental liabilities across our portfolio, as is documented in our Annual Report. The Reserve Policy also establishes clear roles and responsibilities. The Director of Remediation monitors the progress of remediation, leading quarterly project meetings with Remediation Managers and external remediation consultants to ensure mechanisms exist to assess obligations from site identification to long-term closure. The Director of Remediation also ensures that remediation practices integrate our ESG goals. The remediation group works with the business to establish sufficient funds to cover costs associated with remediation, including investigation, remediation, and long-term closure obligations.

Finally, because each site is unique and the state or agency regulating the site may differ, Univar Solutions develops communication plans based on the needs of the project. In many cases, remediation plans are sent for community comment before they are adopted and implemented.





# Commercial



SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

Core to our business is the provision of innovative and sustainable products that meet our customers' needs. Our unique position allows us to work on bringing more sustainable products and services to the market as a route to deliver on our purpose to keep communities healthy, fed, clean, and safe.



# Sustainable supplied in the su

The introduction of sustainable solutions into our global ESG objectives was one of the most significant areas of impact introduced in our next-generation ESG goals to 2025. We have made substantial progress in this space through 2022 and have built out the foundations of this growth opportunity for our organization.

#### **Our Progress and Initiatives for Sustainable Solutions**

#### Goal

Leverage our portfolio of sustainable products, services, practices, and technologies to help support our customers' sustainability journeys.

#### **Targets**

- Develop and communicate global product-level sustainability characteristics for Univar Solutions' product ranges.
- Communicate key sustainability impacts for non-product-related services to customers.
- Without compromising safety, offer circular packaging solutions for all suitable packed products.

#### Update to 2022

- Engaged 80 percent of our North American supplier partners to begin assessment on product mapping and data collection.
- Developed an initial portfolio of 100 SKUs under our sustainable & natural product framework.
- Began customer engagement on sharing metrics around product delivery impacts.
- Developed research on the emissions reduction opportunities of our distribution network.
- Recovered 282 metric tons of packaging for reuse and recycling.

#### **Strategic Areas of Focus**

#### Infrastructure and Investment

- Procurement of sustainable and nature-based products to meet customer needs.
- Investment in transparent, simple, and accessible digital product information resources and web content.

#### **Processes and Procedures**

- Establishing baseline of materials with sustainable characteristics.
- Effective, objective, and clear marketing of products within the framework.
- Formulating sustainable solutions to meet customer needs.

#### Culture

• Training of Product Management and Sales teams globally to help ensure cultural alignment with global ESG objectives.

#### **Related SDGs**



 9.4 – By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

#### **Related Material Topic**

Innovative and Sustainable Products

#### 2022 Sustainable Solutions Performance Highlights

Appointed a Global Vice President of Natural and Sustainable Products. Engaged suppliers mapping out materials against our Sustainable & Natural Products Framework. Launched our initial on-line portfolio of products under our sustainable and natural product framework





**Formulations** 



#### **Sustainable Attributes**



Natural or Bio-based



**Carbon Footprinting** 



Safer Substitutes



**Circular Materials** 



**Social Impact Accreditation** 



**Environmental Accreditation** 

#### **Innovative & Sustainable Products**

**GRI 3-3** 

#### Univar Solutions' Sustainable and Natural Products Framework

We connect thousands of customers with more than 10,000 products across the world. As such, Univar Solutions is well positioned to take our suppliers' work on more sustainable products across industries to create a more sustainable product framework. Our Sustainable and Natural Products (SNP) Framework demonstrates our efforts to advance sustainable solutions that support our customers' sustainability journeys.

To build our Sustainable and Natural Products Framework, we scoured the market for the sustainability-related characteristics most important to our regional and global customers. Our ESG team narrowed the long list to six attributes that we believe define sustainability at the product level: natural or bio-based, carbon footprinting, safer substitutes, circular materials, social impact accreditation, and environmental impact accreditation. These six attributes form the foundation of our framework.

In 2022, we began working with our global suppliers to populate the Sustainable & Natural Product Portfolio. The process included mapping current products to SNP characteristics, collecting data to support each characteristic at the product level, evaluating supplier data and adding sustainability data, to our **Digital Product Catalogue**.

To ensure that our customer base aligned with our framework, we socialized it with our strategic supplier partners and surveyed our entire customer base. Respondents gave feedback on whether the framework accomplished the following:

- Transparently provides evidence at the product level that a chemical or ingredient has sustainable characteristics.
- Consistently communicates sustainability characteristics relevant across all markets and regions.
- Remains simple to use while adding value for customer decision-making.

Our initial global sustainable product portfolio was launched on the **univarsolutions.com** online store in 2022, marking the launch of our framework to our customers. Through 2023, we will work closely with key suppliers to expand the range of products aligned with our Sustainable and Natural Products Framework.

#### **DSM**

DSM has implemented the Imp'Act Card™ as a tool to measure the sustainability profile of its products and offer customers transparent product information. The Imp'Act Card™ is structured around four key pillars of sustainability: environmental impact, social impact, traceability, and identity.

In terms of environmental impact, the card considers factors such as carbon emissions, use of renewable electricity, biodegradability, and water footprint. Traceability encompasses supply chain control and adherence to recognized certification schemes. The social impact pillar focuses on aspects like working standards, community development, and the health and well-being of consumers. Lastly, external certification is utilized to define product identity, which may involve meeting standards such as ISO 16128 compliance, or obtaining certifications like NatTrue and Cosmos Ecocert labeling. This is one example of the framework Univar Solutions provides for our customers to find information to assist them with finding, evaluating and ultimately purchasing of products.



Working closely with DSM to identify the sustainability characteristics of their brand materials, we were able to align their materials with our SNP Framework and present it to customers accordingly.

#### **Business Built on Purpose**

In 2022, we found more ways to work with our customers to keep communities healthy, fed, clean, and safe. There are five end markets within Univar Solutions that combined, generated, 26 percent of our revenue in 2022:



#### **Food Ingredients:**

Our Foodology by Univar Solutions team consists of knowledgeable in-house scientists that work on refreshing formulas to help enhance the efficacy of products, while working toward our vision for a better world. Foodology by Univar Solutions distributes ingredients that support customers developing innovative food solutions. We strive to understand how food directly connects to the health of our planet, from how we produce and transport to how we prepare and consume.



#### **Pharmaceutical and Manufacturing Solutions:**

At Univar Solutions, we also work to understand how efficient pharmaceutical manufacturing solutions directly connect to the health of our planet. We support pharmaceutical ingredient innovations and distribution throughout our global value chain. Specifically, we work on providing a pharmaceutical supply chain that leverages our global distribution footprint, practices, and technologies to help us meet our and our customers' goals. Additionally, we offer many new ingredient alternatives and formulation and laboratory solutions that help support our pharmaceutical customers' eco-friendly product development journeys.



#### **Homecare and Industrial Cleaning:**

In Homecare and Industrial Cleaning, we work with formulators, brands, and suppliers to drive more sustainable ingredients into cleaning products. Our products are found in household kitchens, bathrooms, and laundry rooms and throughout the automotive, hospitality, and food industries.



To further cleanliness, we also offer a variety of solutions for both drinking water and wastewater treatment processes. Clean water is essential to health, and getting water pure enough to drink can be a complex operation. At Univar Solutions, we work with our customers to provide the right set of chemicals, ingredients, and services to help remove contaminants and provide a consistent, repeatable water purification process in compliance with government regulations. Water is core to our purpose, to help keep our communities healthy, fed, clean, and safe.



#### **Waste Removal:**

Univar Solutions helps customers find the right solutions for their waste management and environmental challenges. Through various service offerings across all markets in North America, such as chemical handling, recycling, reuse, and disposal, our customers rely on Univar Solutions to design waste out of their processes and minimize waste where possible. Our waste management and recycling programs help to reduce costs, minimize environmental impacts, and optimize resource use for our customers' operations. Our strong network of suppliers and partners creates a one-stop solution for our customers' environmental needs so they can focus on running their businesses.



#### **ChemCare Program Finds Reuse Option for Hazardous Waste**

In 2022, a Univar Solutions customer generated a substantial volume of hazardous waste as a spent solvent used for fuels-blending. Our ChemCare team leveraged their technical expertise and supply chain resources to identify a reuse solution. The solvent was repurposed to rinse tanker trucks, reduce and remove truck heels, and flush off-loading lines, eliminating our customer's need to manage the solvent as a hazardous solid waste.



#### MiniBulk Services at Tyson Foods

Tyson Foods is a Univar Solutions customer that constantly strives for excellence by evolving to better meet the increasing demand for protein in responsible and sustainable ways. One example of how Tyson Foods is evolving through transformational change was Tyson's decision to partner with Univar Solutions and our MiniBulk services at their New Holland, PA facility to develop a customized chemical storage solution. Tyson Food's New Holland, PA facility now operates from a stationary chemical storage tank, a "MiniBulk" that eliminated tote handling and their bulk storage which increases operative usage and reduces safety and environmental risks.

#### **Sustainable Delivery**

Our fleet is one of our most significant direct emissions sources and represents one of our greatest opportunities to help reduce our customers' upstream product transportation-generated Scope 3 emissions. Through our regional transport leadership's focus on long-term, meaningful climate action, we are working on optimizing distribution to customers, keeping road miles to a minimum, and leveraging the low carbon intensity of intermodal or rail transport where possible. The below excerpt from our **recent whitepaper** on the future of greener transportation systems demonstrates this approach. In 2023, we will work to standardize such supply chain optimization actions and inform our customers of the benefits.



Through this three-pronged approach focused on minimizing miles, efficient equipment, and targeted training, Univar Solutions is creating a system that meets our clients needs today and will help us drive forward to a more efficient future together.



**Rob McRae**Vice President of
Transportation



# Social

#### **Related SDGs**



SDG 2 – End hunger, achieve food security, and improve nutrition and promote sustainable agriculture.



SDG3 – Ensure healthy lives and promote well-being for all at all ages.



SDG 5 – Achieve gender equality and empower all women and girls.



SDG 10 – Reduce inequality within and among countries.



SDG 12 – Ensure sustainable consumption and production patterns.



SDG 16 – Promote just, peaceful and inclusive societies.



SDG 17 – Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Univar Solutions recognizes the importance of creating an inclusive, equitable, and diverse workplace in today's dynamic and interconnected world. Our core values emphasize the importance of providing every employee with equal opportunities to thrive, while ensuring they have the necessary support to achieve excellence together. We are dedicated to promoting a safe, collaborative, supportive, and respectful environment that values different viewpoints, minimizes unconscious biases, and enables a culture where employees can express their authentic selves at work.



As a global leader in the chemical and ingredient distribution business with a purpose to keep our communities healthy, fed, clean, and safe, our core values demand that we operate with a safety mindset. Continuous improvement in our safety program resulted in another year where we surpassed the TCIR industry standard. We aim to maintain and improve upon our procedures for the safe storage, transportation, blending, and packaging of products to keep our communities safe.

#### GRI 404-2

#### **Our Progress and Initiatives for Safety**

#### Goal

Keep our employees, vendors, and customers safe at work through our safety-focused culture and practices.

| Targets  | Baseline <sup>1</sup> | Update to 2022   |
|--|-----------------------|--|
| • Reduce total case incident rate (TCIR)<br>20 percent by 2025 (against our baseline). <sup>1</sup>                                      | • 0.47                | • 0.33, exceeding our goal to 2025.  |
| <ul> <li>Achieve regional alignment on our<br/>global behavior-based safety program<br/>at 100 percent of operations by 2025.</li> </ul> | • 0                   | <ul> <li>All US operational locations<br/>implemented a behavior-<br/>based safety program.</li> </ul> |

#### **Strategic Areas of Focus**

#### Compliance

• Aspiration to go beyond minimum legal requirements and work actively with regulators to develop and update regulations in our communities.

#### **Risk Mitigation**

- Regular assessment and management of risk associated with our activities through processes such as hazard assessments, field observations, and audit programs.
- Regular, regional-specific EHS compliance audits to help ensure we adhere to our internal standards and regulatory requirements.

#### Training

- Continued investment and focus on our training programs for all employees, extending beyond initial onboarding.
- Global training platform "The U" helps us assign, deliver, and follow-up on global training in a consistent manner.

#### **Strategic Areas of Focus**

#### **Industry Associations and Standards**

- Ongoing goal to adhere to industry best standards such as Responsible Distribution, Responsible Care, and ISO.
- Taking a leading role in developing new standards that contribute to improved safety.

#### Infrastructure and Investment

• Targeted capital investment in our facilities and fleet with goal of improving working conditions to ensure safe and uninterrupted operations.

#### **Processes and Procedures**

• Developing industry-leading procedures for the safe storage, blending, packaging, and transportation of products.

#### **Related SDGs**



• 3.9 – By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution.

#### **Related Material Topic**

- Employee Safety
- Product Stewardship

#### 2022 Serious About Safety Performance Highlights

0.33 TCIR

18 percent reduction in Department of Transportation (DOT) recordable incident rate.

Continued success with our Spot It & Stop It program.

<sup>1.</sup> Baseline for goals to 2025 is calculated from the average of 2019 and 2020 performance.

#### **Employee Safety**

GRI 3-3 | 403-1 | 403-2

Our safety approach remains aligned with our core value of Being Serious About Safety. We prioritize health, safety, security, and the environment in planning for all existing and new operations, products, processes, and facilities. Safe working conditions and continuous improvement in our safety program are a necessity in our daily operations. These commitments are addressed in our global Environmental, Health, & Safety Policy.

Our focus on prioritizing safety and our goal to put safety before profit start at the highest levels of our organization, being fully endorsed by our CEO, Executive Committee, and our Board. The Executive Committee reviews monthly Safety and Environmental performance, including injuries, incidents, and ongoing improvement activities, and the Board's Governance and Corporate Responsibility Committee reviews performance against TCIR quarterly. At the heart of everything we do at Univar Solutions is our Code Handbook, which incorporates our guiding principles and cultural values, dictating the way that we should act and helping to ensure we remain accountable by sharing the Company's expectations. The Code Handbook defines our approach to safety through these key guiding principles:

- We prepare to prevent
- Safety comes before profit
- Spot It & Stop It

#### **Behavior-based Programs**

Our behavior-based programs support our cultural values in the field, including initiatives such as Spot it & Stop it, near-miss reporting, stop work authority, and safety recognitions and awards. Rolled out first across the US supply chain organization in 2021, our behavior-based program

continued to grow in 2022. The program enables frontline management to observe employees performing local operations and provide coaching opportunities and partnerships to find solutions to risks. We also rolled out the behavior-based observation program in Canada in 2022 and continue to grow this program across all of North America.

Our behavior-based program is designed to enhance employee engagement and involvement, contributing to our efforts to create an industry-leading safety culture. We also involve our employees in shaping our processes and procedures by contributing to the creation of our process controls and SOPs. Globally, our sites have worker representatives as part of joint health and safety committees that address health and safety concerns in partnership with management teams.

At the end of 2022, 59 percent of our operational sites have behavior-based safety programs in place.

#### **EHSQ Management Systems**

In 2022, the newly formed North American EHSQ organization was tasked with building a best-inclass EHSQ management system that ensures Univar Solutions is safe, environmentally conscious, and provides customers with the highest quality in the industry. This new organizational structure was designed to minimize silos within our teams throughout North America while recognizing the synergies and implementing best approaches to meet our strategic business vision and better align EHSQ with all other verticals across the organization. The EHSQ Centers of Excellence leaders developed strategic plans while the EHSQ field teams tactically executed these plans. This new structure helped our North America business attain its safest year ever and built the foundation for future growth and success in EHSQ.

#### **Safety Partnerships**

Univar Solutions has remained actively committed to responsible distribution through partnerships with the National Association of Chemical Distributors (NACD), Responsible Distribution Canada (RDC), and Responsible Care. Our leaders serve on NACD and RDC national committees and provide feedback to the industry and regulators on potential ways to ensure safe and responsible chemical handling and distribution. We continue to be certified through the Responsible Distribution Code Compliance program and completed numerous site verifications in 2022.

# Spot It & Stop It and Stop Work Authority Program Real World Examples

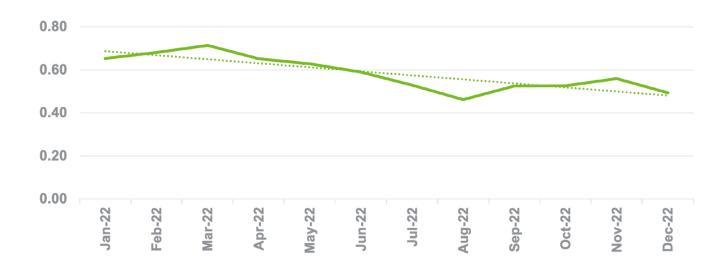
In 2022, we continued our focus on preventing serious accidents by addressing near misses with our Spot It & Stop It program and rewarding employees who use their stop work authority to call out hazards. We take pride in our employees using their stop work authority to spot and correct unsafe conditions.

- When our MiniBulk delivery specialist arrived at a customer site to complete his
  sodium hypochlorite delivery, he noticed the customer had another tank nearby that
  contained hydrochloric acid. Upon closer inspection of the tanks, he realized that
  the hydrochloric tank incorrectly had the same camlock size connection fitting as the
  sodium hypochlorite tank. The different fitting sizes are to prevent a possible mis-fill.
  If sodium hypochlorite and hydrochloric acid are mixed, it creates a deadly chlorine
  gas that can be fatal. The concern was brought to the attention of the customer's
  management to get it fixed immediately in order to prevent a potential incident.
- While visiting a customer site to make repairs on a MiniBulk tank, one of our operators identified a serious issue. The customer had swapped out the originally supplied stainless steel bottom outlet valve on the Univar Solutions-owned tank with their own PVC valve. Although the PVC valve was compatible with the product, he recognized that the gaskets inside it were not. He worked with customer personnel to remove the incorrect valve and re-install the original equipment.
- After a long day of driving, one of our drivers returned to the yard and noticed a small leak of HCl dripping from the containment tray tube of another tanker that had been preloaded. The driver promptly put down sodium bicarbonate and absorbent pads where the product was leaking. He ensured the right people were notified, positively impacting the safety of everyone in the yard.

#### **Fleet Safety**

At Univar Solutions, as we aspire to build a smarter and more efficient transportation system, improving safety remains at the core of everything we do. In 2022, we continued investing in industry-leading in-cab technology that utilizes telematics to modify, monitor, and coach driver behavior, focusing on safety and emissions reductions. In 2022, our US-based fleet drove 30,365,806 miles with a DOT recordable incident rate of 0.53 per one million miles— a 18 percent reduction from 2021 performance. When working with external carriers, Univar Solutions actively incorporates improved safety performance as a key selection and evaluation metric.

#### **DOT Recordable Incident Rate**



#### **Product Stewardship**

GRI 3-3 | 403-7

The safety of the products we handle is critical to our operations. We foster the safe use of chemicals throughout our value chain and communicate the hazards and risks of chemical products in alignment with the principles of Responsible Care and Responsible Distribution. Across all regions, we provide required material hazards and handling information to comply with regulations on material safety.

In line with legal requirements and our principles, we supply all customers with Safety Data Sheets (SDS) for products that pose environmental, health, or safety hazards. These documents identify specific hazards, handling guidance, and disposal information. Beyond this, our teams of technical experts assist customers with learning how to use hazardous materials safely.

REACH, the European Union's regulation for the Registration, Evaluation, Authorization, and Restriction of Chemicals is a crucial piece of legislation that we continue to implement across relevant geographies, as it affects many of our customers and suppliers. We have been involved in the REACH process for several years, including working with the European Association of Chemical Distributors (FECC) and other European trade bodies to develop more practical and effective legislation. Through our proactive involvement in this regulation, we are uniquely placed to help monitor, advise, and manage REACH compliance for our customers. In EMEA and beyond, we continuously work with our suppliers to jointly deliver REACH-compliant products. We collaborate with our supply chain so that the products we distribute will be carried through the initial REACH registration and the subsequent authorization processes.

Through the diligence and collaboration of our Regulatory, Compliance, and EHS teams, Univar Solutions works to maintain compliance and set the standard for product stewardship across our industry, monitoring impending legislation and working with partners to prepare for the impacts of changing regulatory environments. We will continue to closely monitor and provide input on sustainable chemicals strategy and legislation, such as the European Union's Green Deal.





Our focus on driving a fair and inclusive workplace is at the very core of our values and is demonstrated by the actions we take in our organization, industry, and communities. The diversity shaped by our employees' unique backgrounds and experiences undoubtedly plays an integral part in our efforts to deliver innovation to our industry and reshape our world. Working to understand, accept, and value differences in race, ethnicity, gender identity, and expression, age, religion, disability, sexual orientation, education, personality, skills and experiences is critical to our growth, competitive advantage, and success as a responsible business leaders in our industry.

#### Our Progress and Initiatives for Diversity, Equity, & Inclusion

#### Goal

Increase diverse representation at leadership levels and create the opportunities and culture to enable employees to bring their authentic selves to work.

| Targets  | Progress to 2022  |
|--|---|
| <ul> <li>Maintain a score of 100 on the Human Rights Campaign<br/>(HRC) Foundation's Corporate Equality Index (CEI).</li> </ul>                      | Maintained score of 100 on CEI.   |
| <ul> <li>Maintain a score of at least 78 on the Company's internal<br/>Employee Engagement Diversity and Inclusion Index.</li> </ul>                 | Increased score to 80.  |
| <ul> <li>Increase female representation globally at the people-leader<br/>level and above by 2.8 percent from 32.2 to 35 percent by 2025.</li> </ul> | • Increased representation to 34.2 percent.   |
| <ul> <li>Increase the ethnic diversity at the people-leader level and<br/>above in the US by 2.3 percent from 18.7 to 21 percent by 2025.</li> </ul> | <ul> <li>Increased representation to 21.0 percent, meeting our goal to 2025.</li> </ul> |

#### Diversity, Equity, & Inclusion Strategic Areas of Focus





- 5.1 End all forms of discrimination against all women and girls everywhere.
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.



- 10.2 By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and action in this regard.
- 10.4 Adopt policies, especially fiscal, wage, and social protection policies and progressively achieve greater equality.



• 16.B – Promote and enforce non-discriminatory laws and policies for sustainable development.

#### **Related Material Topic**

· Diversity, Equity & Inclusion

#### 2022 Diversity, Equity, & Inclusion Performance Highlights

Launched candid conversations around racial divides, gender equity, LGBTQ+ rights, and more.

Increased diverse representation at people-leader levels while driving increased inclusion across the globe.



#### Diversity, Equity, & Inclusion

**GRI 3-3** 

At Univar Solutions, we are building a strong foundation of robust governance, employee engagement, and transparency to help ensure we create an environment where people feel a sense of belonging and know they are valued for their perspectives. We are relentlessly focused on progress and, while proud of the results we have achieved in a short time, we will keep up our efforts to improve on a daily basis. We push ourselves to create a better future for our Company, employees, industry, and communities.

Through our DEI dedication and actions, we are working to break barriers and create a more equitable and just society. From increasing flexibility and inclusive benefits for employees to representing a diverse society in our product formulations to supporting diverse-owned indirect supplier partners, we play a role in influencing and increasing the chemical industry's focus on advancing DEI. Our actions are guided by the following DEI tenets:

- We are committed to fostering a safe, collaborative, supportive, and respectful environment that values diverse perspectives, mitigates unconscious bias, and enables a culture where employees can bring their authentic selves to work.
- We investigate and eliminate potential inequities from our employment and business practices with action over words.
- We hold ourselves accountable to realistic and measurable progress in representation, inclusion, and belonging through increased transparency and open communication with our employees, customers, suppliers, and stakeholders on our progress and challenges.
- We are all on a journey and will approach one another with kindness, acceptance, and empathy for where we are on our personal journeys, always assuming positive intent as we learn and grow together.



I'm grateful that my personal purpose aligns completely to our Company's purpose. I get to wake up each day and spend my time listening to employee experiences, creating opportunities for exceptional talent, coaching leaders on actions that drive equitable progress, and advocate for a fair and just society through the influence we hold in our industry. What fulfills me is hearing from our employees that they feel a sense of belonging and know that they can show up as their best self every day.



**Brandon Lyssy**Global Director, Diversity,
Equity, & Inclusion and
Community Relations







Committed to developing a DEI strategy that will drive progress for years, we have built our approach around our vision, mission, core values, and Company purpose. Our actions address how we attract, retain, advance, and include employees at all levels of the organization. Specifically, we have increased focus on gender and LGBTQ+ equality, racial and cultural inclusiveness, neurodiversity, disabilities equity, and military veteran inclusion. We use our global inclusion council to help hold ourselves accountable for progress, drive decision-making for our diverse employee groups' unique needs, and ensure we conduct business in ways that advance inclusion for our industry.

2022 marked our third year advancing a global strategy to increase diverse representation and foster a culture of inclusion through strategies and tactics that support our pillars. Over the year, we focused on driving increased advocacy, expanding existing initiatives, and preparing for growth in our maturity model across all regions. To ensure comprehensive focus and direct ties into our business strategy, we aim to advance one or more of our following DEI pillars:

- Creating Opportunity and Building Talent: Creating
  greater transparency in our current talent pool through
  sharing profiles, promoting self-identification in our
  human resource information system (HRIS) system, going
  beyond traditional search methods for hiring, and offering
  increased skill development and visibility for our top talent.
- Developing Awareness and Advocacy: Raising selfunderstanding, mitigating unconscious bias, and using our voice to advocate for social justice and equality through voluntary education and communication.
- Creating Community: Leveraging Employee Resource
  Networks to bring our differences together and build
  belonging to achieve common goals, and partnering with
  our local communities to advance Science, Technology,
  Engineering, and Mathematics (STEM) opportunities for
  underrepresented groups and giving back to organizations
  that advance equality.
- Helping Business Win: Improving equitable policies like flexible work, advancing knowledge around inclusive language in our marketing materials, mitigating bias from hiring processes, and creating stronger partnerships with customers and suppliers to promote DEI progress for our industry.

In 2022, we launched our new Univar Solutions Leadership Framework, embedded with inclusive leadership behavior expectations. Kicking off the year with a series of small group sessions with select senior leaders, we increased our understanding of inclusive leadership traits and visible action leaders can take daily to build a respectful, equitable, and inclusive culture in their teams. Leaders were introduced to the new Leadership Framework through on-demand learning paths that built upon prior years' education opportunities, enabling leaders to grow in maturity.

#### **Employee Resource Networks**

















One of the primary initiatives that yields highly impactful DEI progress is the support and expansion of our Employee Resource Networks (ERNs). Over 2022, ERNs grew leadership opportunities within their core teams, providing safe spaces for candid and challenging conversations on a range of topics, and significantly increased employee participation, more than doubling employee membership in some ERNs.

In 2022, we were pleased to be recognized as a Best Place to Work for LGBTQ+ Equality by the HRC Foundation, after achieving a score of 100 on their CEI for the second consecutive year. The HRC Foundation's CEI, in which our Company has participated for the past four years, is the nation's foremost benchmarking survey and report, measuring corporate policies and practices related to LGBTQ+ workplace equality. We also continue to partner with key organizations such as CEO Action, the largest CEO-led initiative to drive inclusion, to help ensure that the actions we take are making a sustainable impact and keep us accountable for change. We are proud to report an increase in the favorability rating of our inclusive culture among our salaried employee population, along with an increase in the number of female people managers globally and an increase in the number of ethnically diverse people managers in the USA.

These notable DEI successes are not our only progress in 2022. Other accomplishments include:

- Expanded our technology pilots to mitigate potential bias.
- Increased inclusive language in materials used to attract potential employees.
- Launched new product formulations and marketing campaigns that better meet the needs of our diverse customer base.
- Implemented internal reporting processes for diverse supplier spending.
- Increased learning opportunities, candid discussions, internal webinars, and external conference accessibility through key partners to enhance self-awareness and build skills.

- Began sessions with select senior leaders on our approach to inclusive leadership behaviors embedded within our Univar Solutions Leadership Framework.
- Conducted diverse talent reviews with our Executive Committee to give senior leaders visibility into some of our top gender and ethnically diverse talent.
- Served on the Executive Committee of The Conference Board's Global Diversity, Equity, & Inclusion Innovators Council.
- Signed the CEO Action for Diversity & Inclusion pledge to advance diversity and inclusion within the workplace.
- Recognized as a Great Place to Work® in Brazil and Mexico.



We know that our people make all the difference, and we are seeing the results of creative innovation from our diverse workforce in the products and services we provide.





Jennifer McIntyre
Chief People and
Culture Officer

#### **Inclusive Product Formulations**

Throughout 2022, we introduced specific campaigns for new inclusive formulations branded as YOU, Forever Impressions, and New Sensations, collectively focused on inclusive beauty for all. These new formulations celebrate authentic self-expression and identities without boundaries.

#### YOU

Personalizing toward self-defined beauty, the YOU kit welcomed a renewed age of self-love and positivity, as consumers emerged from pandemic isolation. YOU formulas are essential and modern, ageless and genderless, and inclusive of a variety of individual needs.

#### Forever Impressions

Forever Impressions was launched at in-cosmetics Global in Paris, a multicultural event in 2022, following the theme of sustainable beauty. The collection takes a new spin on heritage formulations, bringing more bio-based and biodegradable ingredients forward. The marketing campaign was designed with diverse and inclusive imagery for all skin and hair types. Messaging speaks to multiple audiences across a range of ages.

In line with the sustainable and natural product framework, these formulations bring forward ingredient innovations, but are also created with diverse demographics in mind.



Beauty is more inclusive than ever, and brands are focusing on showing how true beauty lies in diversity.





**Arnita Wofford**Beauty Care Global Marketing
& Technical Sales Director

#### **Increasing Gender Equity in EMEA**

During 2022, leaders in EMEA assessed current initiatives focused on developing female leaders and gathered support to redesign our EMEA Women's Inclusion Network (WIN). The WIN revamp aimed to increase engagement and create a new network that better meets the needs of women across more countries throughout the region, including the UK and Ireland. Previously, WIN was an exclusive circle of English-speaking women predominantly from the UK. The newly redesigned network better aligns actions across the region with global goals to attract, develop, and retain women at all levels by engaging champions in every country in which we operate. With the redesigned structure and a renewed goal of establishing WIN circles at all locations, we are proud to say that we have built new WIN circles at most of our major sites.

"

As we work to become an increasingly inclusive culture, we are raising confidence in women across the whole of our business and ensuring ours is a place where they can grow an exceptional career.





Liliana Diesterhoeft
Digital Business Leader
EMEA Strategic
Development

#### **Expanding Racial Equity in Brazil**

In 2021, with the support of local leaders, we built our Brazilian Black Leadership Network to increase the visibility of cultural awareness, address racial equity, and provide a community of development for black employees in the country. Throughout 2022, we built upon those efforts through activities and candid conversations to address challenges, develop a sense of belonging, and expand our understanding of cultural differences. Included in these activities were events that provided participants with anti-racism apparel, DNA tests, public speakers, and an experience with The Black Tour, which promotes travel, black culture, Afrofuturism, and independent black businesses. These efforts have created visible recognition of greater equity and a call for anti-racism advocacy.

"

It has been an exciting and inspiring year for us as we increase focus on creating greater racial equity for black employees. Our activities, lectures, and experiences have been engaging, and it's been my pleasure to help organize and also participate as an ally in the advancements we are making.





**Ester Serragiotto**Internal Communications,
Diversity, Equity, & Inclusion
and Community Manager





Delivering kindness runs deep in our DNA, and the many partnerships we engage in worldwide only strengthen the good we do. We are most in our element when delivering on our purpose to keep our local communities healthy, fed, clean, and safe. Looking beyond revenue and profits, we aim to measure ourselves against the positive impact we create for our communities.

#### **Our Progress and Initiatives for Community Engagement**

#### Goal

Demonstrate our commitment to our purpose, to help keep our communities healthy, fed, clean, and safe, through financial investment and employee involvement in the communities in which we live and work.

#### Targets Progress to 2022

- Charitable contributions through the Univar Solutions Foundation or other similar means.
- Continued our charitable commitments through the Univar Solutions Foundation.

· Employee volunteer hour contributions.

• Launched our employee volunteerism program in the US, Community Bonds.

#### **Strategic Areas of Focus**



#### **Related SDGs**



- 2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious, and sufficient food all year round.
- 2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons.



• 17.16 – Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

#### Related Material Topic

Community Engagement

#### 2022 Community Engagement Performance Highlights

Launched
COMMUNITY BONDS
Volunteering Paid
Time Off for the USA,
Canada, and Brazil to
over 6,500 employees.

Recognized by the National Multiple Sclerosis (MS) Society with "The Complete Package" Award for the resources and engagement created to see a world without MS.

Over \$300,000 donated to causes across the globe that improve the health and lives of those in need.

#### **Community Engagement**

**GRI 3-3** 

For decades, we have gone beyond words, taking decisive action to help address the needs of our communities. To further these efforts, in 2022, we launched a new global approach to community engagement, branded COMMUNITY BONDS. This approach recognizes the connections we make throughout our communities, creating strong and lasting bonds, and is a contributing element to our recognition by Newsweek as one of America's Most Responsible Companies.

COMMUNITY BONDS inspires our people to come together and "give great" to the communities where we live and work, going beyond our walls to make a lasting, positive impact on the world. The approach empowers employees to strengthen our communities by supporting health and wellness, promoting safety and belonging, advancing STEM education, protecting the environment, and advocating for others. We are proud of our global approach to community engagement, which speaks to our purpose, the hearts of our people, and the impact we can make each day.



#### **ADVOCACY**

#### **Giving time:**

Granting employees a day of service to make an impact in their local communities.

#### **VOLUNTEERING**

#### Doing good together:

Working hand in hand with customers and suppliers to provide assistance and resources where they are needed most.

#### **DONATIONS**

#### Raising awareness:

Using our influence, passion, and energy to create equity and drive social and environmental progress.

Our COMMUNITY BONDS strategy inspires real action, engaging our employees, customers, suppliers, and key partners to make a difference. By establishing rigorous governance and bringing together our COMMUNITY BONDS Council, project teams, and champions across our locations, we are building a foundation that will last for years. We hope that our visible actions and the impact we are making in our communities build trust, a sense of belonging, and stronger partnerships inside and outside our organization.

Besides unveiling our new approach to community engagement, we also advanced existing community engagement initiatives in 2022. As COVID-19 restrictions began to ease, we rolled out formal programs to enable our employees and teams to give back to their communities. For example, we implemented paid time off for volunteering, allowing our people to demonstrate our community-based purpose. In 2022, our teams used this paid time off constructively to gather and engage in their communities to distribute food, support STEM educational programs, raise funds for medical resources, and much more. We are proud of the good work our employees accomplished this year and believe this is one of our most significant actions to support our communities.

As we look to the future, we have begun expanding community engagement programs across the globe. At the time of this report, volunteer paid time off programs are in development in Mexico, Colombia, Guatemala, the UK, and Ireland. With the support of our Executive Committee, we continue to develop and grow programs to support our employees' impact on local communities. Through strong governance and action, we remain committed to our efforts to help those in need with increased charitable contributions and support disaster relief when conditions arise that impact our people, partners, and communities.









# **Advancing STEM with You Be The** Chemist™ and the Future of STEM **Scholars Initiative (FOSSI)**

Advancing early STEM education through handson chemistry with students and educators is at the core of our community engagement focus. We have been proud supporters of the Chemical Education Foundation (CEF) for many years, and we now serve as the presenting sponsor for their National You Be The Chemist™ Challenge program and annual activities. Through our partnership with CEF, we work to increase equity in STEM education and provide students with a life path that can grow into successful careers. We are proud to aid this journey by providing financial support and hosting regional events across the US. With each activity, our team members come together to show students how rewarding and valuable a STEM career can be, demonstrating scientific development and many other career options.

In 2022, our support greatly impacted all those involved in You Be The Chemist™ programming. Specifically, Univar Solutions is proud to report the following accomplishments:

- Served as the presenting sponsor for the National You Be The Chemist™ Challenge.
- Provided \$24,000 in student scholarships.
- Created a new community partnership in Freeport, TX, impacting four schools, eight teachers, and over 900 students.



By engaging early and exciting students through hands-on chemistry, we are helping to empower the next generation of STEM leaders and **Univar Solutions employees.** 





Aileen Doyle Senior Director, Business Excellence and STEM Ambassador

Recognizing lower than average levels of diversity in the chemical industry, we work to support underrepresented people in their journey to becoming the STEM innovators of tomorrow. As part of this effort, we proudly support the Future of STEM Scholars Initiative (FOSSI). Established through a partnership between the American Chemistry Council (ACC), American Institute of Chemical Engineers (AIChE), Chemours, and Historically Black Colleges and Universities (HBCU) Week Foundation, FOSSI is a national program that provides scholarships to students pursuing STEM degrees at HBCUs. FOSSI helps eliminate financial barriers to higher education, recognizing and rewarding demonstrated achievement and the future potential of students in our communities nationwide.



I cannot thank Univar Solutions enough for the ongoing support given to the school in the last six years. We have received many useful things like school bags, toothbrushes, toothpaste, clothes, stationery, kids' toys, and sports kit. All of these items go a long way to improving learning standards for the kids. Parents, teachers, and the children are so grateful for the continuous support, as it helps shape a better future for them.





Maureen Mtunji Mapenzi Educator at the Brilliant Junior Academy

# Advancing Our Five-Year Plan for Education in Africa

For the past seven years, Univar Solutions has provided supplies for the children of the Brilliant Junior Academy in Watamu, Kenya. Collections include essential books, painting supplies, uniforms, sports equipment, toys, and toiletries, as we support basic needs and educational tools. In addition to sending supplies, we engage with the students through creative relationship-building activities to foster broader connections. During the COVID-19 pandemic, for example, children of our EMEA staff engaged in a pen pal program with many of the children from the school, exchanging correspondence, and drawings and building bonds.

Partnering with the Community Agricultural Resources Development Program, a registered non-governmental organization operating in the coastal counties of Kenya, we keep open lines of communication to ensure shipments make it to the children safely. With each supply shipment, we engage with academy children and staff, who share appreciation and gratitude through photos and videos.

We know that basic supplies alone are insufficient to ensure a successful education, so we also focus on nutrition as part of our efforts in Kenya. Knowing that a well-nourished child has a stronger immune system and is less likely to fall sick, we helped set up a kitchen garden with sustainable ingredients.

# **Engaging Underserved Communities in Brazil**

In 2002, Univar Solutions employees in Brazil came together to create fun activities and engage with children in the Osasco neighborhood of São Paulo, a struggling community with high unemployment, low education, and a lack of safe outdoor recreation space. Our team members supported local children by providing food, games, and lessons on proper waste disposal and the impacts of environmental care on our health. Like many of our other community volunteering efforts, both employees and community members reported feeling positively impacted by the event.



Those who do volunteer work are happier!

Dedicating ourselves to helping others is fantastic.

I am very grateful to be part of this team. In addition to keeping our community clean, healthy, fed, and safe, we also bring love, happiness, and knowledge.





**Nubia Machado**Sales Representative
Industrial Solutions, Brazil

# Governance



SDG 8- Promote inclusive and sustainable economic growth, employment and decent work for all.



SDG 17- Strengthen the means of implementation and revitalize the global partnership for sustainable development.

We recognize and value the important role our employees play in shaping our organizational culture and contributing to ethical business. Our aim is to operate our business safely and with integrity, thereby earning the trust of our valued investors, employees, suppliers, and customers. We have set high standards for all company employees, designed to uphold ethical business practices and regulatory compliance. These standards serve as the cornerstone for our organization, enabling us to make informed and sound business decisions.



# Corporate Governance

GRI 2-9 | 2-1 | 2-13 | 2-14 | 2-24

Responsible corporate governance is fundamental to building a more just, fair, and accountable business culture. Our processes, standards, and culture guide our actions daily and help us to maintain trust with our employees, suppliers, customers, and investors. Much like the other pillars of our ESG journey, our corporate governance practices are based on continual improvement.

The business and affairs of our Company are supervised by our Board of Directors ("Board"). The Board believes that good corporate governance is a critical factor in achieving business success and in fulfilling the Board's responsibilities to stockholders and designs its corporate governance practices to align management and stockholder interests.

The Board maintains oversight of the Company's enterprise risk management processes and programs and the Company's top enterprise risks (including those pertaining to financial, operational, cybersecurity, human capital, and ESG) and corresponding mitigation plans are presented to the Board semiannually. The Board believes that corporate governance is critical to achieving business success. Applying good governance practices ensures alignment with management and stakeholder interests.

The Audit Committee of the Board ("Audit Committee") oversees the management of accounting, auditing, external reporting and internal control risks. The Audit Committee is also responsible for overseeing privacy, cyber information and cybersecurity risks, including policies and procedures for assessing and managing those risks. The Compensation Committee oversees the management of risks relating to the Company's compensation program and policies (including the design of incentive structures, holding periods and clawbacks to mitigate risks). The Governance & Corporate Responsibility Committee ("GCR Committee") oversees risks associated with the corporate governance of the







Company. The GCR Committee is also responsible for overseeing risks arising from the Company's environmental, health, safety, sustainability, and corporate social responsibility policies, objectives, programs, and practices, including those related to environmental stewardship, corporate citizenship, human capital management, talent development, diversity, equity, and inclusion, and other social and public matters of significance to the Company.

Additional information on the Board, including its composition, leadership structure, compensation, and involvement in risk oversight, is available in the Company's 2023 Proxy.

The Company also has a Risk Steering Committee, chaired by the Company's Chief Risk Officer and comprised of various members of executive and senior management, which regularly identifies and monitors top enterprise risks to the Company. The committee oversees corresponding mitigation plan progress necessary to guide the business through good decision-making. Univar Solutions' 2023 Proxy report details the structure and composition of our Board, the processes for nomination and selection, and its members' roles, experience, and knowledge.

## **ESG Oversight**

Turning good intentions into meaningful actions requires us to embed sustainable practices and thinking into our business. We aim to implant a sustainability mindset throughout our organizational structure, including our processes, infrastructure, and culture. Our Board of Directors, our highest level of sustainability governance, oversees ESG and climate risks and regularly receives comprehensive risk management plan updates.

Univar Solutions' policies, activities, and overarching ESG strategy are reviewed and monitored by the Committee. Meeting quarterly, the GCR considers updates on ESG progress, advances our ESG strategies, and examines our progress toward achieving our global ESG goals. The GCR Committee reviews and approves the content within this report as part of our ESG disclosure review process.

At the individual leadership level, our Chief People and Culture Officer and our Senior Vice President, General Counsel & Secretary, both part of our Executive Leadership team, collectively lead our ESG program at Univar Solutions. Our Global Sustainability team, led by the Global Director of Sustainability, drives the development and implementation of this program based on our overall sustainability strategy set by the Executive Committee.

At the provincial level, Regional Sustainability Working Groups develop actions and deliver on our strategic ESG priorities. The Global Sustainability Council, a group of senior leaders across the business, is accountable for supporting our progress and reviews this quarterly. These working groups, launched in 2021, work on integrating our current and future sustainability strategies into our business by establishing a robust governance structure.

Our sustainability committees and working groups build a sense of ownership and responsibility for ESG topics at Univar Solutions. These groups, alongside DEI governance groups, regional Environment, Health, Safety, and Quality (EHSQ) teams, and other governance groups, also contribute to driving progress against our ESG goals. Specific topics may include emissions,

water use, waste, release reduction, safety, and diversity. We constantly collaborate across our regions to share best practices, successes, and areas of challenge. This allows our governance groups to better devise solutions and enhance operational efficiencies.

Beyond our Board's and executive leadership's role in establishing strategy and leading by example, our success requires accountability throughout the organization. Embedding sustainability into our practices, systems, and culture necessitates commitment from all employees. We work to empower every person across our business to contribute to our sustainability journey through local working groups, employee networks, and collaboration with our communities, customers, and suppliers.



View our 2023 Proxy Report

# Stakeholder Engagement



**GRI 2-29** 

A critical component of an impactful ESG strategy is the thoughtful participation of internal and external stakeholders. As such, we have identified the key stakeholder groups our sustainability goals and progress may impact. While remaining conscious of evolving business and stakeholder concerns, we utilize stakeholder engagement efforts to help inform our ESG goal direction. As the future needs of our value chain evolve, we plan to incorporate additional and expanded stakeholder input in our daily work and through the development of future goals.

The table below highlights ways we have engaged our key stakeholders on ESG issues in recent years and how that engagement helped inform our ongoing global ESG agenda.

| Stakeholder | Examples of Engagement  | Stakeholder Engagement Outcomes   |
|-------------|---|---|
| Customers   | <ul> <li>Customer-focused technical expertise.</li> <li>Passive research, including surveys and desktop research.<sup>1</sup></li> <li>Ongoing customer ESG collaborative efforts.</li> <li>Active key account surveys on sustainability priorities.<sup>1</sup></li> <li>ESG solutions offerings through our portfolios and services.</li> </ul> | <ul> <li>Insight into our customers' material ESG topics.</li> <li>An ESG program designed to assist customers in meeting their sustainability needs.</li> <li>Increased transparency through the disclosure of Scope 3 emissions.</li> <li>Provision of more sustainable products and services to meet our customers' current and future needs.</li> </ul> |
| Suppliers   | <ul> <li>Passive research on supplier sustainability priorities.<sup>1</sup></li> <li>Supplier transparency and sustainability collaboration, including responses to sustainability questionnaires and assessment platforms.</li> <li>Active buyer surveys on ESG priorities.<sup>1</sup></li> </ul>  | <ul> <li>An understanding of our materials' sustainability characteristics.</li> <li>A leading chemicals industry position in sustainable solutions.</li> <li>A close working relationship with our suppliers and service providers, advancing both parties' sustainability journeys.</li> </ul>  |

| Stakeholder  | Examples of Engagement   | Stakeholder Engagement Outcomes  |
|--|--|--|
|  | <ul> <li>Company-wide safety, environmental<br/>and ethics and compliance training.</li> </ul>   | <ul> <li>Putting our people at the core of our<br/>sustainability success.</li> </ul>  |
|  | <ul> <li>Regular safety and environmental<br/>awareness events.</li> </ul>   | <ul> <li>Priorities reflective of our employees' interests and passions.</li> </ul>  |
| Employees  | <ul> <li>Community engagement and<br/>charitable giving.</li> </ul>  | <ul> <li>Demonstrating that we are a company in<br/>which our people matter.</li> </ul>  |
|  | <ul><li>Global employee feedback surveys.</li><li>Regular ESG communications.</li></ul>  | <ul> <li>Employee-driven ESG value for our<br/>business and stakeholders through the<br/>key projects and programs delivered.</li> </ul>   |
| Investors<br>and<br>Shareholders   | <ul> <li>Proactive engagement with our shareholders.</li> <li>Assessment of key investor ESG platforms for priorities.<sup>1</sup></li> <li>Reports and disclosures in line with investor feedback.</li> </ul>             | <ul> <li>Confidence that our priorities support<br/>our navigation of ESG-driven change.</li> <li>Identification of anticipated future<br/>priorities, such as managing climate-<br/>related risks and DEI-related disclosures.</li> </ul>                                   |
| Industrial<br>Associations   | <ul> <li>Board membership in industry associations.</li> <li>Committee participation and information sharing, as appropriate and in accordance with applicable laws.</li> <li>Education support and engagement.</li> </ul> | <ul> <li>Actively participating in councils, steering groups and other decision-making bodies within industry associations.</li> <li>Continued knowledge of the latest industry developments.</li> <li>Positioning at the forefront of industry ESG advancements.</li> </ul> |
| Univar<br>Solutions<br>Executive<br>Leadership <sup>2</sup><br>and Board | <ul> <li>Regular progress reviews against our ESG goals.</li> <li>Long-term executive compensation that is tied to the achievement of specific ESG goals.</li> </ul>   | <ul> <li>Encouraged continued advancement necessary to achieve our ambitious ESG goals.</li> <li>Tailored input from executive team to support decision making.</li> </ul>   |

<sup>1.</sup> Activities carried out that directly informed our 2021 materiality assessment.

<sup>2.</sup> Executive leadership is composed of the executive officers of the company.

# **Employee Recognition**

# 2022 Phil Hockaday Award

In 2020, we lost a dear colleague and champion of our sustainability journey, our Vice President of Global Sustainability, Environment, Health, & Safety, Phil Hockaday. To honor Phil's legacy and leadership for Univar Solutions, we launched the Phil Hockaday Sustainability Awards, identifying those across the business who have brought forward the best sustainability programs and ideas contributing to one or more of our initiatives.

Along with the prestige of public recognition, the overall winner receives a keepsake trophy and a Univar Solutions stock award, and our runners-up receive recognition for their contributions and concepts.

In 2022, our award went to Peter Ward, our Facilities Manager in EMEA for his active work implementing energy efficient equipment across a number of our UK locations, enabling the install of electric vehicle charge points at multiple sites as well as his ongoing support for our LGBT+ Employee Resource Network.



# **ESG Materiality<sup>1</sup> Assessment Approach**

GRI 3-1 | 3-2

We work on driving our company toward a more sustainable future and delivering value to stakeholders by continually monitoring material issues for our business. Ongoing stakeholder engagement allows us to determine our most relevant ESG topics and informs the evolution of our ESG goals.

When ascertaining the relevance and prioritization of ESG issues, we ask three questions:

Does the topic relate to the reasonable expectations and interests of the identified stakeholders?

Is the inclusion and presentation of the topic relevant to the broader context of sustainability beyond Univar Solutions?

Does the topic comprehensively reflect the significant aspects of Univar Solutions operations, including our economic, environmental, and social impacts?

In 2021, we provided an updated view of the most significant ESG topics for stakeholders and our business by expanding our materiality assessment. The results of the assessment have been applied for two primary purposes:

### **Outcomes of Applied Materiality Results**

To continue informing specific objectives when developing strategies to achieve our global goals.

Drive goal achievement by informing specific strategy objectives.

To understand changing areas of risk and opportunity through our sustainability journey.

Identifies ESG risks and opportunities.

The below figure lists the material issues identified by our most recent materiality assessment update, conducted in 2021, these topics are considered our most material ESG issues. However, we recognize this is not an exhaustive list of topics important to our business and is purposefully limited to our ESG priorities. Unlike previous disclosures, this list is not ranked by significance.

We remain committed to regularly assessing the most material issues to our business. While no formal assessment was carried out in 2022, we intend to conduct a reassessment of our material issues in 2023, including, for the first time, an additional climate change-specific assessment through the lens of "double-materiality." This additional assessment is intended to help inform our strategy and stakeholders not only of the impact that climate change may have on our business, but also the impact that we may have in contributing to, or mitigating the impacts of, climate change.

### **Material Topics (2021 Update)**

- · Climate Change and Energy
- Community Engagement
- · Diversity, Equity, & Inclusion
- Employee Safety

- · Environmental Compliance
- Ethics, Governance, and Transparency
- · Innovative and Sustainable Products
- Pollution Prevention

- Product Stewardship
- Sustainable Supply Chain
- Waste and Circularity
- Water

<sup>1.</sup> The use of "material" or "materiality" in this report is not intended to convey matters or facts that could be deemed "material" to a reasonable investor, as referred to under U.S. securities laws or similar requirements of other jurisdictions.

# Business Ethics

GRI 2-16 | 2-23 | 2-24 | 2-25 2-26 | 2-27 | 3-3 | 205-2 205-5 206-1 | 408-1 | 409-1 415-1 416-1 | 418-1



Univar Solutions' **global Code Handbook** emphasizes our commitment to achieve and maintain high, ethical standards of business conduct. This document, publicly available in 18 languages, includes core standards and expectations which underpin our commitment to conducting business ethically and in compliance with the laws of the geographies in which we operate.

Our Code Handbook and the Policies referenced within it cover our commitments and expectations on the following ethics topics:

- Environmental, health, and safety
- Fair employment practices
- Harassment and discrimination
- Bribery and corruption
- Anti-trust and fair competition

- Insider trading
- International trade compliance
- Conflict of interest
- Gifts and business
- Data protection
- Data privacy
- Human rights

We are proud of the standards we uphold as a business and recognize that for them to permeate, everyone at Univar Solutions must understand what good practice looks like. The Code Handbook applies to all our directors, officers, and employees. We also expect all our business partners to act in a manner consistent with the Code Handbook.

100 percent of our employees completed our annual Code Handbook training again in 2022. This marks the fourth consecutive year in which all our employees completed the annual Code Handbookt training. This training is also given annually to the members of our Board, and all directors have completed it in each of the past four years.

# **Putting Ethical Commitments into Practice**

### **Assessing Our Risk on Ethics Issues**

We recognize that effective risk identification and management are critical to maintain ethical conduct across our business. As part of our global enterprise risk management process, we assess ethic risks such as corruption, data handling, and anti-competition.

In 2022, we were not aware of any operations or suppliers with significant child labor, forced or compulsory labor, or corruption risks.

### **Reporting and Whistleblowing**

Ensuring that good faith ethics or grievance concerns can be raised in an appropriate setting and without repercussions is central to operating an effective business ethics program. The program provides an opportunity to be heard and ensures any issues of conduct are promptly investigated and remediated or corrected. There are several mechanisms for people to report grievances or ethics concerns:

- EthicsPoint hotline either phone or web portal
- Email the Compliance mailbox
- Speak to their manager or any executive team member
- Talk with their Human Resources contact
- Reach out to any member of the Legal or Compliance team
- Submit a concern or question to AskLeadership@univarsolutions.com

The EthicsPoint hotline is a central repository for reports concerning ethics and compliance. Once a report is submitted to the hotline, an appropriate investigator is assigned based on the type of the report. Every report that comes in via the hotline is treated confidentially and taken seriously. To ensure objectivity, a third-party service provider manages the hotline.

Each EthicsPoint hotline report is reviewed by the Compliance team and the investigation leader to make sure the investigation was conducted thoroughly and that the outcome was sound. A summary of the reports made on the EthicsPoint hotline is presented to the Audit Committee and the Executive Committee each quarter.

### **Political Contributions**

While Univar Solutions is a member of various trade and industry associations that may engage in political activities, including candidate contributions and lobbying, we do not make direct contributions, donations, gifts, or loans to or for the benefit of political parties or committees, candidates for public office, or political organizations. Our **Political Contributions Policy** clarifies that employees are free to participate in the political process as individual citizens as long as they indicate that their views and actions are their own. It also specifies that employees may not use their position with our company to coerce or pressure other employees to contribute to, support, or oppose any political candidates, elections, or ballot initiatives.

### **Incidents**

In 2022, our whistleblowing reporting channels collectively received 106 reports. Of the 106 reports received, 30 were found to be substantiated.

Depending on the outcome of the case and the severity and repetition of the incident, additional training, policy review, warning, monitoring, coaching, change in reporting structure, suspension, and termination are all measures used to remediate and correct the situation.

### **Human Rights**

As a leading global distributor of commodity and specialty chemicals and ingredients, and a critical component of supply chains worldwide, our business impacts countless people. Our core value of being "valuable to others" drives our efforts to conduct our business with dignity and respect for every person we impact. This includes working to protect the rights of the individuals who work in our business, directly or indirectly, and the suppliers that provide us with products and services. We strive to take a proactive stance to support and respect the protection of internationally proclaimed human rights and to guard against being complicit in human rights abuses. We also encourage our suppliers and business partners to operate in a manner that demonstrates respect for people and upholds their rights.

Please see our **Statement on Human Rights** for additional details.

### **Monthly Ethics Bulletins**

In addition to our annual allemployee Code of Conduct training, our Compliance team works hard to ensure ethics topics remain top of mind. Resources on topical and relevant issues are sent monthly to all employees as a reminder, linking employees to our internal policies, such as those on Bribery and Corruption, Antitrust, and Cybersecurity. These monthly bulletins remind employees of our values and the importance of doing the right thing with current news references or real examples from the company.



## **Ethics Beyond Univar Solutions**

We want to ensure our standards for ethical conduct and sustainable business practices are communicated throughout our value chain. To support these efforts, we have made substantial progress in the rollout of our Univar Solutions' global Supplier Code of Conduct, covered in the Sustainable Sourcing section.

### **Key Company Policies and Guidelines**

Clear principles and standards are fundamental to good governance. We make several key policies and position statements publicly available to all employees to demonstrate our commitment to good ESG practices. These include:

**Conflict Minerals Statement** 

**Environmental Health and Safety Policy** 

**ESG Policy** 

**Global Supplier Code of Conduct** 

**Information Security Disclosure Statement** 

**Modern Slavery and Anti-Trafficking Statement** 

**Political Contributions** 

**Position on Human Rights** 

**Univar Solutions Global Code of Conduct** 

**Whistleblower Protection Policy** 

We will continue to evolve our policies and position statements in line with the progress of our environmental, social, and governance program while considering changes to our business, emerging regulation, and current sustainability trends. Additional resources can be found on our **Governance Documents and Policies** page.

### **Legal Compliance**

Compliance with laws and regulations is the minimum standard Univar Solutions maintains across all regions. We continue to hold ourselves to higher standards than minimally required in many areas through our ethics, safety, and environmental policies and management systems.

In 2022, we are not aware of any criminal violations, investigations or other material claims made against us regarding anti-bribery, corruption, human rights or privacy. Additionally, we are not aware of any instances or material violations of occupational health and safety or environmental responsibility that were not swiftly and satisfactorily addressed.



We remain committed to engaging our supply chain on key ESG topics, helping support an evolutionary journey toward a more sustainable future for our wider value chain. Not only are such efforts the right thing to do, but they are also fundamental to our goal to net-zero pathways. Our approach, described below, is focused on collaboration and continuous improvement.

### **Our Progress and Initiatives for Sustainable Sourcing**

#### Goal

Drive sustainable resource use by embedding the principles of circularity and operational excellence.

| Targets  | Baseline <sup>3</sup> | Progress       |
|--|-----------------------|----------------|
| <ul> <li>100 percent of new and active suppliers issued our global<br/>Supplier Code of Conduct by 2023.<sup>1,2</sup></li> </ul>  | • 0 percent           | • 32.5 percent |
| <ul> <li>Assess 80 percent of suppliers (by spend) on their<br/>sustainability performance with minimum standards for<br/>those assessed being met by 2025.<sup>1</sup></li> </ul> | · 0 percent           | • 44.5 percent |

### **Strategic Areas of Focus**

### Infrastructure and Investment

• Implementation of supply chain ESG assessment and management software to improve transparency of related performance of our suppliers.

### **Processes and Procedures**

- Integration of ESG criteria into supplier onboarding and supplier assessments.
- Embedding our global Supplier Code of Conduct as an expectation on minimum standards.

#### Culture

• Development and delivery of global sustainable and ethical sourcing training for commercial teams.

#### **Related SDGs**



• 8.7 – Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers and by 2025 end child labor in all its forms.



• 17.16 – Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

### **Related Material Topic**

Sustainable Supply Chain

### **2022 Performance Highlights**

Assessed 44.5 percent of our product suppliers on ESG via EcoVadis.

32.5 percent of suppliers aligned with our Supplier Code of Conduct.

Set our baseline on diverse supplier procurement.

<sup>1.</sup> Goal progress measured by percent total direct product spend. Active supplier indicates supplier transaction in last 12 months.

<sup>2.</sup> Wording updated since 2021 to support the diversity of suppliers' compliance management systems.

<sup>3.</sup> Baseline is Average of 2019/2020 performance.

### **Sustainable Supply Chain**

GRI 3-3 | 308-1 | 308-2 | 414-1 | 414-2

Our approach to ESG on supply chain engagement is designed for the greatest possible positive and we are evolving our holistic outlook on more sustainable supply chains while remaining committed to collaboration and continuous improvement.

#### **Univar Solutions Global Product Supplier Engagement Process**



### **Global Supplier Code of Conduct Rollout**

Our **global Supplier Code of Conduct** states Univar Solutions' fundamental expectations of our suppliers across our network. While our goal in this area is focused on product suppliers, the expectations in this document apply to all our vendors and service providers.

Throughout 2022, we continued to issue this document to all new product suppliers and began the rollout of the global Supplier Code of Conduct to existing product suppliers across North America. We understand that a collaborative and educational approach is required to build a path to cooperation and common progress, and we have seen a positive stakeholder response to our rollout efforts. As a result, we have had the opportunity to engage our suppliers in constructive discussions to better understand their ESG journeys and how we can support them.

In 2022, all of our newly added product suppliers were issued the Supplier Code of Conduct. This document was rolled out to 32.5 percent of existing suppliers in North America (measured by percent total direct product spend during 2022).

### **Supply Chain Risk Assessment**

Through close collaboration with our product management team, we have begun to map the general risk categories associated with our suppliers to better understand ESG risk in our supply chain. Supported by our training processes and recorded in our Supplier Relationship Management (SRM) system, we are mapping supplier risk based on product type, industry, and geographic location. Moving forward, we intend to use this risk identification dataset to support targeted and proportionate due diligence on our suppliers.

We also use the EcoVadis tool for supply chain risk mapping. This tool will help us to increase the rate and scale needed to substantially identify and assess quantitative supply chain risks.

### **Supplier ESG Assessments**

Consistent, independent assessment of our suppliers is vital to advance supply chain sustainability. Using the EcoVadis supplier assessment tool, we have rapidly scaled up our assessment of our suppliers. Through 2022, we have mapped the ESG performance of 44.5 percent of our direct suppliers by percent total direct product spend globally. While we have focused the last 12 months on defining our baseline of supplier performance, we continue to work on increasing the coverage of suppliers assessed as we evolve our ESG requirements. Beyond ESG assessments, the EcoVadis tool provides the opportunity to set improvement actions through Corrective Action Plans (CAPs) for suppliers on the below pillars:









**Environment** 

Labor and Human Rights

**Ethics** 

Sustainable Procurement

These pillars, closely aligned with Univar Solutions' values and ESG goals help drive robust assessment of supply chain performance and provide a solid basis on which our supply chain can collectively improve. Together with our partners, we will continue our efforts to implement CAPs to drive improve ESG performance and ratings for our suppliers.

The Ecovadis Platform has identified **1,515 corrective actions** for our suppliers across the key ESG pillars.

### **Responsible Supply Chain Training**

Above and beyond our Global Code Handbook training, which is mandatory for all employees, we successfully rolled out supplementary ethical and humane sourcing training to employees who are most likely to encounter these issues in their professional roles, with around 1,000 employees taking this training in 2022. Key training topics are highlighted below:

### **Sanctions and Embargoes**

96.7%

Completion

 Covers detailed definitions of sanctions and embargoes, an employee's role in upholding related standards, trade compliance, and methods to identify potential issues related to products or customers, as well as a required knowledge check to measure learning.

### **Denied Party Screening**

95.9% Completion

 Provides employees with an understanding of who denied parties are, how to perform relevant screening before conducting business transactions, and how to apply these principles in their daily work.

# Modern Slavery **97.2%**

97.2% Completion

- Covers ways to identify, deter, and defend against modern slavery, including a required knowledge check to measure understanding of the topic.
- Discusses the detrimental effect on individuals who are exploited for commercial gain and Univar Solutions' commitment to preventing modern slavery.

## **Additional Supplier Due Diligence**

Beyond communicating our expectations and assessing suppliers via the EcoVadis platform, we recognize that we must be proportionate in our actions and perform additional due diligence where appropriate. Given the heightened risks related to Modern Slavery identified above, we have implemented additional measures for Chinese suppliers with links to the Xinjiang region and in dealings with products listed as high-risk for ethical concerns from China. We are also mapping our supply chain to ensure our products are not linked directly or indirectly to the Xinjiang region.

Where we identify additional supplier due diligence to be appropriate, Univar Solutions initiates dialogue to conduct on-site assessments and audits of supplier locations, either by Univar Solutions personnel or by a third party.

# Monitoring Incidents of Unethical Activity in the Supply Chain

Our broad supplier network enables us to deliver value and breadth of service to our customers, but also presents challenges in monitoring incidents of unethical behavior. To address this, we employ third-party tools to identify supply chain red flags or incidents, helping us detect issues in advance and take appropriate corrective action.

Through 2022, we employed the services of TRACE International across our global network to monitor and assess risk and incidents through our supply chain. TRACE's services help us to vet third-party intermediaries for risks including ownership, watch-list, and sanction concerns. Paired with the EcoVadis "360 Watch" tool, which scans global media outlets for ESG controversies, we monitor our supply chain for bribery, compliance, and governance risks in real time.

In late 2020, we became aware of one instance in which an indirect (tier 2) supplier, a producer of palm oil-containing materials in South-East Asia, was being investigated for alleged ethics issues, including child labor. This resulted in the US Customs and Border Protection agency issuing a Withhold Release Order on palm oil produced by the supplier and its subsidiaries. Immediately thereafter, we discontinued our supplier relationship with the company and its subsidiaries, isolated its products already in our possession, and returned them. We continue to monitor developments to remain aware of any other instances of unethical conduct, and will respond where appropriate, in line with legal requirements.

Through 2023, we will work closely with our direct product suppliers in our efforts to achieve a complete rollout and acknowledgment of our global Supplier Code of Conduct. In addition, we are driving our Product Management teams to increase the coverage of our suppliers who are assessed on key ESG issues via the EcoVadis platform. This effort, in addition to mapping risk in our supply chain by geography and industry, will assist our work to formalize our standards on supply chain performance in subsequent reporting. We remain committed to actively monitoring developments in this area, including the European Commission's Directive on Corporate Sustainability Due Diligence.





# **Appendix**

### **Memberships of Association**

**GRI 2-28** 

We remain at the forefront of emerging changes and opportunities through active collaboration with industry associations. This practice advances our industry knowledge across our operating regions and enables our work to deliver the best possible service and solutions to our customers. Our core values and ESG strategy govern participation with industry associations to help ensure they align with our principles.

Key industry associations, groups, initiatives, and reporting platforms in which we actively participate include:

- Responsible Distribution
- Responsible Care
- National Association of Chemical Distributors (NACD)
- Responsible Distribution Canada (RDC)
- European Association of Chemical Distributors (FECC)
- American Chemistry Council (ACC)
   Affiliate Member
- International Chemical Trade Association (ICTA)
- CDP

- EcoVadis
- RSPO
- International Sustainability
   & Carbon Certification (ISCC)
- Sedex
- Global Food Safety Initiative
- Cosmos Organic
- Fair for Life
- Human Rights Campaign
- Great Place to Work
- CEO Action for Diversity & Inclusion

### **Supporting Industry Associations on ESG**

In 2022, Univar Solutions Supported the NACD in developing a new addition to their Responsible Distributions Codes, Code VI, Sustainability. Through sharing our industry expertise in the field, we assisted the NACD in developing a standard that would be suitable and achievable for committed members while helping others in the supply chain make meaningful improvements on their own ESG journeys.

### **United Nations Global Compact (UNGC)**

Univar Solutions has actively worked to implement environmental, social, and ethical practices supporting the **UNGC Principles** to advance societal goals since 2018. This report serves as our communication on progress to the UNGC. Our key areas of focus include:

- · Upholding and respecting human rights.
- Supporting freedom of association and eliminating all forms of forced labor.
- Promoting environmental responsibility, encouraging environmentally friendly technologies, and supporting the precautionary approach.
- Working against corruption in all forms.



Our business is organized and managed in four geographical segments: Univar Solutions USA ("USA"), Univar Solutions Europe and the Middle East and Africa ("EMEA"), Univar Solutions Canada "Canada") and Univar Solutions Latin America ("LATAM"), which includes developing businesses in Latin America and the Asia-Pacific region.

# ESG Data Table



GRI 302-1 | 302-3 | 302-4 | 303-3 | 305-1 | 305-2 | 305-3 | 305-4 | 305-5 | 306-2 | 306-3 | 306-4 | 306-5

### **Energy**

| MWh  | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2022 % of<br>Total Energy |
|--|---------|---------|---------|---------|---------|---------|---------|---------------------------|
| Fleets Diesel                                    | 313,541 | 347,650 | 376,812 | 319,120 | 251,704 | 229,107 | 224,023 | 42.45%                    |
| Natural Gas                                      | 162,320 | 174,780 | 181,330 | 180,197 | 174,444 | 172,189 | 168,029 | 31.84%                    |
| Fleet Gasoline                                   | 47,280  | 40,007  | 35,522  | 33,728  | 21,797  | 19,851  | 22,254  | 4.22%                     |
| LPG  | 19,139  | 19,334  | 20,960  | 18,994  | 11,143  | 10,053  | 10,082  | 1.91%                     |
| Gas Oil  | 5,563   | 5,869   | 5,163   | 5,256   | 5,910   | 2,922   | 7,180   | 1.36%                     |
| Site Diesel                                      | 1,525   | 1,213   | 1,942   | 1,157   | 1,011   | 4,533   | 666     | 0.13%                     |
| Biogas   | 0       | 625     | 668     | 676     | 716     | 47      | 37      | 0.01%                     |
| Bioethanol                                       | 0       | 0       | 0       | 0       | 0       | 0       | 593     | 0.11%                     |
| On-site<br>Renewable<br>Consumption              | 0       | 0       | 0       | 0       | 0       | 0       | 45      | 0.01%                     |
| Coal   | 720     | 0       | 0       | 0       | 0       | 0       | 0       | 0.00%                     |
| Electricity                                      | 111,081 | 105,153 | 103,224 | 93,972  | 86,879  | 82,699  | 84,137  | 15.95%                    |
| Renewable<br>Electricity                         | 0       | 228     | 229     | 221     | 1,742   | 7,068   | 9,608   | 1.82%                     |
| Heating<br>(Network)                             | 0       | 0       | 0       | -       | 290     | 340     | 335     | 0.06%                     |
| Steam  | 1,161   | 1,330   | 1,327   | 1,310   | 592     | 592     | 670     | 0.13%                     |
| Total Energy<br>(MWh)                            | 662,330 | 696,189 | 727,177 | 654,631 | 556,228 | 529,401 | 527,659 | 100.00%                   |
| Energy Intensity<br>(Total Emissions<br>per \$M) |         | 84.35   | 84.24   | 70.49   | 67.30   | 55.52   | 45.98   | -                         |

The energy intensity ratio used includes only the internal use of energy.

# **Scopes 1 and 2 Emissions**

| tCO <sub>2</sub> e                  | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2022 % of<br>Total Scopes<br>1 and 2 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|--------------------------------------|
| Fleets Diesel                       | 78,857  | 87,419  | 93,263  | 78,013  | 60,553  | 54,255  | 54,023  | 44.02%                               |
| Natural Gas                         | 29,867  | 32,188  | 33,357  | 33,129  | 32,075  | 31,538  | 30,672  | 24.99%                               |
| Fleet Gasoline                      | 11,372  | 9,621   | 8,305   | 7,883   | 4,996   | 4,557   | 5,056   | 4.12%                                |
| LPG                                 | 4,107   | 4,147   | 4,495   | 4,074   | 2,390   | 2,156   | 2,163   | 1.76%                                |
| Gas Oil                             | 1,537   | 1,619   | 1,428   | 1,349   | 1,517   | 750     | 1,226   | 1.00%                                |
| Site Diesel                         | 384     | 305     | 481     | 283     | 243     | 1,074   | 160     | 0.13%                                |
| Biogas                              | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0.00%                                |
| Bioethanol                          | 0       | 0       | 0       | 0       | 0       | 0       | 1       | 0.00%                                |
| Coal                                | 232     | 0       | 0       | 0       | 0       | 0       | 0       | 0.00%                                |
| Refrigerants                        | 0       | 0       | 0       | 0       | 341     | 554     | 534     | 0.44%                                |
| Scope 1 Total                       | 126,356 | 135,299 | 141,329 | 124,731 | 102,115 | 94,884  | 93,835  | 76.46%                               |
| Electricity                         | 45,454  | 44,222  | 40,832  | 34,115  | 31,948  | 29,028  | 28,719  | 23.40%                               |
| Renewable<br>Energy                 | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0.00%                                |
| Heating<br>(Network)                | 0       | 0       | 0       | 0       | 50      | 58      | 57      | 0.05%                                |
| Steam                               | 237     | 263     | 326     | 231     | 102     | 101     | 115     | 0.09%                                |
| On-site<br>Renewable<br>Consumption | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0.00%                                |
| Scope 2<br>Total <sup>1</sup>       | 45,691  | 44,485  | 41,158  | 34,346  | 32,100  | 29,187  | 28,891  | 23.54%                               |
| Global<br>Scopes 1<br>and 2 Total   | 172,047 | 179,784 | 182,487 | 159,077 | 134,215 | 124,071 | 122,726 | 100.00%                              |

<sup>1.</sup> Reported Scope 2 GHG emissions are based on the GHG Protocol market-based emissions accounting method utilizing market based emission factors. This is an update from historic reporting, which was previously calculated using location-based factors. In this report, market-based factors have been retrospectively calculated for electricity, where available, for years 2016-2020. Displayed Electricity (location-based) emissions below are for information purposes only and not included in the totals.

# Location-based Scope 2 Emissions<sup>1</sup>

|                                  | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Electricity                      | 45,454 | 44,222 | 40,832 | 34,345 | 32,050 | 30,108 | 31,668 |
| On-site Renewable<br>Consumption | 0      | 0      | 0      | 0      | 0      | 0      | 14     |
| On-site<br>Renewable Export      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Heating (Network)                | 0      | 0      | 0      | 0      | 50     | 58     | 57     |
| Steam                            | 237    | 263    | 326    | 231    | 102    | 101    | 115    |
| Total                            | 45,691 | 44,485 | 41,158 | 34,576 | 32,202 | 30,267 | 31,854 |

<sup>1.</sup> Location-based emissions have been calculated based on country-level grid averages and do not account for emissions reductions achieved through market tools such as zero-emissions electricity tariffs or Renewable Energy Certificates.

|                                   | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|------|------|------|------|------|------|------|
| On-site Renewable<br>Export (MWh) | 0    | 0    | 0    | 0    | 0    | 0    | 6    |

# Progress on Goals to 2025

|                        |                    | Baseline<br>(2019/2020 Avg) | 2022<br>Performance | % Change<br>Baseline to 2022 |
|------------------------|--------------------|-----------------------------|---------------------|------------------------------|
| Absolute               | MWh                | 605,429                     | 527,659             | -12.85%                      |
|                        | tCO <sub>2</sub> e | 146,646                     | 122,726             | -16.31%                      |
| Intensity<br>(per \$M) | MWh                | 68.89                       | 45.98               | -33.26%                      |
|                        | tCO <sub>2</sub> e | 16.68                       | 10.69               | -35.91%                      |

# Scope 3 Emissions

| Value Chain Scope 3 Category                  | 2021         | 2022         |
|---|--------------|--------------|
| 1) Purchased goods and services (with LCA)    | 9,881,535    | 8,794,033    |
| 2) Capital goods                              | Not Relevant | Not Relevant |
| 3) Fuel-and energy-related activities         | 30,096       | 30,199       |
| 4) Upstream transportation and distribution   | 179,826      | 251,259      |
| 5) Waste generated in operations              | 23,148       | 15,631       |
| 6) Business travel                            | 5,872        | 12,516       |
| 7) Employee commuting                         | Not Relevant | Not Relevant |
| 8) Upstream leased assets                     | Not Relevant | Not Relevant |
| 9) Downstream transportation and distribution | Not Relevant | Not Relevant |
| 10) Processing of sold products               | Not Relevant | Not Relevant |
| 11) Use of sold products                      | Not Relevant | Not Relevant |
| 12) End-of-life treatment of sold products    | Not Relevant | Not Relevant |
| 13) Downstream leased assets                  | Not Relevant | Not Relevant |
| 14) Franchises                                | Not Relevant | Not Relevant |
| 15) Investment                                | Not Relevant | Not Relevant |
| Total (tCO <sub>2</sub> e)                    | 10,120,477   | 9,103,638    |
|   |              |              |

# Scope 3—Progress on 2050 goals

|   | Baseline<br>(2021) | 2022<br>Performance | % Change<br>Baseline to 2022 |
|---|--------------------|---------------------|------------------------------|
| Absolute (tCO <sub>2</sub> e)                           | 10,120,477         | 9,103,638           | -10.05%                      |
| Scope 3 Emissions<br>Intensity (tCO <sub>2</sub> e/\$M) | 1,061              | 793                 | -25.26%                      |

# 2022 Investment in Low-carbon Technologies

|               | Low-carbon Technologies |
|---------------|-------------------------|
| United States | \$2.1 million           |
| Canada        | \$0.3 million           |
| Latin America | \$0.2 million           |
| EMEA          | \$0.4 million           |
| Total         | \$3.0 million           |

### Non-hazardous Waste

| Non-hazardous  | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
|--|--------|--------|--------|--------|--------|--------|--------|
| Packaging Recycled<br>(Not Used In Its Current Form) | 1,321  | 897    | 657    | 1,258  | 1,046  | 209    | 117    |
| Other Recycled                                       | 3,347  | 3,869  | 1,996  | 3,133  | 3,619  | 7,740  | 3,838  |
| Incineration With<br>Energy Recovery                 | 378    | 437    | 421    | 721    | 748    | 595    | 607    |
| Incineration Without<br>Energy Recovery              | 4,000  | 68     | 60     | 38     | 557    | 336    | 659    |
| Landfill   | 27,494 | 26,798 | 17,199 | 21,586 | 29,099 | 32,669 | 19,693 |
| Other Disposal<br>(Biological Treatment, Etc.)       | 627    | 928    | 6,051  | 7,405  | 1,266  | 973    | 2,849  |
| Other Disposal 2                                     | 447    | 0      | 749    | 23     | 126    | 499    | 526    |
| Other Disposal 3                                     | 3      | 0      | 0      | 0      | 0      | 0      | 0      |
| Total Metric Ton<br>Non-hazardous Waste              | 37,617 | 32,995 | 27,133 | 34,164 | 36,461 | 43,021 | 28,289 |
| Metric Ton Non-hazardous<br>Waste (Per \$M)          | 4.66   | 4.00   | 3.14   | 3.68   | 4.41   | 4.51   | 2.47   |

### **Hazardous Waste**

| Hazardous  | 2016   | 2017  | 2018   | 2019   | 2020   | 2021  | 2022  |
|--|--------|-------|--------|--------|--------|-------|-------|
| Packaging Recycled<br>(Not Used In Its Current Form) | 975    | 338   | 119    | 222    | 169    | 153   | 165   |
| Other Recycled                                       | 2,304  | 1,905 | 3,573  | 1,246  | 439    | 453   | 1,063 |
| Incineration With<br>Energy Recovery                 | 2,043  | 2,655 | 2,099  | 1,934  | 3,112  | 1,528 | 2,008 |
| Incineration Without<br>Energy Recovery              | 579    | 476   | 559    | 21     | 250    | 1,613 | 717   |
| Landfill   | 235    | 1,415 | 1,628  | 1,276  | 1,407  | 1,100 | 1,228 |
| Other Disposal<br>(Biological Treatment, Etc.)       | 5,043  | 1,503 | 2,807  | 4,542  | 4,384  | 2,438 | 2,410 |
| Other Disposal 2                                     | 313    | 67    | 68     | 1,032  | 670    | 259   | 140   |
| Other Disposal 3                                     | 76     | 106   | 0      | 0      | 0      | 0     | 0     |
| Other Disposal 4                                     | 14     | 0     | 0      | 0      | 0      | 0     | 0     |
| Total Metric Ton<br>Hazardous Waste                  | 11,582 | 8,465 | 10,853 | 10,273 | 10,431 | 7,544 | 7,731 |
| Metric Ton Hazardous<br>Waste (Per \$M)              | 1.43   | 1.03  | 1.26   | 1.11   | 1.26   | 0.79  | 0.67  |

# Waste—Progress on 2025 Goals (hazardous waste reduction)

|           |                  | Baseline<br>(2019/2020 Avg) | 2022<br>Performance | % Change<br>Baseline to 2021 |
|-----------|------------------|-----------------------------|---------------------|------------------------------|
| Absolute  | MT Haz           | 10,352                      | 7,731               | -25.32%                      |
| Intensity | MT Haz (Per \$M) | 1.18                        | 0.67                | -43.22%                      |

# Non-hazardous Waste—Progress on 2025 Goals (percent not landfilled)

|          |  | Baseline<br>(2019/2020 Avg) | 2022<br>Performance | % Change<br>Baseline to 2021 |
|----------|--|-----------------------------|---------------------|------------------------------|
| Absolute | Percent recycled, recovered or incinerated | 15.75%                      | 18.46%              | 17.21%                       |

### Water

| m <sup>3</sup>             | 2016    | 2017    | 2018    | 2019    | 2020    | <b>2021</b> <sup>1</sup> | 2022    |
|----------------------------|---------|---------|---------|---------|---------|--------------------------|---------|
| Total Municipal            | 830,994 | 757,166 | 785,419 | 790,107 | 651,924 | 729,518                  | 777,733 |
| Total Own Source           | 46,932  | 56,858  | 49,284  | 50,147  | 47,984  | 65,277                   | 29,103  |
| Total Water<br>Extracted   | 877,926 | 814,024 | 834,703 | 840,254 | 699,908 | 794,795                  | 806,836 |
| Total Water in<br>Products | 280,078 | 290,676 | 249,326 | 245,125 | 128,968 | 285,517                  | 340,684 |
| Total Wastewater           | 597,848 | 523,348 | 585,377 | 595,129 | 570,940 | 509,278                  | 466,152 |

<sup>1.</sup> Historic figures for 2021 restated to reflect increased data availability and accuracy as a result of process improvements.

# Water—Progress on 2025 Goals (wastewater reduction 15 percent)

|                        |                            | Baseline<br>(2019/2020 Avg) | 2022<br>Performance | % Change<br>Baseline to 2022 |
|------------------------|----------------------------|-----------------------------|---------------------|------------------------------|
| Absolute               | m³ Wastewater              | 583,035                     | 466,153             | -20.05%                      |
| Intensity<br>(per \$M) | m³ Wastewater<br>(Per \$M) | 66.58                       | 40.62               | -38.99%                      |

## Year-Over-Year Global Release History

|                     | 2016 | 2017 | 2018 | 2019 | 2020 | 2021             | 2022 |
|---------------------|------|------|------|------|------|------------------|------|
| Not Significant     | 305  | 370  | 527  | 683  | 527  | 509 <sup>1</sup> | 707  |
| Significant         | 74   | 83   | 73   | 105  | 61   | 62               | 80   |
| Total Releases      | 379  | 453  | 600  | 788  | 588  | 571              | 787  |
| Government Reported | 50   | 36   | 54   | 44   | 47   | 21               | 27   |

<sup>1.</sup> Figures for 2021 have been revised to reflect additional reporting.

### Global 2022 Releases by Region

|                          | North America | EMEA | LATAM |
|--------------------------|---------------|------|-------|
| Not Significant          | 539           | 144  | 24    |
| Significant <sup>1</sup> | 52            | 19   | 9     |
| Total Releases           | 591           | 163  | 33    |
| Government Reported      | 24            | 3    | 0     |

<sup>1.</sup> Significant chemical releases are defined as those releases over 90kg or 200lbs.

### Social

GRI 2-7 | 2-30 | 403-9 | 405-1

### Safety—Total Case Incident Rate (TCIR)

|                   | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------|------|------|------|------|------|------|------|
| TCIR <sup>1</sup> | 0.70 | 0.71 | 0.59 | 0.58 | 0.36 | 0.40 | 0.33 |

<sup>1.</sup> TCIR— Incidents per 200,000 hours worked by employees.

# Department of Transportation (DOT) Recordable Incident Rate (US)

|                   | Vehicle Incidents | Vehicle Incidents | Vehicle Incidents |
|-------------------|-------------------|-------------------|-------------------|
| Vehicle Incidents | Non-Preventable   | Preventable       | Total             |
| 2021              | 31                | 93                | 124               |
| Percent           | 25%               | 75%               |                   |
| 2022              | 76                | 77                | 153               |
| Percent           | 50%               | 50%               |                   |

### **People Analytics**

The data below provides a snapshot of our employee, management and executive officer demographics as of December 31, 2022:

| Employees <sup>1</sup> |       | Gender Percent |
|------------------------|-------|----------------|
| USA                    | 5,498 |                |
| EMEA                   | 2,193 |                |
| Canada                 | 757   |                |
| LATAM                  | 1,298 |                |
| Total                  | 9,746 | 100%           |
| Male                   | 6,147 | 63.07%         |
| Female                 | 3,538 | 36.30%         |
| Others                 | 7     | 0.07%          |
| Undeclared             | 7     | 0.07%          |
| Unknown                | 47    | 0.49%          |

<sup>1.</sup> Information based on self-identification data.

# **Labor Force Covered by a Collective Bargaining Agreement (CBA)**

| Country Region | <b>Total Count</b> | % Covered by CBA |
|----------------|--------------------|------------------|
| Canada         | 757                | 24%              |
| United States  | 5,498              | 12%              |
| EMEA           | 2,193              | 46%              |

# People Managers Dec 2022—Gender (Global)

| Gender  | Manager Count | % of Managers |
|---------|---------------|---------------|
| Female  | 599           | 34.2%         |
| Male    | 1,150         | 65.6%         |
| Unknown | 4             | 0.2%          |
| Total   | 1,753         | 100.0%        |

### People Managers Dec 2022—Ethnicity (US only)

| Ethnic Group                            | Manager Count | % of Managers |
|---|---------------|---------------|
| Two or More Races                       | 17            | 1.8%          |
| Asian                                   | 51            | 5.4%          |
| Black or African American               | 60            | 6.3%          |
| Native Hawaiian or Other Pacific Island | 2             | 0.2%          |
| American Indian/Alaskan Native          | 1             | 0.1%          |
| Hispanic or Latino                      | 68            | 7.2%          |
| Ethnically Diverse Total                | 199           | 21.0%         |
| I choose not to identify                | 3             | 0.3%          |
| Undisclosed                             | 25            | 2.7%          |
| White                                   | 720           | 76.0%         |
| Total                                   | 947           | 100.0%        |

### Suppliers identified to have a diverse characteristic<sup>1</sup> (2022)

| Total spend with diverse suppliers (\$M) | Number of diverse suppliers |
|--|-----------------------------|
| 208.4                                    | 322                         |

<sup>1.</sup> Suppliers identified as diverse may include any of the following: Airport Concessions Disadvantaged Business Enterprise, Disabled Business Enterprise, Economically-disadvantaged Woman-owned Small Business, Historically Underutilized Business Zone Business, LGBT-owned Business, Minority-owned Business Enterprise, Small Business Enterprise, Self-certification Small disadvantaged Business, Service-disabled Veteran-owned Business, Veteran-owned Business, Woman-owned Business Enterprise, Woman-owned Small Business.

### Governance

### **Learning Hours**

|      | Average Hours<br>Training Per Employee |
|------|--|
| 2022 | 18.75                                  |

### **Training Completion Rates**

|                                      | Complete Percent (Global Workforce) |
|--------------------------------------|-------------------------------------|
| Ethics-Global Code Handbook          | 100%                                |
| Sustainability Overview              | 88.11%                              |
| Sanctions and Embargoes <sup>1</sup> | 96.72%                              |
| Denied Party Screening <sup>1</sup>  | 95.86%                              |
| Modern Slavery <sup>1</sup>          | 97.21%                              |
|                                      |                                     |

<sup>1.</sup> Assigned only to US Commercial teams

### Sustainable Sourcing—Supplier Corrective Action plans (CAPs)

|      | Percent Direct Procurement<br>(Product) Spend With Supplier<br>Code Of Conduct Issued | Percent Direct Procurement<br>(Product) Spend Assessed<br>Via Ecovadis |
|------|---|--|
| 2022 | 32.5  | 44.5   |

# Sustainable Sourcing—Supplier Corrective Action Plans (CAPs)

|                                      | Ethics | Climate | Environment | Labor and<br>Human<br>Rights | Sustainable<br>Procurement |
|--------------------------------------|--------|---------|-------------|------------------------------|----------------------------|
| Corrective<br>Action Plans Set       | 278    | 59      | 480         | 435                          | 263                        |
| Suppliers<br>Covered                 | 80     | 11      | 91          | 81                           | 78                         |
| CAP Percent<br>Coverage <sup>1</sup> | 23%    | 3%      | 27%         | 24%                          | 23%                        |

<sup>1.</sup> Percent coverage of CAP reflects percentage of suppliers set corrective plans out of all suppliers assessed by Univar Solutions on the EcoVadis platform.

# Behind the Report

# **Material Changes in Reporting**

**GRI 2-4** 

In December 2021, Univar Solutions acquired Sweetmix Distribuidora de Matérias Primas Industriais Ltd., Brazilian distributors of ingredients and specialty chemicals. This acquisition was accounted for in the calculation of 2022 ESG data but did not trigger a recalculation of our 2019/2020 baseline as the emissions associated with this business did not reach our 5 percent significance threshold, per the GHG Protocol recommendation.

In addition to the above, we have also restated our historic water use and water waste figures for the year 2021 in light of improved data quality.

### **External Assurance Statement**

**GRI 2-5** 

For the fourth consecutive year, we engaged with ERM Certification and Verification Services (ERM CVS) as an independent third party to undertake limited independent assurance in line with ISAE 3000 for our 2022 reported Scopes 1 and 2 GHG emissions. The assurance statement from ERM CVS provides details of audited data from 2019, 2020, 2021, and 2022, and can be found on our **ESG Resources Page**.



### **Emissions Methodology**

We base our global emissions calculations and reporting on the GHG Protocol Corporate Accounting and Reporting Standards. The baseline for our goals to 2025 and beyond is based on the 2019/20 average baseline, chosen to moderate the impact of COVID-19 on our performance, helping ensure that our forward-looking goals remain ambitious, yet based on the new reality of the post-pandemic world.

All emissions are stated in metric tons of  ${\rm CO_2}$  equivalent ( ${\rm tCO_2e}$ ) and represent the collective emissions of  ${\rm CO_2}$ ,  ${\rm CH_4}$ , and  ${\rm N_2O}$ . The only exception to data completeness is the disclosure of a portion of refrigerant gases where data collection is not currently practicable.

As in previous years, Univar Solutions followed an operational control boundary in our 2022 Scopes 1 and 2 data collection, covering all emissions considered under the operational control of the company. This control boundary excludes third-party warehouses, haulage, and all other sources outside our operational management. In 2022, all Scope 1 emissions used the latest UK government GHG factors to calculate emissions related to our corresponding activities including fugitive emissions from escaped refrigerant gasses. In 2022, only UK refrigerant fugitive emissions were reported. We intend to expand this reporting in future disclosures.

Reporting on Scopes 1 and 2 in this report is externally assured as part of our work with ERM CVS, to help ensure that the data within this report covers all operations where data could be attained.

Progress against our ESG goals to 2025 and beyond is based on market-based emissions, though we will continue to disclose location-based emissions for all Scope 2 electricity use. Location-based Scope 2 electricity grid factors for the countries in which we operated in 2022 are based on the 2019 International Energy Agency data. For the second year, we included market-based emissions for all reporting years, alongside updated location-based reporting. Our 2019/2020 baseline also reflects market-based emissions. For 2022 market-based

emissions factors for grid electricity consumption, Univar Solutions applied the hierarchy of emission sources per the GHG Protocol. In all cases where Univar Solutions has sourced renewable energy, these factors have been applied. In further instances where we have access to supplier specific emissions factors at the site-level, these have been applied. Following this, where available, residual factors were applied for the geographies in which these factors were available. In 2022 we applied the residual grid emissions factors of the 2021 Association of Issuing Bodies (AIB) for all countries in Continental Europe where specific supplier or contractual emissions factors could not be sourced. For the United States, our 2022 market-based emissions factors were based on State-level 2021 Environmental Protection Agency's (EPA) eGrid emissions factors. For Canada, 2019 National Inventory Submission province specific grid emissions factors were used. For all other geographies, where no additional depth of marketbased emission factor was available, the locationbased 2019 IEA factors were applied. This applies to all actual and estimated data on market-based electricity for 2022.

In 2021, we undertook a mapping process for all 15 categories of Scope 3 emissions for the first time. Based on our business model, Scope 3 categories 1, 3, 4, 5, and 6 were deemed relevant to our operations and calculated. We are reporting this extended Scope 3 analysis for 2021 and 2022. The breakdown of these Scope 3 emission disclosures is reported per the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions. While in line with the GHG Protocol guidance, the methods used in determining our Scope 3 emissions include several estimations and extrapolations, such as the use of product-level carbon footprints based on generic emissions factors and the use of Environmentally Extended Input-Output (EEIO) modeling where more accurate supplier data was not available. In the future, we will continue to work with our suppliers and other value chain partners to review and improve the accuracy and methodology applied in our disclosures. Emissions factors for Scope 3 emissions are made up of a combination of sources, including 2022 Defra figures alongside the latest US

EPA data. Necessary Scope 3 restatements and updates will continue to be disclosed per the GHG Protocol guidance on restatements.

We utilize informed estimations and extrapolations for the circumstances in which primary data is unavailable for the current reporting period but has been in prior periods. All estimates made through 2022 were made in accordance with our internal emissions calculation process to help ensure consistency and comparability between reporting periods. We have made further improvements to our processes in this area since 2019 and will continue to work to improve data quality moving forward.

Across all scopes and regions, estimates are applied to calculate data at several sites where primary data was unavailable. Estimate calculations are conducted on a site headcount basis and are primarily applied to office locations with fewer variable emissions sources. In a limited number of instances, we have calculated estimations using comparable primary data, priory data or proxy data where it was determined to be a more accurate method. Estimations total less than 2 percent of our sites when compared with the number of locations for which we have primary data. Due to our office operations' typically lower resource use intensity, this percentage most likely has a relatively small footprint overall. We calculated and applied estimates on a per-employee basis for these locations' energy, waste, and water metrics.

In alignment with previous years, the Global Warming Potentials (GWPs) used in the calculation of CO<sub>2</sub>e are based on the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period.

# **Other Changes to Reporting**

In 2022, we worked to clarify our objectives under the global ESG goal on Sustainable Sourcing. As reflected in this report and all communications moving forward, we have defined the application of this goal to direct (product) suppliers only and to reinforce that the target coverage of the goals is measured by the percentage of our global direct procurement spend.

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### **Common Stock**

Univar Solutions common stock is listed on the New York Stock Exchange (NYSE) under the ticker symbol: UNVR.



univarsolutions.com