



# Sustainability Report | 2023





# Going beyond clean | Diversey Global

Diversey Holdings Ltd. is a world leader in Hygiene, Infection Prevention, and Cleaning Solutions. With nearly a century of experience, our reputation for delivering top-quality products and services is unmatched. Our customer-centric approach, comprehensive range of solutions, and commitment to innovation have made us the trusted partner of choice for cleaning products worldwide. As we pursue our purpose to go beyond clean, we also take care of what's precious. In a world grappling with resource scarcity, we strive to achieve more with less, ensuring the well-being of current and future generations. This report is a reflection of that idea.

## Diversey at a Glance 2022

**99**  
Years of History

**\$2.76<sub>B</sub>**  
Net Sales 2022

**11.9%**  
Adj. EBITDA Margin

**~9,000**  
Employees

**\$46<sub>B</sub>**  
Market Opportunity

**#1 or #2**  
market positions

**80+**  
Countries Served

**~1300+**  
Patents



Taking care of what's precious™



## Protecting the Environment. Taking care of what's Precious.

Being a leading cleaning and hygiene products company, Diversey has assisted in keeping the world clean for over a hundred years. We stand by all individuals who help protect their families and communities from the unseen and lethal microbial world. Thus, it is a matter of great pride for Diversey that they choose our products to do so. It is this care that we mutually exhibit that has enabled us to work together for a hundred years and slowly build a world that is increasingly becoming cleaner and more sustainable. Thus, our motto is to “Go beyond clean and take care of what’s precious”. We realize that for each individual, the definition of ‘precious’ is different, but taken as a whole the ‘precious’ alludes to family, to community and to society. We serve over 85,000 customers in over 80+ countries and so we have the honour of understanding that taken together, ‘precious’ means our ecosystem, our environment, our beautiful blue planet, our home and neighbours. And we plan on help protecting it, just as we have for the last 100 years.

We are a business striving towards sustainability. That means we are already about the people and the planet. We realize that the resources the world takes for granted are, in fact, scarce and thus precious. Their preservation is paramount. Being a global leader in hygiene and cleaning, Diversey is already about preservation implicitly. Explicitly, Diversey aims at becoming a steward of sustainability. This is why we incorporate Environmental, Social, Governance (ESG) considerations within all facets of not only our business but also our thinking. And right now, we are focusing on the protection of our environment and the health of people.

Therefore, Diversey is pioneering the need to go beyond its operations and work with its value chain in order to truly contribute to making a lasting impact. Additionally, it gives us a tremendous opportunity to educate and uplift all the communities we interact with and ensure that they understand the value of sustainability, ultimately creating

sustainable models for their own communities, so from the grassroots up, we all can be invested in protecting the environment. Our numerous community outreaches and commitments can attest to this fact.

By championing ESG considerations, Diversey aims to create a positive impact globally and assist in realizing a future where the environment is not only protected but enabled so that sustainability, diversity and equity become more than placeholders. After all, we must protect that which is most precious, the tiny blue ball we call home.

# Our Sustainability Strategy

Vision

Protect • Care • Sustain ESG is core to how we create value and drive growth

Pillars



## Environmental Stewardship

Growing Impact in Partnership with Customers

Achieve Net Positive impact for energy, water, waste and GHG

Net Zero Carbon emissions by 2050

100% core packaging contributes to circular economy

PROTECT



## Social Responsibility

Care for Our Employees  
Care for Our Communities

40% gender / 25% ethnic diversity

Provide 100B positive hygiene and safety uses

Top quartile engagement by 2024

Provide 5B safe meals

100% employee safety

Improve the lives of 1M people in our community

CARE



## Effective Governance

Ensuring We Achieve Our Goals

Engagement with stakeholders

Transparency of results

100% Compliance with policies

SUSTAIN

2030 Goals



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Protect.



Care.



Sustain.



## About this report

*Being a world leader in cleaning products, Diversey Holdings Ltd. has always considered itself as the vanguard for the preservation of the planet, a thought which finds fruition through our commitment to uphold the highest standards of corporate responsibility. This axiom motivates us to continuously and iteratively make significant efforts to advance sustainable progress. Consequently, we are proud to present our third sustainability report where we wish our readers to understand our latest efforts and performance on various environmental, social and governance parameters.*

### Reporting Principles & Framework

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards incorporating the latest update GRI Standards 2021. The specific standard disclosures and critical issues addressed in this report are based on the material topics and were identified through dedicated engagement with our key stakeholders.

### Scope & Reporting Boundary

The data disclosed covers the period 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022. Unless stated otherwise, the reporting scope covers all operations including Research & Development (R&D) & Manufacturing locations across the globe. Information related to the other business units such as joint ventures, subsidiaries, leased operations, outsourced operations, & services is not covered under the reporting boundary. All financial figures have been reported in US Dollars, hereby referred to by the \$ signature.

In March 2023, Diversey has entered into a definitive agreement with Solenis for an all-cash acquisition. The transaction was successfully completed on July 5<sup>th</sup>, 2023. Diversey will continue on its ESG efforts and report targets, progress, and performances as part of Solenis starting October 1, 2023.

### Feedback

We welcome feedback, suggestions, and queries from our stakeholders, which in turn supports us in continually improving the quality of our disclosures. Please share your comments with:

**Daniel Daggett, Ph.D.**

Vice President, Corporate Sustainability

Email: [daniel.daggett@diversey.com](mailto:daniel.daggett@diversey.com)>

# Message from Chief Strategy Officer

Dear Reader,

It is with pride that I present this year's Sustainability Report, showcasing Diversey's dedication to sustainability, innovation, and accountability. Through this report we are privileged to showcase the continuous strides made, pivotal milestones achieved, and our collective aspirations for a company that epitomizes sustainability and inclusivity.

“*The magnitude of our achievements finds expression in staggering statistics: the conservation of 16B gallons of water, the prevention of 196,000MT of packaging waste, and the enrichment of lives through 33B instances of handwashing, 35B cleaned dishes, and the safeguarding of 150M patients. These milestones encapsulate the quintessence of our core principles: Protect, Care, and Sustain.*”

## Charting a Green Horizon

Under our Protect pillar, our commitment to safeguarding the environment propels us towards ambitious goals slated for realization by 2030, with the ultimate goal of attaining net zero carbon emissions by 2050. This overarching vision compels us to mitigate our environmental impact in the domains of energy, water, waste, and greenhouse gas emissions. This commitment is further substantiated by our adherence to Science Based Targets.

To generate these contributions, we must naturally transition towards a circular economy. And our determination to do so finds embodiment in our pledge to ensure that 100% of our core packaging aligns seamlessly with this vision by the year 2030.

## Nurturing Diversity and Cultivating Care

Within the Care pillar, we tend to the heart of our organization – our valued employees and communities. By the year 2030, we aspire to foster a leadership landscape characterized by 40% gender diversity and 25% ethnic diversity, thereby cultivating an ecosystem that thrives on diverse perspectives. An audacious endeavor accompanies this aspiration: to have a zero incident culture within the same timeframe. Our dedication to 'Care' extends beyond our organizational confines, encompassing the well-being of the communities we touch. This commitment is evident through initiatives aimed at delivering an astounding 100B instances of positive hygiene and safety, as well as provisioning 5B nutritious meals by the year 2030.

## Upholding Integrity and Transparency

Finally, our Sustain pillar ensures that effective governance stands as an intrinsic tenet of our pursuits, and we commit to achieving complete policy compliance by the year 2030. Transparency remains an unassailable cornerstone of our approach, and our engagement with stakeholders underscores our allegiance to the most exacting standards.

Our endeavors have garnered recognition through prestigious honors such as the World Sustainability Awards, AmCham CSR Excellence, and the Global ESG & CSR Summit accolade. These commendations substantiate our transformation of business methodologies into potent agents of positive change.

As we engage in our own transformation, we envision a future teeming with promise. Our commitment remains steadfast – to champion innovation, to nurture sustainability, and to lead with purpose. With this, we will continue to protect, care & sustain our vision, our economy, and our world.

Sincerely,

**Gaetano Redaelli**

Chief Strategy Officer,  
Diversey Holdings Ltd.



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# Sustainability Aspirations

Diversey's commitment to sustainability is exemplified by our guiding principle: *Protect. Care. Sustain.* This principle serves as the driving force behind our environmental, social, and governance (ESG) priorities and actions, propelling us towards value creation and growth. At the heart of our sustainability strategy lies a deep-rooted sense of environmental responsibility. We have set ambitious goals for 2030 and have established near-term targets to significantly reduce our environmental footprint. Through enhanced operational efficiency, adoption of sustainable technologies, and responsible resource management, we actively contribute to building a more sustainable future.

## Our Sustainability Aspirations



### Environmental Stewardship

### Growing Impact in Partnership with Customers

- Achieve Net Positive impact for energy, water, waste and GHG by 2030

- **100%** core packaging contributes to circular economy by 2030

- Net Zero Carbon emissions by 2050

- Status: Customer savings - **462GWh** **261K MT GHG**  
**38K MT Waste** **46K Megaliters Water**

- Status: **78.3%** of packaging contributes positively to circular economy. (footnote: Material Circularity Index (MCI) Score is >0.95)



### Social Responsibility

#### Care for Our Employees

- **40%** gender / **25%** ethnic diversity (In leadership positions) by 2030\*

- Ensuring **100%** employee safety in the workplace by 2030

- Top quartile engagement by 2024

#### Care for Our Communities

- Provide **100B** positive hygiene and safety uses by 2030

- Provide **5B** safe meals by 2030

- Improve the lives of **1M** people by 2030



### Effective Governance

### Ensuring We Achieve Our Goals

- **100%** Compliance with policies by 2030

- Engagement with stakeholders

- Transparency of results

\*ethnic diversity in the USA only

## Awards and recognition

- **Profit With Purpose** award at World Sustainability Awards 2022

- **Gold Award** for AmCham CSR Excellence (ACE) 2022

- **Platinum Award** for Best Overall CSR Excellence in Indonesia, at the 14<sup>th</sup> Global ESG & CSR Summit



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# ABOUT DIVERSEY

[Our Footprint](#) | [Our Solutions](#) | [Business Highlights](#) | [Economic Performance](#) | [Awards & Recognitions](#)

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# About Diversey

Diversey Holdings Ltd. is a global leader in hygiene, infection prevention, and cleaning solutions. With our company being nearly a century old, we are an established and trusted provider of high-quality products and services. Headquartered in Fort Mill, South Carolina, USA and operating in 80+ countries, we proudly serve over 85,000 customers worldwide. Our comprehensive range of solutions empower our customers to achieve remarkable outcomes in hygiene, efficiency, and sustainability, all the while reducing costs. At Diversey, our commitment has always been to protect and care for people and the environment. With the support of our dedicated global work family of ~9000 employees, we ensure unparalleled product quality, exceptional service excellence, and a culture of continuous innovation to meet the diverse needs of our customers from across the globe.



## Our Purpose

**GO**  
*beyond*  
**CLEAN**  
to take care  
of what's  
precious

We go beyond clean to

### PROTECT

Take care of our planet

### CARE

To protect health and well being

### SUSTAIN

To support our partnerships

## Our Values

At Diversey, we prioritize delivering hygiene, infection prevention, and cleaning solutions that have been inspiring trust in our customers for almost a century. Our commitment is to provide peace of mind, maintain brand integrity, and foster sustainable business growth while making a positive impact on public health and the environment.

- **Taking care of what's precious** - We care about our customers, the people they represent, & the planet we rely on. We are committed to environmental & social responsibility, & we believe that our greatest opportunity to make a difference lies in the products & services we deliver to our customers.
- **Earning our customers' trust** - We uphold a responsibility to our customers to keep our promises, maintain transparency, & always deliver quality & innovative solutions. We value the trust they place in us, & we are prepared to engage our customers for the good of our business & our people.
- **Driving purposeful innovation** - We understand the importance of adaptation, evolution, & innovation. We are committed to continuous improvement & efficiency. We are always looking for new ways to improve our products & services.



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# Our Footprint

At Diversey, we offer a wide range of products and services to various industries. With 99 years of experience, we work alongside our customers to achieve tangible improvements in hygiene, infection prevention, and cleaning results. Our solutions enhance operational efficiency, reduce costs, and maintain consistently high standards across locations and geographies.

As a solutions partner, we work alongside our customers to maximize impact and care for their assets, environments, and people. Our end-to-end, repeatable services are specifically designed to achieve a myriad of outcomes for our customers. Our business is divided into two segments, Institutional and Food & Beverages, which consists of a list of products and services in each segment, serving various industries and markets across the globe.



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## Diversey Holdings Ltd

— Product Segment  
— Markets Served

### Institutional



### Food & Beverages





# Our Solutions

## Institutional Segment

At Diversey, we take pride in being a trusted industry leader with leading market positions in our core regional markets. Our Institutional solutions are carefully designed to enhance cleanliness, safety, environmental sustainability, and operational efficiency for our valued customers. We offer a broad portfolio of tailored products, services, solutions, equipment, and machines to meet their specific needs, including infection prevention and personal care products, floor and building care chemicals, kitchen and mechanical warewash chemicals and machines, dosing and dispensing equipment, and floor care machines.

In 2022, we exhibited our commitment to delivering superior performance through our comprehensive

portfolio of solutions, which includes infection prevention, personal care products, and cutting-edge digital offerings. Our solutions cater to diverse industries, such as Healthcare, Education, and Hospitality, fostering customer loyalty and operational efficiencies. With leading market positions and a stable revenue base, we offer an attractive investment opportunity as a trusted industry leader.

Our institutional business segment offers a comprehensive range of products and services that cater to the unique needs of our customers in various industries.

### Infection Prevention: Hard Surface & Personal Care

We provide infection prevention & personal care products to enhance safety and well-being in customers' facilities. Our offerings include wipes, ready-to-use chemicals, & concentrates, dispensed through various systems like portable dosing, canisters, and automated wall-mounted dilution systems. Proprietary technologies such as AHP® formulation, IntelliCare™ dispensers, & MoonBeam™ 3 UV disinfection are integral to our solutions.

### Floor & Building Care Chemicals

Our Floor and Building Care Chemicals cater to all customer segments with ready-to-use and concentrated formats. These chemicals ensure cleaner and safer floors, reducing operational costs. Our range includes floor strippers, cleaners, finishes, sealers, carpet care, concrete and stone care, and wood care. Proprietary technologies like Signature® floor finish and Twister™ Diamond floor polishing enhance the performance of our floor care products.

### Kitchen & Mechanical Warewash Chemicals & Machines

For kitchen cleaning and mechanical warewash, we offer a comprehensive range of solutions in various sizes and packaging formats. Our products optimize resource utilization, protect brands, and comply with hygiene and sustainability standards. Patented chemistry formulas like Suma® Dime and proprietary dosing and dispensing systems such as Divermite® and IntelliDish® are key components of our offerings.

### Fabric Care

Our Fabric Care solutions, improve hygiene, reduce operational costs and enhance guest experience. We offer a full range of fabric care chemistries for on-premise and commercial laundry operations, available in different packaging formats. Patented chemistry formulas such as IntelliLinen™ dispensing system, along with other formulations such as Clax Advanced and Clax Xcellence, provide advanced fabric care.



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### Dosing & Dispensing Equipment

Diversey manufactures and provides technical services for dosing and dispensing equipment for various applications. Our closed-loop chemical dispensing technologies, including Divermite® wall mounted systems and SmartDose® portable dosing system, protect brands and enhance safety and sustainability.

### Floor Care Machines

Under the TASKI® brand, we offer a diverse range of floor care machines to meet indoor cleaning needs efficiently. Our product lineup includes floor scrubber driers, wet and dry vacuums, single discs, sprayers, steam cleaners, and carpet machines. TASKI® machines incorporate patented features and technologies like intelligent squeegee design, IntelliFlow™ speed-dependent solution dosing, and IntelliTrail® fleet management system for enhanced performance.

Overall, our key Institutional products and services demonstrate our commitment to delivering exceptional cleanliness, safety, environmental sustainability, and efficiency to our valued customers.

## Food & Beverage Segment

Diversey's Food & Beverage segment has solidified its presence as a market leader in key regions globally as is evident from our robust financial performance in 2022. Our comprehensive range of products and solutions is specifically designed for diverse industries within the food and beverage sector, prioritizing hygiene, safety, and operational efficiency.

With a stable and recurring revenue base, we offer integrated offerings such as Cleaning-In-Place (CIP) and Open Plant Systems. These solutions play a pivotal role in driving customer retention and loyalty by providing customized solutions and technical expertise to our valued clients.

Our Key Food & Beverage products and services offer a comprehensive range of products and services that cater to the unique needs of our customers in various industries:

### Cleaning Products

We offer a full range of chemistry solutions tailored to the specific needs of the food and beverage manufacturing operations. Our proprietary formulas and dosing equipment, such as CIP systems and Divo® BottleCare, ensure efficient cleaning and disinfection of processing equipment while extending equipment lifespan and reducing glass consumption. We also serve the pharmaceutical and agricultural markets by providing tailored cleaning and disinfection procedures, ensuring safer, more sustainable, and more efficient production. Our offerings encompass a full range of chemistry, equipment, and services, including specialized solutions.

### Water Treatment

Our water treatment solutions integrate Diversey chemicals and equipment to optimize process, water, and production hygiene management in the food and beverage industry. From asset and product protection to regulatory compliance, our comprehensive range of water treatment products covers heating and cooling systems,

specialized processes, and wastewater treatment. In 2021, we established a global partnership with Solenis, a leading producer of specialty chemicals for water-intensive industries. As Solenis' distribution partner, we offer a wide selection of their portfolio of water and process treatment chemicals to the food and beverage industry, further expanding our capabilities and providing comprehensive solutions to our customers.

#### Knowledge-Based Services

Our holistic approach to operational efficiency and food safety includes knowledge-based services. These services address key industry challenges related to productivity, water and energy usage, yield management, and food safety. Our solutions, such as Aquacheck™ and CIPTec™ technology, provide effective measurement, monitoring, and improvement of operational processes.

#### Engineering & Equipment Solutions

We provide engineering services and equipment solutions that optimize hygiene and sanitation in food and beverage facilities. Our offerings include hygiene centers, automated cleaning systems, foam stations, and specialized equipment for meat harvesting and processing operations.

#### Training

Through the Diversey Hygiene Academy, we offer e-learning courses accredited by the Continuous Professional Development Certification Service. These courses cater to food and beverage professionals, providing valuable knowledge and skills to enhance their manufacturing practices.

#### Pharmaceutical & Agriculture

In the Pharmaceutical & Agriculture sectors, we at Diversey offer a comprehensive range of products, equipment, and services. Working closely with our customers, we identify unique cleaning and disinfection procedures to ensure safe, sustainable, and efficient production. Our solutions encompass a wide array of chemistry, equipment, and services, including our proprietary formulas and patented dosing equipment like the Deosan® Dairy Farming system. With our tailored and innovative approach, we strive to meet the specific needs of the Pharmaceutical and Agricultural industries.

Diversey's Food & Beverage segment is well-positioned to drive growth, capitalize on market opportunities, and deliver sustainable value to our investors.



# Business Highlights

Key Highlights from 2022

**80% Net Sales from Direct Sales**

**10+ years of Loyalty 84% of our Customers**

**50% of Customers bring 26% of Sales**

The sales and marketing strategy of Diversey involves a balanced approach, combining direct sales channels and distribution channels. Direct sales accounted for approximately 80% of net sales for the year December 31, 2022, including “ship-through” sales, where the customer relationship is managed by Diversey. The remaining 20% of sales for the same period are through distribution channels. This hybrid sales model allows Diversey to effectively reach both global and regional customers, with a global customer-facing team of approximately 6,000 sales, marketing, technical service, and customer service representatives. These representatives manage relationships with large global and regional customers, while third-party distributor partners enable Diversey to efficiently reach end-users.

Diversey’s commitment to research and development is evident through its substantial R&D capabilities. The company maintains R&D and application support facilities in locations around the globe, including in North America, South America, Europe, and Asia, to facilitate

*Diversey’s business highlights for the year 2022 demonstrate the company’s strength in various key areas. In terms of manufacturing and supply chain inputs, Diversey operates a global network comprising twenty facilities across different regions, operating six factories in North America, six factories in Europe, three factories in Latin America, three factories in the Asia-Pacific region, and two factories in the Middle East and Africa region. The company uses a combination of internal and strategic contract manufacturing to ensure a flexible and efficient supply chain for its diverse portfolio of finished goods. This approach allows Diversey to maintain a strong base of owned and leased production facilities in established geographies and key emerging markets.*

hands-on interaction with customers. Its R&D engineering personnel innovate through both internal creation and development, as well as through identifying and integrating third-party resources and technologies. Diversey keeps a robust pipeline of new product development projects in various stages of discovery and development to ensure it remains an innovator and technological leader in the industry.

The customer base of Diversey spans various stable and growing end-markets. Approximately 84% of Diversey’s customer relationships exceed 10 years in length. The company has minimal customer concentration and high customer diversity, with its largest customer accounting for 2% of net sales for the year December 31, 2022. The top 10 and top 50 customers represented 12% and 26% of net sales for the same period, respectively. Diversey serves end-users in a wide range of business verticals, including healthcare, food service, retail, grocery, educational institutions, food and beverage, building service contractors, cash and carry establishments, government institutions, industrial plants, and on-premises laundry. Overall, Diversey’s business highlights underscore the

company’s commitment to excellence in manufacturing, supply chain management, sales and marketing strategies, research and development, and customer satisfaction across diverse markets and regions. By maintaining a strong presence in multiple industries and investing in technological advancements, Diversey continues to position itself as a leading player in the global market for cleaning and hygiene solutions.



**Manufacturing Plants**



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# Economic Performance

*In 2022, Diversey achieved strong economic performance attributed to factors like customer retention, successful business acquisitions, and effective pricing strategies. Despite challenges such as supply chain disruptions and inflationary pressures, the company remained resilient while upholding its commitment to sustainability.*

Diversey proactively addressed inflation by implementing balanced pricing actions that considered both economic realities and minimized environmental impacts. The company's dedication to sustainability extends beyond financial performance to encompass environmental stewardship, social responsibility, and ethical governance.

By integrating sustainable practices into core business strategies, including adopting more eco-friendly technologies and optimizing resource usage, Diversey continuously reduces its ecological footprint and generates value for stakeholders. Looking ahead, the company is optimistic about thriving in a dynamic global landscape, as its sustainable business practices drive innovation, efficiency, and stronger relationships with customers who prioritize environmental and social responsibility.

In summary, Diversey's robust economic performance in 2022 is tied to its unwavering commitment to sustainability. The company's success underscores the benefits of responsible business practices. By continuing to prioritize sustainability in its growth strategy, Diversey is confident in its ability to create long-term value, positively impact society, and address the challenges of an ever-changing world.

## Financial Outcomes

In the year 2022, Diversey demonstrated a robust financial performance with revenue streams spanning across its Institutional and Food & Beverage segments, serving various industries like healthcare, food service, and retail. Combining a direct sales approach and a network of third-party distributors enabled efficient market reach and cost optimization. Notably, Diversey achieved a record net sales of \$2.7B in 2022.

In the Institutional segment, net sales increased by 1.7% in 2022 compared to 2021, despite a negative foreign currency translation effect of \$191M. However, on a constant dollar basis, net sales showed substantial growth of \$224M, driven by acquisitions contributing \$49M and organic sales rising by 9.1%. The latter was propelled by price increases mitigating inflation effects and volume growth through new customer acquisitions, innovation, and existing customer expansion. This growth offset a decrease in sales of Infection Prevention products, which returned to a more normalized level after experiencing a surge in demand in 2020 and Q1 2021.

Similarly, in the Food & Beverage segment, net sales increased by 16.3% in 2022 compared to 2021, despite a negative foreign currency translation effect of \$81M. On a constant dollar basis, net sales surged by \$195M, with acquisitions contributing \$43M and organic sales witnessing remarkable growth of 21.8%. This organic







growth was driven by price increases, volume expansion through new customer wins, and successful rollouts of water treatment solutions.

In terms of cost of sales and gross profit, Diversey faced certain challenges in 2022. The gross profit for the year was \$876M, unfavorably impacted by foreign currency translation, non-recurring costs related to consolidating manufacturing and warehousing facilities, and excess inventory charges related to COVID-19. These factors were offset by a decrease in share-based compensation. Excluding these impacts, gross profit decreased by \$53M during 2022. Nonetheless, price increases and higher sales volumes contributed positively, although they were mitigated by inflation, additional freight costs, and higher labor and manufacturing expenses.

Regarding selling, general, and administrative expenses, the company managed to reduce costs in 2022, amounting to \$798M compared to \$827M in 2021. This reduction was primarily due to a decrease in share-based compensation and favorable foreign currency translation.

However, it was partly offset by increased employee compensation and benefit costs resulting from inflationary labor increases.

For a comprehensive overview of our financial performance in 2022, we encourage you to review our Annual Report.

### Key financial highlights from 2022

**\$ 2.8<sup>B</sup>**  
Revenue / Net Sales

**\$ 330<sup>M</sup>**  
Adjusted EBITDA

**11.9%**  
Adjusted EBITDA margin

**\$ 876<sup>M</sup>**  
Gross Profit

**\$ 87<sup>M</sup>**  
Adjusted Net Income

**\$ 0.27**  
Adjusted (Non-GAAP)  
Earning Per Share



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## ★ Awards and Recognitions ★

Our awards and recognitions serve as proof of Diversey's environmental and community centred strategy. It also ensures that Diversey utilizes the awards we win as benchmarks which we use to better ourselves. This enables Diversey to generate a greater positive impact. Our pursuit of excellence can be gauged in the wide range of categories that we win awards in.



Diversey received a  
**Silver Sustainability Rating from EcoVadis**  
in 2022, given to companies in the top  
20% of EcoVadis' rankings



The Soap For Hope program collected the  
**Profit with Purpose Award**  
at the World Sustainability Awards 2022 held  
in Munich, Germany



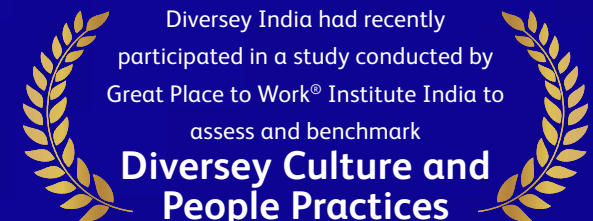
Diversey Indonesia won  
**Platinum for Best Overall CSR Excellence**  
in Indonesia, at the 14<sup>th</sup> Global ESG &  
CSR Summit, in Hanoi, Vietnam!



Diversey India has made its mark by  
being into the ranks of the  
**100 Best Companies for Women**  
in India, in 2022



Diversey Thailand won  
**Gold at AmCham CSR Excellence (ACE) 2022,**  
in Bangkok, Thailand! At the 2022  
Corporate Social Responsibility (CSR)  
Excellence Awards for  
their CSR efforts.



Diversey India had recently  
participated in a study conducted by  
Great Place to Work<sup>®</sup> Institute India to  
assess and benchmark  
**Diversey Culture and People Practices**



Diversey Vietnam was recognized for  
**Best Country Award (Platinum Level)**  
for Overall CSR Excellence at the 12th and 13th Annual Global CSR  
Virtual Summit and Awards 2021 held in November 2021. Diversey  
Vietnam won for its  
**Creating Shared Value (CSV)**  
programs such as Soap For Hope, Linens For Life & CoffeeBriques



In November 2021, the American  
Chamber of Commerce in Thailand  
(AmCham) recognized Diversey Thailand  
with the  
**AmCham CSR Excellence Awards (Silver).**

An aerial photograph of a two-lane asphalt road winding through a dense, lush green forest. The road is the central focus, curving from the top right towards the bottom left. The trees are vibrant green, and the overall scene is captured from a high angle, looking down. A white horizontal line is positioned above the main title text.

# SUSTAINABILITY AT DIVERSEY

Diversey's Sustainability Journey | Overview of Sustainability Strategy | ESG Framework  
Stakeholder Engagement | Materiality Assessment | Risk Management

# Diversey's Sustainability Journey

*In 2004, we published our first Sustainability Report and since then our sustainability agenda has been gaining ground in response to rapidly increasing environmental concerns. Over the years, climate change has exacerbated water and sanitation systems worldwide. As a global leader in cleaning, sanitation, and hygiene solutions we realize that we play a pivotal role in minimizing the environmental impact of our operations while protecting and caring for our people.*

*After a substantive change in our ownership model in 2021, we launched our new sustainability strategy – Protect. Care. Sustain. We realize that business growth and sustainability are intrinsically linked. Through our strategy backed by goals for 2030 and shorter-term targets, we aim to develop innovative solutions that create value for all our stakeholders and the environment.*

## Overview of Sustainability Strategy

At Diversey, ESG is core to how we create value and drive growth. Our sustainability strategy 'Protect. Care. Sustain.' is underpinned by three pillars across environmental, social and governance aspects.



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## Protect – Environmental Stewardship

Through the **Protect** pillar, we focus on environmental stewardship and work towards growing impact in partnership with customers. Our 2030 goal includes achieving net positive impact for energy, water, waste and GHG emissions. Our focus is to drive efficient operations that will enable us to reduce the environmental footprint of our supply chain. Creation of net positive impact will be the driving force as we innovate and expand our solutions. We intend to move beyond offsetting our footprint to create positive sustainability value for our customers.

By 2030, our goal is to also ensure that 100% of our packaging efforts contribute to a circular economy. Through innovations focused on resource efficiency, we work towards efficiently managing our waste and enabling our customers to do so as well. By increasing recyclability or the use of recycled materials, we are working towards increasing our packaging efficiency. Since 2020, we have been using a single metric to measure the outcomes of our circularity initiatives. Our metric is a

variation of the Material Circularity Index (MCI) developed by Ellen MacArthur Foundation and Granta Design.

At Diversey, we realize the need to transition to a low carbon economy and have established a goal to achieve net zero emissions in our operations by 2050. In line with this, we have also committed to setting Science Based Targets to reduce Scope 3 emissions. In order to reduce Scope 1 and 2 emissions, we are following a three-pronged approach, focused on:

- **Avoidance** – elimination of wasteful energy consumption,
- **Efficiency** – implementation of cost-effective equipment and
- **Generation** – production of renewable energy we are working towards our net zero goal.

As a company manufacturing water-based cleaning solutions that require water for rinsing after use, water stewardship is critical to Diversey. Over the years, we have been undertaking measures to improve water efficiency in our supply chain in response to the looming water crisis.

We also undertake a targeted approach towards waste reduction and management. Through strategies adopted at our facilities, it is proven that the diversion of waste from landfills results in increased operational efficiencies and reduced costs. We also undertake measures to reduce packaging and chemical waste from returned items at our distribution centers.

## Care – Social Responsibility

The **Care** pillar focuses on social responsibility through caring for our employees and communities. Through our initiatives, we strive to improve lives and create shared value. By 2030, we strive to achieve 40% gender diversity at the leadership level globally and 25% ethnic diversity in the workforce in the US. To create a diverse company culture, we consistently integrate diversity, equity and inclusion principles into our talent acquisition and development strategies. We have partnered with several organizations like Circa, Goodwill, National Association of Women Sales Professionals and Urban League among others to increase our pool of candidates from diverse candidates. We have an ongoing partnership with LEAD Network (Leading Executives Advancing Diversity) to advance women to take up leadership roles through education and business development.



We strive to create a highly engaged workforce and believe that listening is key to employee engagement. In line, we have engaged with Gallup to understand employee sentiment around the workplace initiatives undertaken at Diversey. We are working towards ensuring that by 2024, our employee engagement score lies in the top quartile.

Safety is of paramount importance at Diversey, and we strive to achieve safety excellence. We consistently work towards our goal to ensure 100% employee safety at the workplace.

At Diversey, we are committed to improving the lives of the people in the communities within which we operate through our **“Creating Shared Value”** program. We work with our customers to maximize the impact of our programs. Our flagship programs include Soap For Hope and Linens For Life. We work towards the promotion of a circular economy through these initiatives. By 2030, we aim to improve the lives of 1 M community members through our “Creating Shared Value” initiatives.

## Sustain – Effective Governance

Through the **Sustain** pillar, we focus on effective governance and ensuring that we achieve our goals. Through a robust governance structure, systems in place for risk management and compliance we ensure that we conduct our business responsibly. Realizing the need to integrate ESG related risks in our overall risk management framework, we undertook a risk and opportunity assessment to identify ESG related risks that Diversey is subject to. Based on our findings, a comprehensive risk treatment plan has been developed for risk mitigation and adaptation in the short term, medium term and long term. We ensure 100% compliance with policies. Some of the

policies in place include Code of Conduct, Supplier Code of Conduct, Policy on Corporate Governance, Code of Ethics for Senior Financial Officers, EHS and Sustainability Policy and a Policy on Anti-Slavery and Human Trafficking.

We believe in transparency in our operations and disclosures. Our disclosures are aligned with global regulatory requirements, standards, and frameworks. Disclosures related to our ESG performance are aligned with the Global Reporting Initiative Standards (GRI), and requirements of the Carbon Disclosure Project (CDP).



# ESG Framework

*Diversey is committed to a robust sustainability strategy guided by three pillars: “Protect. Care. Sustain.” These pillars shape the company’s ESG priorities and actions, aligning them with the brand’s promise of “Protecting and Caring, Always.” Within these pillars, Diversey has set ambitious goals in key areas such as climate action, circular economy practices, diversity, equity, and inclusion, and the concept of being net positive. By focusing on these areas, Diversey aims to drive innovation for its customers while enhancing operational efficiency across its operations.*

As a global leader in sustainable cleaning, sanitation, and hygiene solutions, Diversey has prioritized protecting and caring for people and the planet through sustainable cleaning practices for nearly a century. Sustainability is deeply embedded in the company’s identity, with a strong emphasis on solutions that minimize waste, conserve water, and reduce energy costs. This commitment to sustainability spans across all sectors and value propositions within Diversey’s operations.

In 2021, Diversey launched a new sustainability strategy, “Protect. Care. Sustain.”, in response to a change in ownership. This strategy serves as a roadmap for the company’s ESG initiatives, outlining ambitious 2030 goals and near-term targets to further reduce environmental impact, address social inequality, and provide sustainable solutions to customers. Building upon its longstanding sustainability mission, Diversey’s strategy reinforces the importance of protecting the planet, conserving natural resources, caring for its people, fostering strong partnerships, and upholding responsible business practices.

## Transparency

Transparency is a fundamental aspect of Diversey’s governance approach. The company has expanded its sustainability reporting to include leading frameworks such as the Carbon Disclosure Project, the Global Reporting Initiative, and the Sustainability Accounting Standards Board. Active participation in ethical business data exchange through SEDEX and annual assessment via the EcoVadis scorecard reflect Diversey’s dedication to ethical business practices. The company’s recognition at the ‘Silver Level’ by EcoVadis places it among the top 20% of assessed organizations, while Diversey Europe holds a prestigious ‘Gold’ rating.

## Sustainable Solutions

Within Diversey’s governance approach, sustainability remains a core focus. Our goal is to ensure that 100% of its new solutions are more sustainable than the products they replace, demonstrating its commitment to continuous improvement. Policies such as the Code of Conduct and Responsible Chemistry Policy guide ethical business practices, establishing clear expectations for employee decision-making and ethical behavior among supplier partners. Diversey prioritizes comprehensive training on the Code of Conduct, employing online modules for most employees and conducting in-person group sessions for factory employees.

## Stakeholder Engagement

Stakeholder engagement is highly valued at Diversey, and the company strives to respond to all inquiries while maintaining transparency regarding its sustainability performance. In terms of executive compensation, Diversey’s 2022 annual incentive plan for Named Executive Officers (NEOs) incorporates performance metrics from 2021, including Global Free Cash Flow and Adjusted EBITDA. The plan also includes a revenue generation metric to reflect growth ambitions and pricing plans.

Diversey’s strategy provides a strong foundation to address the business and customer needs for ESG while driving measurable growth. It establishes yearly objectives, provides an implementation roadmap, tools, training, and monitors key performance indicators (KPIs) to meet customer and market expectations.

# ESG Framework

## Protect



PROTECT

### Environmental Stewardship

Growing Impact in  
Partnership with Customers

#### Enhancing Safety and Well-being

Our infection prevention and personal care products enhanced the safety and well-being of our customers, employees and visitors.

#### Our Response to COVID-19

As a leading provider of infection prevention products - from hand & food-contact sanitizers to hard surface disinfectants, our expertise & suite of products were critical in the support of the global efforts to fight the COVID-19 virus.

#### Customers' Environmental Goals

We help our customers improve employee safety & reduce waste by extending equipment & product life. We developed a database of reliable conversion factors based on our industry expertise, external studies & customer collaborations to calculate customer savings.

#### Protecting the Environment

We have a net positive goal as our guiding principle which will drive the reduction of energy, water, waste & greenhouse emissions in our supply chain.

## Care



CARE

### Social Responsibility

Care for Our Employees  
Care for Our Communities

#### Workforce Diversity

Our goal is to increase the diversity of representation in our workforce. We are starting with increasing the gender diversity in our leadership population and increasing the ethnic diversity in the United States.

#### Diversity, Equity and Inclusion

We launched regional and global Diversity Equity and Inclusion councils, representing employees from across the Company.

#### Recruitment and Talent

Our recruitment, talent development and culture fosters a workplace where all employees can thrive and reach their full potential.

#### Engagement

We measure the engagement of our employees annually in combination with a mid-year pulse check to drive positive change by providing a culture that leads to engaged employees and high performing teams.

#### Stakeholder Engagement

We partner, collaborate and engage with our diverse stakeholders to drive innovation and deliver positive impact at scale

## Sustain



SUSTAIN

### Effective Governance

Ensuring We Achieve  
Our Goals

#### Commitment to Sustainability

Throughout our history, our commitment to sustainability has not changed. It is deeply embedded in the culture of our Company. It defines who we are and what we stand for.

#### Supporting Communities

Our "Soap For Hope" program distributed approximately 150,000 bars of soap for hygiene and sanitation, and our "Linens For Life" face mask program distributed approximately 1,000,000 face masks to deprived communities to provide respiratory protection.

#### Eco-Friendly Initiatives

Our "CoffeeBriques" product converts used coffee grounds into fuel for cooking and heating, provides new employment opportunities for those involved and protects the environment by reducing or eliminating materials for landfills and deforestation.

#### Recognition

Diversey received a Silver Sustainability Rating from EcoVadis, and our Oxivir® product was rated as a Best Infection Prevention Product by Newsweek and the Leapfrog Group.



# Stakeholder Engagement

*At Diversey, we believe that stakeholder engagement is critical to conduct business responsibly and to create value for all our stakeholders. We proactively engage with our stakeholders on a periodic basis to understand their concerns relating to environmental, social and governance aspects and manage their expectations.*



## Modes of stakeholder engagement



**Focus group discussions** - Focus group discussions were conducted with key stakeholders to help us gather inputs that can help us transform our strategy. The approach undertaken for the discussions is as follows:



**Vision** - Establishing a course to continue our sustainability leadership and be the most sustainable global company in the industry.



**Integrate** - Integrating insights from internal subject matter experts with stakeholder perspectives.



**Purpose** - Aligning the contribution and influence of stakeholders for establishing a new strategic direction for sustainability.



**Create** - Determining the most important opportunities and insights for formulating into our vision and priorities.

Through our focus group discussions, we reached out to our customers, suppliers, and investors. Participants included customers like Harvard Maintenance, BUNZL, Highgate, Aramark, A&W, McDonalds, Accor, suppliers like Down and Silgan and investors like Citi, Solebury Trout, Morgan Stanley and JP Morgan among others.

Members of the discussions spearhead sustainability initiatives at their respective organizations. The discussions spanned two hours during which the customers answered questions and ranked the importance of different sustainability criteria. Aspects that were covered during the discussions include the

following:

- What does sustainability mean to you and your company?
- How do you practice sustainability in your organization?
- Have you experienced any challenges or needs around implementing requirements for sustainability?
- How can Diversey assist you to meet your sustainability goals?
- What sustainability topics should be important for Diversey to position themselves as the leading sustainable company in the industry and why?

#	Stakeholder	Feedback
1.	<b>Customers</b>	<p>Customers were of the opinion that carbon footprint reduction and reporting is critical, specifically reduction and elimination of Scope 3 emissions. They indicated their preference for eco-friendly products and for more green offers to be provided for different product categories.</p> <p>They also emphasized on the importance of reduction and elimination of single use items and the circularity of packaging waste. Some of the key certifications that were discussed included: Ecovadis, US Green Building Council's LEED Program(LEED), EPA safer choice and WELL Building Standard.</p>
2.	<b>Suppliers</b>	<p>Our suppliers were also of the opinion that we should focus on the reduction/elimination of Scope 3 emissions. They also emphasized on the elimination of single use plastic and improving circularity, water saving and waste reduction. Certifications of importance to our suppliers include Ecovadis and Together for Sustainability.</p> <p>Both customers and suppliers also spoke about the importance of co-innovation for Diversey to create greater sustainable impact.</p>
3.	<b>Investors</b>	<p>Investors were also of the opinion that carbon footprint is a critical issue and Diversey should adopt short term, medium term and long-term targets to achieve carbon neutrality. Reduction/elimination of Scope 3 emissions was also emphasized by the investors. Alignment of disclosures with SBTi, SASB and TCFD was found to be important for the investors. They also spoke about the importance of governance as a critical element of our sustainability strategy to drive our environmental and social goals.</p>

The focus group discussions yielded valuable insights that we have incorporated as a part of our strategy and reporting framework. Aspects include climate change, packaging waste, resource efficiency, waste in operations, water use and wastewater treatment, product stewardship, occupational health and safety, innovation management, supply chain management, biodiversity and land use, diversity, equity and inclusion, community health, corporate governance, data security and privacy, risk and crisis management and transparency and reporting.

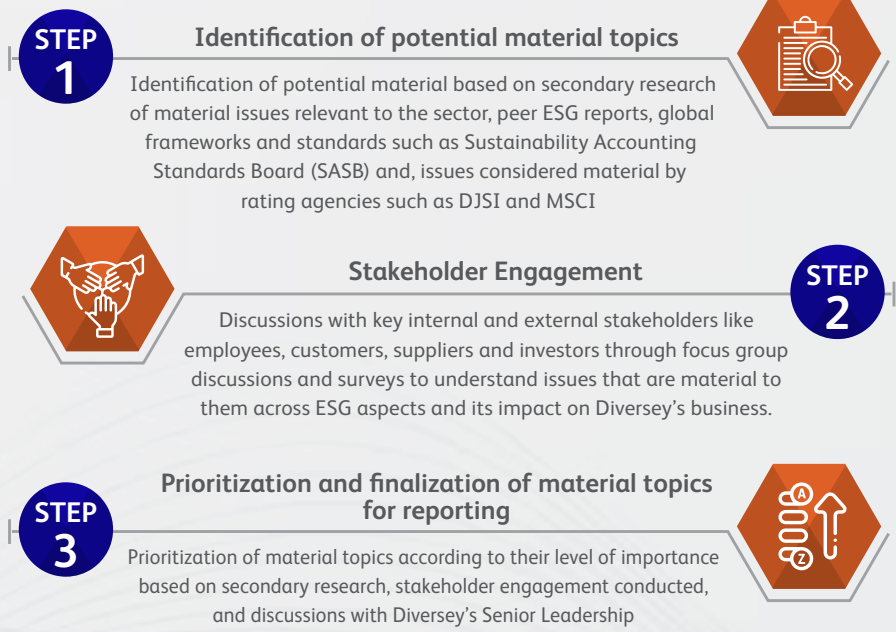
#	Stakeholder Group	Engagement Platform	ESG Priorities
1.	<b>Customers</b>	<ul style="list-style-type: none"> <li>☑ Quarterly business review meetings</li> <li>☑ Industry conferences</li> <li>☑ Focus group discussions</li> </ul>	<ul style="list-style-type: none"> <li>☑ Green offers and certifications</li> <li>☑ GHG Disclosures &amp; Reporting</li> <li>☑ Circular economy</li> <li>☑ Water Savings</li> <li>☑ Ingredient transparency</li> <li>☑ Transparency in disclosures</li> </ul>
2.	<b>Investors</b>	<ul style="list-style-type: none"> <li>☑ Annual meeting of shareholders</li> <li>☑ Meetings as requested</li> <li>☑ Participation in conferences and forums</li> <li>☑ Quarterly earnings conference calls</li> <li>☑ Regular calls and in-person meetings</li> </ul>	<ul style="list-style-type: none"> <li>☑ Climate risk</li> <li>☑ Corporate governance</li> <li>☑ Environmental and social impacts</li> <li>☑ Executive compensation</li> <li>☑ GHG emissions reductions</li> <li>☑ Human capital management</li> <li>☑ Materials and packaging</li> <li>☑ Supply chain management</li> </ul>
3.	<b>Regulators</b>	<ul style="list-style-type: none"> <li>☑ Trade organizations such as the American Cleaning Institute and the International Association for Soaps, Detergents and Maintenance Products</li> </ul>	<ul style="list-style-type: none"> <li>☑ Data security and privacy</li> <li>☑ Environmental regulations and violations</li> <li>☑ Health and safety</li> <li>☑ Product safety</li> <li>☑ Product sustainability</li> </ul>
4.	<b>Non-Governmental Organizations (NGOs) and Community Organizations</b>	<ul style="list-style-type: none"> <li>☑ Community dialogues</li> <li>☑ Interactions through community partnerships, creating shared value programs, and volunteerism.</li> <li>☑ Participation in conferences and forums</li> <li>☑ Partnerships to advance shared priorities</li> <li>☑ Philanthropic investments</li> <li>☑ Select topical engagement</li> <li>☑ Strategic partnerships and consultation on material issues</li> </ul>	<ul style="list-style-type: none"> <li>☑ Climate and energy</li> <li>☑ Community engagement and philanthropy</li> <li>☑ Diversity, equity, and Inclusion</li> <li>☑ Environmental and social impacts</li> <li>☑ Materials and packaging</li> <li>☑ Safety</li> <li>☑ Supply chain management</li> </ul>

#	Stakeholder Group	Engagement Platform	ESG Priorities
5.	<b>Suppliers</b>	<ul style="list-style-type: none"> <li>☑ Annual meetings</li> <li>☑ External partner website</li> <li>☑ Vendor code of conduct</li> <li>☑ Focus group discussions</li> </ul>	<ul style="list-style-type: none"> <li>☑ GHG emission reductions</li> <li>☑ Water Savings</li> <li>☑ Circular economy</li> <li>☑ Certifications/ commitments such as EcoVadis, SBTi</li> <li>☑ Logistics</li> </ul>
6.	<b>Employees</b>	<ul style="list-style-type: none"> <li>☑ Annual survey</li> <li>☑ Annual performance reviews</li> <li>☑ Employee resource groups</li> <li>☑ Ongoing professional development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>☑ Competitive wages and benefits</li> <li>☑ Community relations and health (Shared value programs)</li> <li>☑ Diversity, equity, and inclusion</li> <li>☑ Environmental and social impacts</li> <li>☑ Health and well-being</li> <li>☑ Learning and development</li> <li>☑ Pay equity</li> <li>☑ Safety</li> </ul>

# Materiality Assessment

In 2022, we undertook an evolution of our materiality assessment to keep up with the evolving risks and opportunities in our industry and the external business environment. Focus group discussions were conducted with representatives from key stakeholder groups like customers suppliers and investors. Through dialogue with these stakeholders, we were able to capture ESG topics that are material to them.

## Materiality Methodology



The table below indicates the material topics based on their level of importance.

Critical	Significant	Essential
<ul style="list-style-type: none"> <li>Climate Change</li> <li>Waste in Operations</li> <li>Product Stewardship</li> <li>Water Use</li> </ul>	<ul style="list-style-type: none"> <li>Packaging Waste</li> <li>Resource Efficiency</li> <li>Water Emissions and Wastewater</li> <li>Biodiversity and Land Use</li> </ul>	<ul style="list-style-type: none"> <li>Renewable Energy</li> <li>Air Emissions</li> <li>Compliance with Environmental Laws</li> </ul>
<ul style="list-style-type: none"> <li>Diversity, equity, and inclusion</li> <li>Human capital management</li> <li>Supply Chain Management</li> <li>Community Health</li> <li>Occupational Health and Safety for Employees</li> </ul>	<ul style="list-style-type: none"> <li>Creating Shared Value</li> <li>Product Safety for Customers</li> </ul>	<ul style="list-style-type: none"> <li>Human rights and labor practices</li> <li>Employee Volunteerism</li> <li>Employee Engagement</li> </ul>
<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Data security and privacy</li> <li>Risk and Crisis Management</li> <li>Transparency and Reporting</li> <li>Innovation Management</li> </ul>	<ul style="list-style-type: none"> <li>Ethical Business Practices</li> </ul>	<ul style="list-style-type: none"> <li>Product Regulatory</li> <li>Compliance</li> <li>Tax Strategy</li> <li>Sustainable Sourcing</li> </ul>

### Special Topic

Intellectual property, proprietary systems, and proprietary chemical formulations

- Environmental topics
- Social topics
- Governance & economic topics

# Risk Management

At Diversey, we proudly demonstrate our commitment to responsible business practices and robust risk management. Our integration of ESG factors into our risk management framework signifies a proactive and forward-thinking approach. With dedicated committees like the Audit Committee, we've established a streamlined governance structure to oversee risk matters diligently.

Our recent ESG risks and opportunities assessment emphasizes our proactive stance. This assessment not only underscores our commitment to risk mitigation but also highlights our ability to capitalize on emerging prospects within the ESG realm. This comprehensive approach recognizes the profound influence of ESG considerations on our business trajectory.

In essence, our endeavors echo a positive outlook as we navigate the path towards sustainability and advancement. At Diversey, we're excited about the future and the possibilities that our integrated approach to risk management and ESG factors can unlock.



## Benefits of conducting a Risk and Opportunity assessment

- 1 Resource Optimisation
- 2 Improved Regulatory Compliance
- 3 Business Growth
- 4 Improved Security Measures
- 5 Strategic Planning & Informed Decision Making
- 6 Increased Stakeholder Confidence

## Diversey's Approach to ESG Risk Assessment

We conducted an assessment to identify ESG-related risks that Diversey might face and to pinpoint relevant opportunities for risk adaptation and mitigation. This process followed a four-step approach, which included the following stages:

### Approach of a Risk and Opportunity Assessment

- Identification of industry-specific ESG risks
- Identification of company-specific ESG risks
- Identification of ESG opportunities within identified risks
- Formulation of implications and way forward

### Risk Identification

We initiated this phase by identifying risks and opportunities drawn from Diversey's ESG report, as well as ESG reports from industry peers, and sector-specific publications. The identified risks and opportunities were assigned unique IDs and then compiled into a consolidated list for further analysis.

### Risk Analysis

In this step, the likelihood of occurrence of risks and their consequence is determined. Likelihood and consequence are then scored on a scale of 1-5 signifying the following:

- 1 - Low    2- Medium -Low    3- Medium
- 4- Medium -High    5 - High

### Risk Evaluation

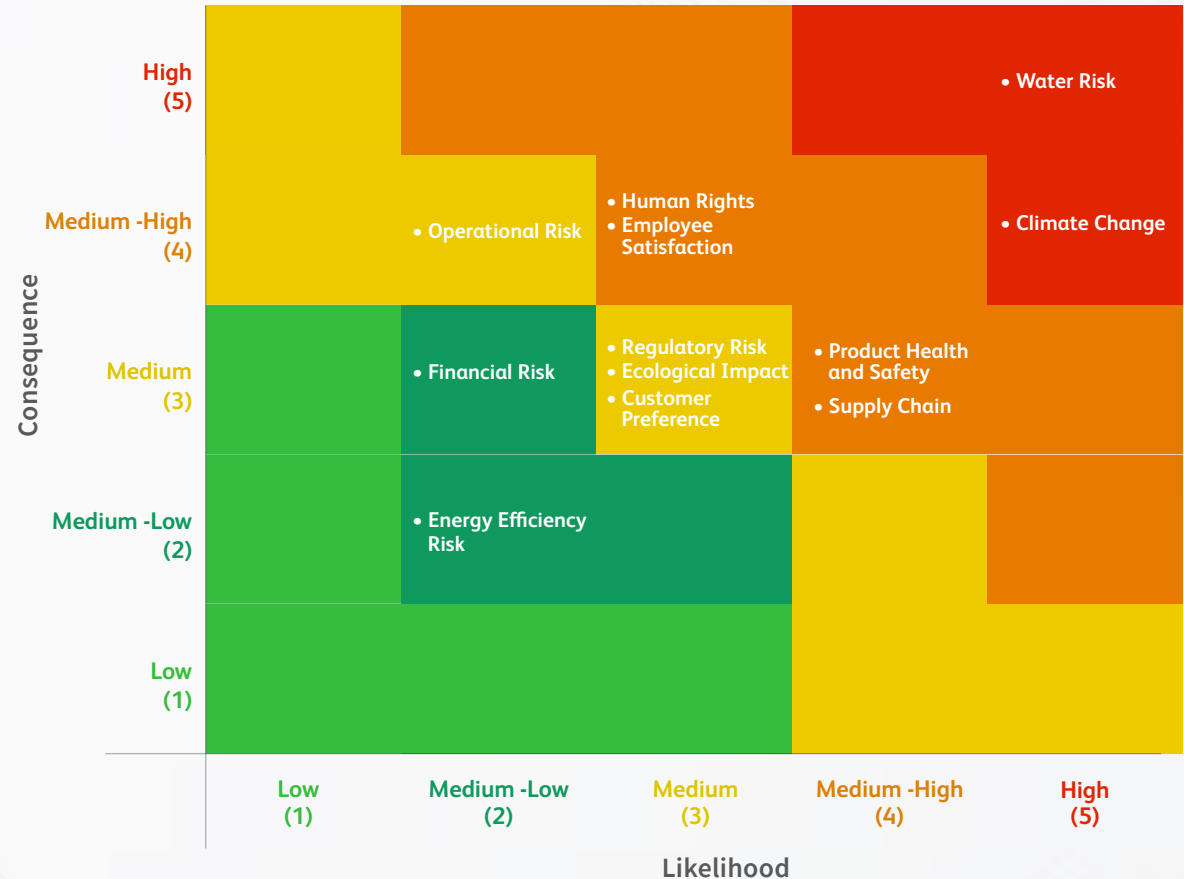
This step comprises evaluation of risks and a risk rating is assigned to each of the risks based on their likelihood of occurrence and consequence of impact. The risk ratings were then plotted on the heat map.

### Risk Treatment

In this step, a risk treatment plan is developed by mapping relevant opportunities with the risks.

## Key Risks and Opportunities at Diversey

The heatmap illustrates the top 12 risks that Diversey is exposed to, based on the likelihood of occurrence and consequence of impact.



## Identified Risk & Company's Response

Risks	Rating	Potential impact	Response
<b>Water Risk</b>	25	Droughts have become a chronic climate risk that is set to drastically accelerate over the next 20 years. By WRI Aqueduct 2019 study, drought risk measures where droughts are likely to occur, the population and assets exposed, and the vulnerability of the population and assets to adverse effects. Higher values indicate higher risk of drought. showcases that most of the areas where Diversey's manufacturing units are located like India and Australia, are highly likely to face droughts and undergo high water stress.	Diversey monitors total and net water use in all of our manufacturing facilities to track our progress on water savings opportunities. As part of our Net Positive goal, we strive to reduce water consumption in our operations so our water savings products and solutions conserve more water for customers than our operations consume. By maximizing efficiency in our facilities, managing batch sizes, and recycling water whenever possible, we effectively manage the resource globally.
<b>Climate Change</b>	20	Increased burning of fossil fuels to meet the demands of a rapidly growing population contributes to global warming and the occurrence of severe weather events. To mitigate these impacts, governments will implement strict climate action regulations which will directly impact the operations of all organizations. By virtue of the sheer geographic diversity that Diversey has a presence in (operations in 54 countries and sale of products in 80+ countries), the exposure to climate change at an organizational level is high.	Climate change risks are reviewed regularly and management procedures are put in place to mitigate those risks. Climate risks for Diversey include weather-related events, regulations, supply chain disruptions, changing customer dynamics, and innovations. Each of these areas are addressed in our operations and management approaches to mitigate risk. Climate change also poses an opportunity for Diversey to deliver solutions that reduce GHG emissions for customers. Our Net Positive goal is to reduce GHG emissions at customer facilities that is larger than the GHG emissions of our own footprint.
<b>Product, Health and Safety</b>	12	Diversey is a manufacturer of cleaning products, tools, and equipment. The chemical products include disinfectants, surfactants, solvents, acids, and bases to deliver hygiene and clean surfaces in our customers' facilities. In the industrial and institutional market, these products are often more concentrated than household cleaning products. Therefore, the chemicals have inherent hazards making product health and safety an important consideration. Ensuring Diversey products are safe for users and the environment is a critical requirement.	<p>We have a dedicated team of regulatory specialists and toxicologist to ensure all products are safe for people and the environment when used properly.</p> <p>All products are reviewed by experts to ensure compliance and safety.</p> <p>Diversey maintains a Responsible Chemistry Policy to manage chemicals for their safety profile.</p>
<b>Human Rights Violations</b>	12	Human rights are mostly tackled at a national level for most of the nations today. Since Diversey's operations are predominantly in G20 nations, with its supply chain and sales covering 80+ nations, the risk of Human rights not being effectively addressed through the laws of the land is low.	<p>Maintain a hotline to facilitate all reporting.</p> <p>Have a Modern Slavery committee that meets regularly to review our approach to address human rights violations.</p> <p>Have a Supplier Code of Conduct that outlines our expectations.</p>



Taking care of what's precious™

Risks	Rating	Potential impact	Response
<b>Supply Chain</b>	12	<p>Supply chains are exposed to the following uncertainties/ disruptions which affect an organization's business. These include the following:</p> <ul style="list-style-type: none"> <li>• Low Raw Material Availability</li> <li>• Transportation and logistics infrastructure uncertainties</li> <li>• Demand Fluctuations</li> <li>• Changing regulatory landscape</li> <li>• Geopolitical and Trade uncertainties</li> <li>• Financial Instability</li> <li>• Labor Shortages</li> </ul>	<p>Diversey regularly monitors raw material price and availability to forecast our supply chain activities.</p> <p>Diversey has business continuity teams in place to address disruptions in our manufacturing operations and extended supply chain.</p>
<b>Employee Satisfaction</b>	12	<p>People are at the center of what Diversey does and systems are in place for investing in their success, employee engagement and achieving safety excellence. Thus, the likelihood of employee satisfaction risk is assigned a medium rating. Diversey currently has close to 9000 employees across 50 countries thus engaging multicultural and multi-functional teams at almost every level.</p>	<p>Diversey regularly monitors employee satisfaction with surveys.</p> <p>Diversey has a goal to have our employee engagement scores in the top quartile of our industry.</p>
<b>Changing Consumer Preferences</b>	9	<p>The physical and digital world is rapidly changing which became apparent during the advent of COVID-19. Pertinent risks include shifting demand, product obsolescence, brand perception.</p> <ul style="list-style-type: none"> <li>• Shifting Demand</li> <li>• Product Obsolescence</li> <li>• Brand Perception</li> </ul>	<p>Diversey regularly consults with customers to monitor their satisfaction and changes in their purchasing priorities.</p> <p>Diversey engages customers on sustainability issues regularly and conducts 'Sustainability Maps' to understand their targets and respond accordingly.</p>
<b>Ecological Impact</b>	9	<p>Ecological changes such as deforestation, waste production, air, water and soil pollution, depletion of natural resources adversely impact Diversey's business. This poses a risk to Diversey's organization internally and its businesses by virtue of its operations in these geographies.</p>	<p>Diversey evaluates the ecological impact of any new sites as well as mergers and acquisitions.</p> <p>Environmental key performance indices are tracked at our supply chain sites to monitor for disruptions.</p>
<b>Regulatory and Compliance Risk</b>	9	<ul style="list-style-type: none"> <li>• Compliance with Environmental Regulations</li> <li>• Occupational Health and Safety Compliance</li> <li>• Quality Control and Certification</li> <li>• Data Privacy and Security</li> <li>• Anti-Corruption Compliance</li> <li>• Export and Import Compliance</li> <li>• Employment Laws and Practices</li> <li>• Intellectual Property Rights</li> </ul>	<p>Diversey has controls in place to ensure compliance with environmental regulations.</p> <p>The Diversey Code of Conduct outlines expectations for all employees on environmental and social issues.</p> <p>Training is regularly provided on topics such as Data Privacy and Anti-Corruption.</p>



Risks	Rating	Potential impact	Response
<b>Operational Risk</b>	<b>8</b>	Operational risks can impact the day-to-day functioning of the organization as well as its reputation. Some of the major operational risks are: <ul style="list-style-type: none"> <li>• Rising cost of material and labor due to inflation</li> <li>• Undertaking global economic conditions</li> <li>• Political and socio-economic instability</li> <li>• Instability and uncertainty in credit and financial markets</li> <li>• Retention of key employees and personnel</li> <li>• Currency fluctuations</li> <li>• Raw material pricing availability and allocations by suppliers as well as energy related costs</li> <li>• Intellectual property</li> <li>• Cyber risk</li> </ul>	We are actively addressing operational risk to our business through the vigilant oversight of our strategy and risk management functions. These crucial roles involve continuous monitoring of global trends and events. Once material risks and opportunities are identified, we proactively implement action plans to mitigate challenges and capitalize on opportunities. Regular evaluations of our value chain enable us to pinpoint weaknesses and identify areas for improvement, ultimately strengthening our operations.
<b>Financial Risk</b>	<b>6</b>	Diversey faces various financial risks that could impact its financial performance and stability. Some of the major financial risks include: <ul style="list-style-type: none"> <li>• Foreign Exchange Risk</li> <li>• Credit and Counterparty Risk</li> <li>• Liquidity Risk</li> <li>• Commodity Price Risk</li> <li>• Tax and Legal Risk</li> <li>• Interest Rate Risk</li> <li>• Market Risk</li> <li>• Debt Risk</li> <li>• Market Demand and Price Risk</li> </ul>	We are diligently addressing financial risk to our business through the vigilant oversight of our strategy and risk management functions. These pivotal roles involve continuous monitoring of global trends and events specifically related to financial matters. We ensure that our engagements with key stakeholders in the financial realm are both regular and meaningful, providing us with swift insights and contributing to our competitive advantage and overall financial stability.

## Identified Opportunities & Company's Response

Corresponding Opportunities	Response
<p><b>TCFD alignment:</b></p> <p>This provides an opportunity to better understand the financial implications posed at Diversey at an organisational level. Understanding financial implications would help Diversey prepare more actionable mitigation or adaptation strategies to respond to climate change. It also aids in responding to various global rating standards, investor expectations and therefore improve corporate reputation.</p>	<p>Diversey will align with TCFD reporting next year, which will provide an opportunity to better understand the financial implications at an organizational level. Understanding the financial implications of climate risks will help Diversey prepare more actionable mitigation or adaptation strategies to respond to climate change. It also aids in responding to various global rating standards, investor expectations, and therefore improve corporate reputation.</p>
<p><b>Low carbon opportunities:</b></p> <p>a) Diversey should continue exploring low carbon opportunities, through structured sustainability scorecard, from a product development and process optimisation standpoint.</p> <p>b) Further Diversey should aid their product development under green offering and process optimisation with external certifications to strengthen communication about low environmental impact of their product and processes.</p> <p>c) Use of renewable energy: Diversey to undertake measures to increase uptake of renewable energy in their energy portfolio in line with their net zero emissions target.</p>	<p>Diversey's innovation process will continue to place a heavy focus on sustainability benefits for customers, in particular, lower carbon intensity solutions. In addition to lowering the energy requirements for product application, which are Scope 1 and 2 emissions for customers, we will expand our offerings to reduced carbon intensity upstream of our customers operations. Diversey currently purchases electricity from renewable sources and we intend to expand this in the future.</p>

## Corresponding Opportunities

## Response

### ESG Governance:

- a) The strategy needs to be made more robust through aligning with TCFD, pursuing low carbon opportunities and therefore driving ESG governance through an organisational level ESG Committee becomes imperative to effectively create and implement strategies.
- b) Encourage use of sustainability scorecard: To ensure any product or process innovation facilitates a run through of the sustainability scorecard to minimize any residual risk.
- c) Develop a grievance redressal mechanism
- d) Diversey could invest in compliance efforts to ensure adherence to regional regulations and standards, reducing the risk of financial penalties or market access issues.

Diversey will continue to integrate ESG into the overall business strategy and management procedures. The governance pillar of our approach to sustainability will continue to guide Diversey's commitment to transparency, engagement, risk management and continuous improvement.

### Policy:

- a) Responsible Chemistry Compliance: Ensure 100% compliance to responsible chemistry which not only ensures proactive transition from usage of products/ chemicals which are banned/ likely to get banned.
- b) Policy on water conservation and management can be developed to effectively ensure that usage of water is minimized across sites and water is built as a key matrix in product development.
- c) Diversey may consider to implement a human rights policy, gender equity, and pay policy.

Diversey's governance pillar in our sustainability strategy will continue to guide our approach to having appropriate corporate policies to address the material risks in our operations. In addition to having strong policies addressing environmental stewardship and social responsibility, Diversey will ensure proper training and audits to drive global adoption of the policies.

### Water:

- a) Innovative solutions to regulate and minimize the need for water during consumption or use of any of Diversey's cleaning, dosing or dispensing chemical or equipment
- b) Innovative solutions to reduce water usage at manufacturing stage

Diversey's sustainability scorecard includes criteria to improve water efficiency during manufacturing as well as the use phase of products. The focus on water savings for customers will continue to be a priority. In addition to water conservation during the cleaning process, Diversey will continue to provide consultative services assisting customers in water savings efforts. Water use during manufacturing of Diversey products will be monitored and reported as a net water intensity KPI.

### Transparency:

- a) Publicly disclose results of gender pay gap assessments and incidents of human rights violations
- b) Undertake Human rights due diligence

Diversey governance pillar will continue to define our efforts to be transparent on issues related to environmental stewardship and social responsibility. Although the annual sustainability report will be the primary means of communication, Diversey will make more policies and disclosures publicly available on our website.

### Employee Engagement:

- a) Continue employee engagement surveys across all levels and set actionable goals and timelines based on last year's survey results.
- b) Promote transparent communication of progress on last defined actions based on engagement surveys.
- c) Actively benchmark compensation with respect to the industry standards.
- d) Inclusion and Diversity: As customers prioritize companies that embrace inclusion and diversity, Diversey's commitment to these principles enhances its appeal to a broader customer base.

Diversey will continue work on promoting employee engagement across all levels. Regular communications from senior leaders will occur for employees to understand our ESG progress and overall business strategy. Diversey will regularly conduct employee engagement surveys for all employees. We will promote transparent communication of progress on last defined actions based on engagement surveys.

Corresponding Opportunities	Response
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**Occupational Health and Safety Compliance:**

- a) Promote a strong safety culture with an OSHA policy across sites to ensure internal compliance and best practices
- b) Adhere to occupational health and safety standards and invest in advanced safety equipment and protocols.
- c) Reduce TRIR to <0.33 by inculcating safety gears and technology which minimises human intervention for safety inspections.
- d) Enhance employee safety training programs, conduct regular safety awareness campaigns, and consider creating programs that are multilingual in nature.
- e) Invest in safety equipment including guard rails, promote PPE use including safety harnesses, eye gear, masks, safety shoes, helmets, torches etc., wherever needed.

Diversey's aspirational goal is for zero injuries in our operations. We will continue to promote a strong safety culture with regular training, audits, and vulnerability assessments to identify and rectify potential weaknesses. Diversey will continue to expand our safety first culture and ensure our contractors follow Diversey safety policies and procedures. In addition to our employees and contractors, the safety of our customers will remain a critical concern so we will ensure world class product safety in the solutions we deliver.

- 1. Anti-Corruption Compliance:**
  - a) Implement due diligence procedures to screen & monitor business associates for compliance.
- 2. Employment Laws and Practices:**
  - a) Diversey may consider to have a human rights policy in place
- 3. Intellectual Property Rights:**
  - a) Conduct regular monitoring & enforcement to prevent intellectual property infringements.
- 4. Supply Chain Compliance:**
  - a) Engage more in partnerships with suppliers that align with Diversey's sustainability and ethical standards.

**Quality Control and Certification:**

- a) Continue to gain ISO certifications to ensure best standards of quality are followed across business operations

Diversey will continue to maintain existing quality standards and renew our ISO certifications across our business. Diversey's customers have an expectation for the highest quality products and they will continue to be our primary focus. Lapses in quality that affect product performance will be communicated to customers and appropriate action taken.

**Data Privacy and Security:**

- a) Implement robust cybersecurity policy to protect sensitive data and prevent unauthorized access.
- b) Conduct regular security audits and vulnerability assessments to identify and rectify potential weaknesses.
- c) Cybersecurity Resilience: Continuously enhancing cybersecurity measures can protect Diversey's data, intellectual property, & customer information, minimizing the risk of data breaches and reputational damage.

Diversey will continue to conduct thorough data privacy and security assessments to identify gaps in compliance with our policies and relevant regulations, such as GDPR. We will continue to educate our employees on issues such as cybersecurity and data privacy annually. Our data systems and software will be maintained and updated as appropriate to protect our information technologies and data.

**Anti-Corruption Compliance:**

- a) Implement due diligence procedures to screen and monitor business associates for compliance.

Diversey's policies will outline the expected behaviour of employees, contractors, and business partners. We will continue to emphasize our commitment to integrity, transparency, and compliance with anti-corruption laws. Our whistleblower hotline and email system will be maintained and supported to collect and investigate any reports of improper business practices.

**Intellectual Property Rights:**

- a) Conduct regular monitoring and enforcement to prevent intellectual property infringements.

Diversey will continue to ensure that our intellectual property assets are protected and maintained. Our property rights include patents, trademarks, copyrights, trade secrets, and domain names. Diversey will ensure proper use of confidentiality agreements and non-disclosure agreements when sharing sensitive information.

Corresponding Opportunities	Response
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**Supply Chain Compliance:**

- a) Engage more in partnerships with suppliers that align with Diversey's sustainability and ethical standards.
- b) Environmental Sustainability: Emphasizing environmental sustainability practices throughout the supply chain can lead to cost savings, improved brand reputation, and reduced regulatory risks associated with environmental compliance.
- c) Maintaining supplier relations, capacity building of suppliers

Diversey's supplier code of conduct emphasizes the prohibition of coercion, intimidation, or harassment of workers by suppliers, compliance with wage and benefit laws, Equal Opportunity Employment, anti-corruption measures, and the adoption of best practices to conserve resources and reduce emissions in their operations.

Diversey will continue to identify critical suppliers and avoid monosourcing to ensure raw material availability at manufacturing sites

Diversey engages with its suppliers & customers to provide logistics & packaging solutions which can improve efficiency, reduce fuel consumption, & lower GHG emissions. Diversey remains committed to supplier engagement to ensure supplier reliability and to avoid non-compliance risks.

**Circular Economy Initiatives:**

Customers are seeking suppliers committed to circular economy practices. Diversey's to continue its focus on circular packaging and waste reduction to align with this trend, fostering a positive brand image

Diversey's goal that 100% of our packaging contributes positively to the circular economy is our primary goal in this area, but we will continue to find new opportunities to eliminate waste and maximize resource efficiency. We are exploring ways to implement circular economy initiatives on our dispensing materials, cleaning tools, and cleaning equipment. Redesign of dispensers and other products are underway to ensure circular economy approaches are expanded.

**Product:**

- a) Customized Solutions: Diversey's ability to tailor its offerings to meet specific customer needs aligns well with the trend towards personalized solutions. This approach fosters stronger customer loyalty and satisfaction. Understanding and adapting to changing customer preferences can open opportunities for product innovation and market expansion, leading to sustainable growth and increased customer loyalty.
- b) Digital Transformation: Leveraging cutting-edge digital solutions and technology allows Diversey to continue looking for solutions to optimize its products and services, improving efficiency and enhancing customer experiences.
- c) Rising Food Safety Standards: In the food and beverage sector, stringent food safety standards are becoming increasingly vital. Diversey's expertise in this area positions it to cater to the growing demand for safe and hygienic food processing.
- d) Collaboration with Customers: Continue with engaging in open dialogues with customers about their evolving needs enables Diversey to co-create solutions, strengthening customer relationships and ensuring product relevance.
- e) Demand for Sustainable Solutions: As customers increasingly prioritize sustainability and environmental responsibility, Diversey's should focus on sustainable products and practices which will continue positioning the company as a preferred choice for eco-conscious customers.
- f) Smart Cleaning Solutions: The demand for intelligent and data-driven cleaning solutions is growing. Diversey's investment in smart technology allows the company to offer advanced, efficient, and cost-effective cleaning solutions.

As customers increasingly prioritize sustainability and environmental responsibility, Diversey's will focus on sustainable products and practices which will continue positioning the company as a preferred choice for eco-conscious customers.

Diversey's will remain committed to tailoring its offerings to meet specific customer needs, especially the growing trends for GHG reductions, packaging waste reductions, and water savings.

We will continue to expand digital solutions to solve sustainability challenges for our customers. Technologies such as IntelliFlow™, Intellilinen™, Intellicare™, and Intellidish® will remain a key focus. Diversey's Food and Beverage business will continue to capitalize on trends towards higher standards in food safety and hygiene. Diversey's track record of deep customer collaborations to remove waste and improve efficiency in their cleaning operations will continue to grow and evolve with our customers' changing sustainability needs. In addition to meeting demands for more sustainable cleaning products, Diversey will expand services, and increase transparency by providing product carbon footprint data as our customers continue on their journey towards a net zero and circular economy practices.

**Strategic Partnerships:**

Collaborating with strategic partners and agencies can provide Diversey with access to new expertise, technologies, and market insights. These partnerships can foster innovation and bolster risk management efforts.

Diversey seeks to partner with leading organizations that will help advance sustainability for the company and the industry through mutually beneficial actions. Diversey will continue to partner with organizations like Green Seal and Nordic Swan to promote green products. We remain committed to working with partners on strategic projects that promote our environmental stewardship and social responsibility projects.



# PROTECT PROTECTING THE ENVIRONMENT

Climate Strategy & Energy Management | Resource Efficiency & Circularity • Case Study: Diversey's Approach to Recyclable Packaging • Case Study: Diversey's SafePack - A Step Towards Circular Economy • Case Study: The Calculator Hub • Case Study: Life Cycle Assessment - Disposable Wipes vs. Reusable Wipes | Waste Management | Product Stewardship • Case Study: Plant Based Cleaning Products - SURE® | Water Management

# PROTECT

## PROTECTING THE ENVIRONMENT

At Diversey, we strive to reduce our environmental footprint while delivering sustainable solutions to our customers. Our commitment to environmental stewardship is reflected in our Sustainability, Environmental, Health and Safety policy. We also adhere to the principles of Green Chemistry in our product development processes and have established a goal to achieve 100% compliance with our Responsible Chemistry Policy.

Our goal is to achieve net positive sustainable impact by improving our manufacturing efficiency. In line with our goal, we consistently work towards reduction in energy and water consumption, waste generation and reduction in emission of greenhouse gases in our operations.

### Key highlights from 2022

#### Climate Strategy & Energy Management

**2.7%** reduction  
Scope 2 intensity from 2021

#### Management Systems and Certifications

- ISO 9001, 14001 22716, 13485 and ISO 45001
- ISO 9001 (95%; New Facility in Kentucky is in process)
  - ISO 14001 (57%; New Facility in Kentucky is in process)
    - ISO 22716 (19%)
    - ISO 13485 (14%)
    - ISO 45001 (29%)

#### Waste Management

**68%**  
waste diversion from landfill

# Climate Strategy & Energy Management

Since 1935, we have been pioneering a greener future by addressing climate change and emissions reduction strategies. In 1975, 13 years before the signing of the Montreal Protocol, we removed chlorofluorocarbon (CFCs) from all aerosol products and phased out Alkylphenol ethoxylates (APEOs) in Europe by 1993 before the directive was passed in 2003.

We realize the need to transition to a low carbon economy and have established an ambitious goal to achieve net zero carbon emissions in our operations by 2050. During the year, we also worked on aligning our emissions reduction targets with the guidance provided by the Science Based Targets Initiative (SBTi).

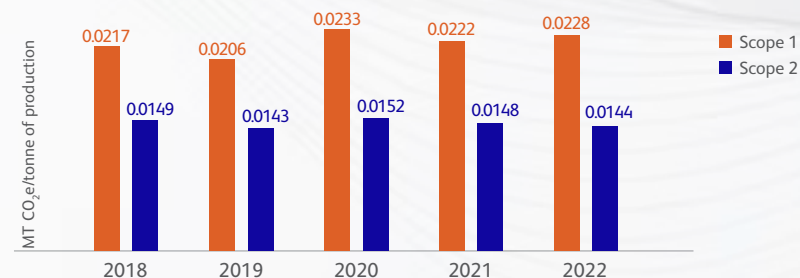
## Key Highlights from 2022



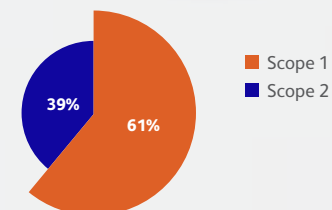
## GRI 305 -1,2,4: Details of GHG Emissions

Total GHG Emissions (in MT-CO <sub>2</sub> eq)	Y2021	Y2022
Scope 1	14,235	15,220
Scope 2 (Market Based)	9,445	9,612
Scope 1 & 2 GHG emission intensity (MT-CO <sub>2</sub> eq /MT of production)	0.04	0.04
Scope 3		14,578,470

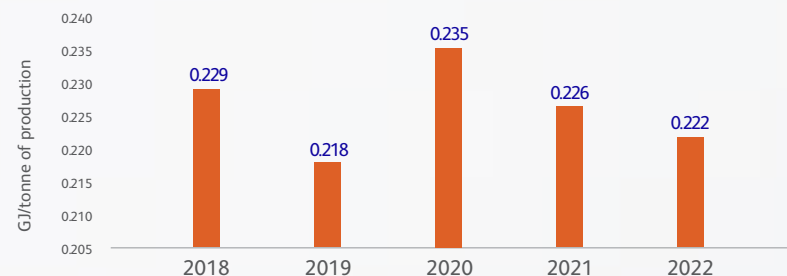
## Emissions Intensity



## Emissions Intensity - 2022



## Energy Intensity Trend



## Notes

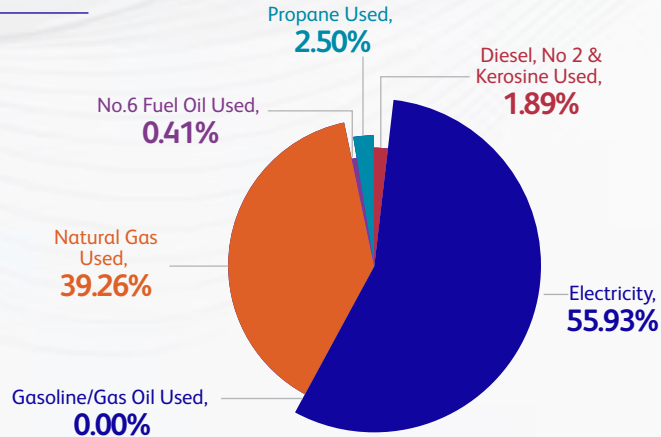
1. The Energy Intensity 2021 has been restated to 62.8 kWh/tonne [0.226 Giga Joules/tonne of production] and GHG Intensity has been restated to 37 Kg CO<sub>2</sub>e [0.037 MTCO<sub>2</sub>e/tonne of production] since the natural gas conversion factor has been updated along with the method for calculating GHG emissions associated with natural gas. Diversey added three facilities to its data capturing for the sustainability report in 2022; out of which one a new facility was added on lease in North America, along with two existing facilities. All these were under operational control of Diversey.

2. Diversey is also offsetting its GHG emissions for three manufacturing sites currently. The offset was verified by Cradle-to-Cradle as part of our certification of the SURE product range.

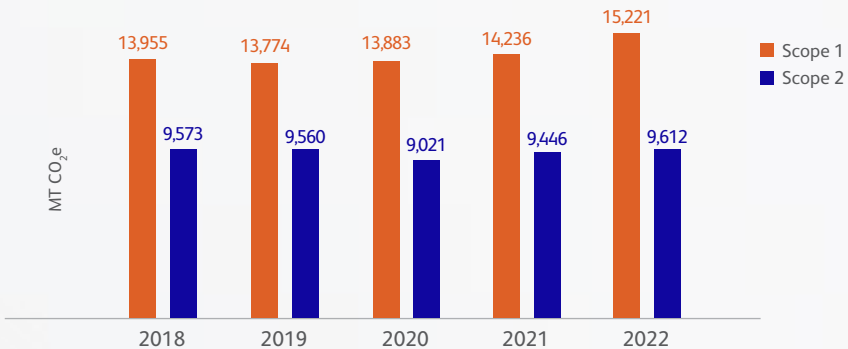


Taking care of what's precious™

### Energy Mix 2022

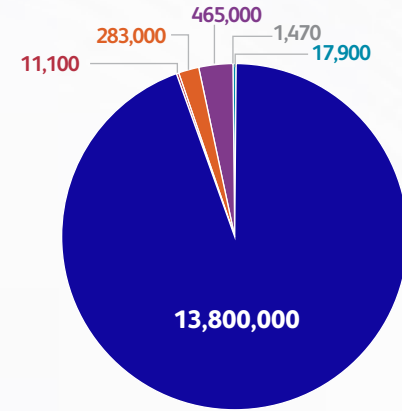


### Absolute Emissions Trend

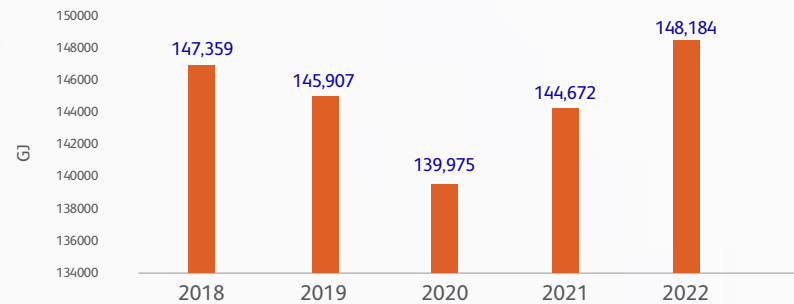


### Scope 3 Emissions(MT CO<sub>2</sub>e)

- Use of sold products
- Employee commuting
- Third Party Logistics & Leased Vehicles
- Purchased goods and services
- Waste generated in operations
- Business travel



### Absolute Energy Trend



Over the years, we have been progressively undertaking measures to reduce our carbon footprint. Today we focus on energy and emissions management, through renewable energy production, implementing cost effective and energy efficient equipment and through the elimination of wasteful energy consumption. Diversey is in the process of setting our SBT which will include a thorough renewable energy plan to reduce consumption as we make progress towards our Net Zero target.





## Resource Efficiency & Circularity

At Diversey, we believe in “Taking care of what’s precious”. Our portfolio/ range of “Green” products is constantly evolving to deliver sustainable solutions to our customers while reducing our environmental footprint and enabling our customers to eliminate waste and reduce GHG emissions in their operations as well. We use plant-based, renewable materials in our “SURE” (green) range. Ingredients derived from the by-products of the agro-food industry from materials like sugar beet, maize, straw bran, wheat bran and coconut are utilized. Products in this range have on an average a 16% lower carbon footprint than their petroleum-based products.

By 2030, our goal is to ensure that 100% of our core packaging contributes to a circular economy. We have adopted a 4-pronged approach indicated below in order to achieve our goal.



### Case story

#### Diversey's Approach to Recyclable Packaging

Diversey, a company conscious of sustainability and recyclability, has implemented various measures to address the challenges of sustainable packaging practices. By doing so, the company is relatively well-positioned against the five main challenges it faces. Let’s take a closer look at the specific measures we have adopted:

- Testing Evacuation Rate for Closed Loop Packaging:** Diversey’s engineering protocol ensures that closed loop packaging is diligently tested for its evacuation rate. This means that when the closure cannot be removed and emptied manually for safety reasons, the empty container can still be sent for recycling. This measure facilitates proper recycling and encourages users to dispose of the packaging responsibly.
- Core Rigid Plastic Packaging without Additives or Colorants:** A significant portion of Diversey’s core rigid plastic packaging is made from HDPE (High Density Polyethylene) and does not contain additives or colorants. This design choice is advantageous during the recycling process. HDPE is highly recyclable, and without additives or colorants, the recycled material is more likely to be processed and put back into the resin circuit, where there is a high demand for it.

- **Usage of rHDPE in Select Bottles:** Diversey employs rHDPE (recycled High Density Polyethylene) in select bottles. Using recycled plastic in our packaging not only helps in reducing the demand for new plastic but also contributes to a circular economy by reusing materials.
- **Working with Customers to Understand Disposal Habits:** Diversey actively partners with customers to gain insights into their disposal habits. This understanding allows us to design packaging that aligns with customers' recycling practices and preferences. It also helps in providing proper channels for recycling waste and educates users on recommended packaging disposal methods.
- **Aim for 100% Circular Economy by 2030:** Diversey has set an ambitious goal of ensuring that 100% of its packaging contributes to a circular economy by the year 2030. By committing to this target, we demonstrate our dedication to sustainability and waste reduction.

### Conclusion

By implementing these measures, Diversey can increase its packaging efficiency and significantly reduce its packaging footprint. These practices align with the company's values and its customers' preferences for sustainability, recyclability, and the circular economy. Overall, Diversey's approach to recyclable packaging showcases the commitment to responsible environmental practices and efforts to address the challenges associated with sustainable packaging in an increasingly conscious market.



### Case story

#### Diversey's SafePack™ - A Step Towards Circular Economy

Diversey, a company committed to sustainability and circular economy principles, has introduced SafePack™, an innovative eco-friendly monolayer polyethylene pouch product-line. This new packaging solution aims to address environmental concerns, reduce plastic waste, and lower the carbon footprint while offering convenience and safety in handling classified liquids.

#### Product Features

The SafePack™ pouch is designed to be user-friendly and drip-free, ensuring ease of use and minimizing potential product waste during handling and dispensing. The primary advantage of this packaging lies in its ability to fill multiple trigger bottles, promoting reusability and reducing the demand for single-use plastic bottles.

#### Environmental Impact

- **Reduction in Plastic Waste:** By encouraging the use of SafePack™ pouches that can be refilled and reused, Diversey aims to contribute to a reduction in plastic waste. The transition from traditional single-use plastic bottles to refillable pouches can significantly decrease the amount of plastic entering the waste stream.

- **Lower Carbon Footprint:** Diversey's SafePack™ pouches have demonstrated a remarkable reduction in their carbon footprint. The switch from conventional packaging materials to monolayer polyethylene has resulted in a substantial decrease in CO2 equivalent emissions.
- **Safety and Compliance:** In addition to its circular economy benefits, the SafePack™ pouches have received UN approval for handling ADR (classified) liquids. This endorsement ensures that the packaging meets strict safety and compliance standards for transport

### Conclusion

Diversey's SafePack™ pouch product-line exemplifies the company's dedication to innovation and sustainability. By adopting circular economy principles as the foundation of its product development, Diversey has created a packaging solution that reduces plastic waste, minimizes carbon emissions, and enhances safety in transporting classified liquids. This case study serves as a testament to how businesses can proactively respond to regulatory demands, address environmental challenges, and align their operations with a sustainable business agenda. The introduction of SafePack™ pouches positions Diversey as a leader in eco-friendly packaging solutions while contributing to the global movement towards a circular economy.

We have been working towards this by increasing our packaging efficiency, using lightweight packaging material, increasing the percentage of recycled content used or increasing the recyclability of materials used.

## Case story

### The Calculator Hub

The Calculator Hub is an innovative tool developed to optimize sustainability and operational efficiency for customers. It consists of 10 calculators, each tailored to different portfolios, including the Eco-Packaging Calculator, which assesses the Cradle-to-Gate CO2 footprints of packaging materials, considering dilutions.

#### Key Features:

- **Portfolio-Specific:** The calculators are designed for specific portfolios, providing accurate and tailored assessments for each product or service.
- **Updated Data:** All calculators are regularly updated with recent water, electricity, and waste disposal cost data per country, ensuring relevance and accuracy.
- **Eco-Packaging Assessment:** The Eco-Packaging Calculator enables customers to understand the environmental impact of packaging materials used, fostering sustainable practices.

#### Benefits:

- **Informed Decision Making:** Customers gain data-driven insights to make informed decisions about adopting the company's solutions, enhancing sustainability efforts.
- **Resource Optimization:** The Hub helps identify opportunities for resource optimization, leading to cost savings and improved operational efficiency.
- **Transparency and Trust:** By openly sharing the calculators, the company fosters transparency, building trust with its customers.
- **Enhanced Customer Support:** The Calculator Hub demonstrates the company's commitment to supporting its customers' sustainability goals and provides evidence of the benefits of their solutions.

## Conclusion

The Calculator Hub empowers customers with data-driven insights, promotes sustainable practices, and helps optimize resources, making it a valuable tool in the company's commitment to a circular economy and responsible environmental practices. Only what you can measure, you can truly improve.

## Case story

### Life Cycle Assessment - Disposable Wipes vs. Reusable Wipes

Diversey conducted a comprehensive Cradle-to-Grave Life Cycle Assessment (LCA) to compare the environmental impact of disposable wipes and reusable wipes. The goal was to determine which type of wipes offered the most benefits and to assess their impact on various metrics.

#### Findings of the LCA

- **Overall Environmental Impact:** Disposable wipes were more favorable in various metrics, including primary energy demand, water consumption, global warming potential, etc.
- **Disinfectant Load:** Reusable wipes carried 109 g of disinfectant, while disposable wipes had only about 90 g.

## Conclusion

The Life Cycle Assessment conducted by Diversey provided valuable insights into the environmental impact of disposable wipes versus reusable wipes. While reusable wipes were more favorable concerning ozone depletion potential, disposable wipes demonstrated a lower overall environmental impact in various other metrics. The modified MCI methodology, incorporating light weighting and chemical concentration factors, enhances Diversey's ability to make sustainable packaging choices in the future. By continually analyzing and improving the sustainability of its products, Diversey remains committed to minimizing its environmental footprint and promoting responsible environmental practices.



# Waste Management

At Diversey, we work towards ensuring that all operations prevent, reuse, recycle or recover waste. Through strategies adopted at our facilities, it has been proved that waste reduction and the diversion of waste from landfills results in increased operational efficiency and lower costs.

We have contracts in place with registered waste collectors across all locations for ensuring safe and effective disposal of waste. In line with regulatory requirements, we also have measures in place for handling hazardous, medical, and toxic waste.

## Key Highlights from 2022

**68%**  
Waste diversion  
from landfill

**↓ 1.3%**  
Reduction in  
Waste Intensity  
(Base year 2021)

## GRI 306 – 3 : Details of Waste generation and significant waste-related impacts

Waste composition	Unit	Y2021			Y2022		
		Waste Generated	Waste diverted from disposal	Waste directed to disposal	Waste Generated	Waste diverted from disposal	Waste directed to disposal
Hazardous waste	MT	2,152			2,154		
Non-Hazardous waste	MT	3,564			3,728		
<b>Total Waste</b>	<b>MT</b>	<b>5,716</b>	<b>2,986</b>	<b>2,730</b>	<b>5,882</b>	<b>3,163,028</b>	<b>2,718,467</b>

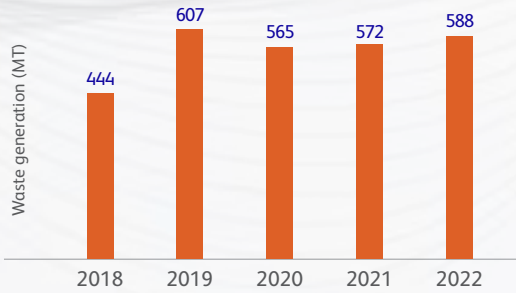
## GRI 306 – 4: Waste diverted from disposal by recovery operation, in metric tonnes (MT)

Waste diverted from disposal	Unit	Y2021			Y2022		
		Onsite	Offsite	Total	Onsite	Offsite	Total
Waste							
Preparation for reuse	MT		377			505	
Recycling	MT	2,608			2,658		
<b>Total Waste</b>	<b>MT</b>	<b>2,608</b>	<b>377</b>	<b>2,986</b>	<b>2,658</b>	<b>505</b>	<b>3,163</b>

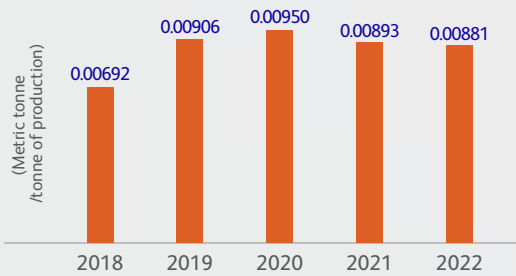
## GRI 306-5: Waste directed to disposal-by-disposal operation, in metric tonnes (MT)

Waste directed to disposal	Unit	Y2021			Y2022		
			Total		Total		Total
Waste							
Incineration (with energy recovery)	MT		708			679	
Incineration (without energy recovery)	MT		202			168	
Landfilling	MT		1,820			1,872	
<b>Total Waste</b>	<b>MT</b>	<b>0</b>	<b>2,730</b>	<b>0.00</b>	<b>0.00</b>	<b>2,719</b>	<b>0</b>

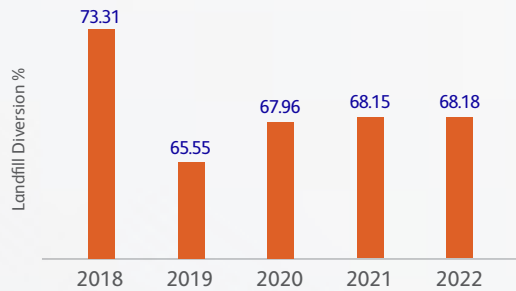
## Absolute Waste Generation Trend



## Waste Intensity Trend



## Landfill Diversion %



We also reduce packaging and chemical waste from returned items at our distribution centers by undertaking the following measures:



### Repackage

Product packaging damaged while handling and transportation or during the customer return process is placed in fresh containers and returned to inventory.



### Repour

Product packaging which is damaged and cannot be shipped or repackaged is sold in the secondary market to qualified vendors at a discounted price in wholesale size containers.



### Reuse

Product packaging which is damaged and cannot be sold in the secondary market, that is repaired in-house / reached its expiration date is assessed for its potential to be returned as raw material to the manufacturing operations. We are also working on exploring whether some of the expired products can be reused through collaboration with trusted third parties.

# Product Stewardship

*At Diversey, more sustainable product innovation is an integral part of our corporate values. Our foremost priority is the well-being of both humans and the environment, which guides the design and development of all our products. We take great pride in product stewardship and ensure our products adhere to stringent regulatory requirements and ensure safety for users and the environment.*

*Diversey is fully committed to minimizing risks to human health and the environment associated with the use of our products. We ensure that all our products comply with relevant regulations in the regions where they are manufactured, sold, or distributed. To guarantee safety, we provide comprehensive safety information, including appropriate directions for use, hazard classifications, warnings, first aid instructions, and emergency contact details with all our products.*

*Our commitment to sustainability is reflected in our rigorous policies and standards concerning the selection of raw materials and production processes. We consistently seek opportunities to minimize our environmental impact and strive to find innovative ways to reduce our footprint on the planet. By prioritizing sustainability throughout our product lifecycle, we aim to contribute positively to a healthier and more eco-conscious world.*

Our R&D and production facilities are ISO 9001, 14001 22716, 13485 and ISO 45001 certified.

Diversey was the first company in the European professional cleaning & hygiene market that was certified against the independently audited Charter for Sustainable Cleaning of A.I.S.E. (International Association for Soap, Detergents and Maintenance Products). We joined the renewed A.I.S.E. charter 2020+.



## Product certifications and Approvals

- ECOCERT
- GreenSeal
- EcoLogo
- Cradle to Cradle certified
- Nordic Ecolabel
- Ecolabel
- Woosafe
- CE Marking
- Australia Environmental Choice

## Programmes

- CleanRight EU
- US Green Building Council
- Green key
- EarthCheck
- Green Globe

At Diversey, our products surpass industry standards by meeting rigorous sustainability specifications and obtaining certifications from esteemed organizations like Green Seal, EcoLogo, and Safer Choice. With over 500 certified products, customers can trust that our offerings are not only effective but also safe and environmentally responsible.

Embracing the principles of Green chemistry, we work to minimize chemical waste and reduce safety risks for our employees, customers, and communities. Our goal is to deliver safer and more sustainable solutions that effectively meet our customers' needs.

In Europe, we have been offering an extensive range of EU Eco-certified, Nordic Swan, and Ecocert products for many years. Moreover, our commitment to sustainability extends globally, as we offer various eco-certified products worldwide. These products align with industry standards and service certification programs such as LEED and Green Key, among others.

By prioritizing sustainability and obtaining reputable certifications, we aim to contribute to a greener and healthier planet for everyone. Customers can have confidence in our products, knowing that their usage supports responsible and eco-conscious practices.

## Product Sustainability Beyond the Label

At Diversey, while we acknowledge the value of ecolabels in simplifying sustainability messaging, we recognize that they cannot be the sole focus when developing more sustainable products. Our commitment to sustainability goes beyond certifications, and we aim to assist customers in achieving broader sustainability goals.

We understand that such product development involves considering multiple factors, including product efficacy, packaging, logistics, and waste disposal, alongside greener and safer chemistry. As part of our product development process, all innovations undergo evaluation against sustainability criteria before launch in a holistic assessment approach. They must offer quantifiable sustainability benefits, such as water and energy savings, waste prevention, or lower hazard classification..

To ensure responsible chemical management, Diversey maintains a comprehensive Responsible Chemistry List (RCL). This list establishes restrictions on chemicals with environmental, health, safety, or regulatory concerns and applies to all raw materials, ingredients, and components used in our products. Adhering to the RCL allows us to proactively manage risks associated with chemicals and reinforces our commitment to sustainability.

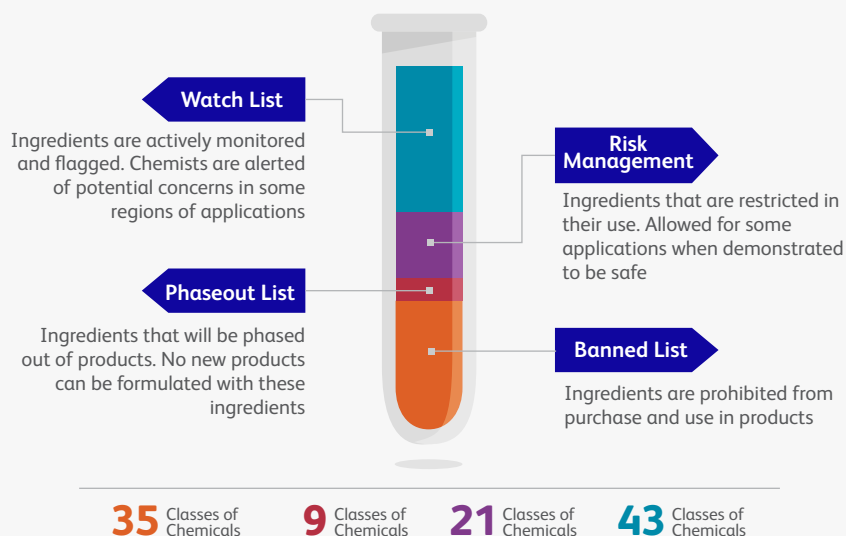
At Diversey, sustainability is an integral part of our product development process, and we strive to provide effective, safe, and environmentally responsible solutions that align with our customers' broader sustainability objectives.

Effective governance plays a crucial role in integrating sustainability into our innovation process. To achieve this, we have implemented a structured approach through our sustainability scorecard. This scorecard encompasses three key technology platforms: chemicals, packaging, and equipment. Each platform is evaluated based on specific criteria that allow us to identify opportunities for enhancing sustainability across the entire product life cycle.



At Diversey, we place significant emphasis on sustainability throughout the entire product development process, carefully considering five life cycle categories: raw materials, manufacturing, distribution and storage, product use, and end of life. This thorough evaluation allows us to identify areas where sustainability performance can be improved. Our criteria for evaluating sustainability attributes include strict adherence to our Responsible Chemistry Policy, incorporation of renewable materials, implementation of efficient manufacturing processes, reduction of water consumption at customer sites, and enhancement of product recyclability, among other factors.

The sustainability scorecard we utilize serves as a robust technical framework for assessing product sustainability. However, its true strength lies in fostering early-stage collaboration





among our Research and Development (R&D), Marketing, Product Regulatory and Sustainability teams. By encouraging multi-disciplinary brainstorming and knowledge-sharing during the initial phases of the innovation process, we ensure that sustainability considerations are seamlessly integrated from the outset. This proactive approach prevents sustainability from being an afterthought and ensures it remains an integral element of our product development journey.

At Diversey, more sustainable product innovation is far more than a mere checkbox exercise; it is a fundamental aspect of our unwavering commitment to providing solutions that effectively address the evolving needs of our customers while minimizing environmental impact. Through the rigorous implementation of our sustainability scorecard and the promotion of cross-functional collaboration, we continuously strive to develop innovative products that exemplify the highest standards of safety, performance, and sustainability.

With decades of global experience, we prioritize innovation in all our offerings. Our dilution control products are a prime example of this approach, addressing challenges across various industries. We provide reliable, high-quality dilution control systems that create value, reduce risks, and boost productivity. Our latest offerings further exemplify our commitment to excellence in this area. At Diversey, innovation remains at the core of our mission, enabling us to meet and exceed the needs of our customers worldwide.

## INNOVATIONS FOR A BRIGHTER FUTURE

### Divermite™/Diverflow™

Simple product dosing for consistent cleaning results  
 Closed packaging design reduces errors and avoids product contact  
 Products come in completely emptying and recyclable pouches

### SmartDose™

Innovative, portable and convenient dosing system for small operations  
 Closed system for maximum level of safety and cost control  
 Smart pump adjusts dosages for sink, spray or bucket cleaning

### IntelliCare™

Unique hand soap and rub dispensers allowing integrated touchless and manual dispensing (patented technology)  
 Product level monitoring, dispenses upto 350 doses without waste  
 Easy to change cartridge and intuitive design make it simple to maintain and use

## Case story

### Plant Based Cleaning Products - SURE®

#### Welcome a more sustainable future!

In 2015 we introduced SURE®, a complete range of eco-certified, vegetable-based cleaning solutions for kitchens, facilities and personal care. SURE® cleaning products are 100% biodegradable and contain plant-based ingredients that are typically derived from by-products of the agro-food industry. All SURE® products are Cradle-to-Cradle™ GOLD Certified. Our hope is that everyone can make a conscious and informed decision when moving to SURE plant-based cleaning products. We truly believe that all of SURE® features make it a great choice, not only for the environment, but also for your brand, your operations, and your employees. Some key features of the product are:

- SURE® raw materials are byproducts of the food industry. We re-use resources that would otherwise be wasted.
- SURE® Raw materials are carefully selected from only vegetal and mineral raw materials.
- SURE® products break down into organic materials.
- SURE® packaging is made of up to 100% post-consumer recycled plastic.
- SURE® products save up to 98% on packaging compared to ready-to-use products.



*“SURE® plant-based products getting derived from food industry waste”*



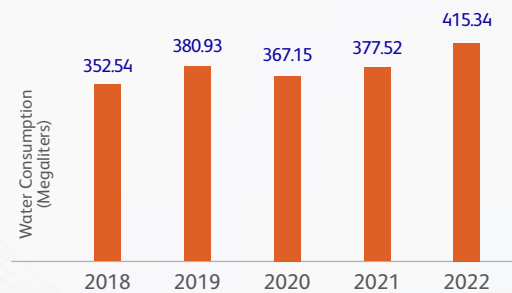
# Water Management

*With water supply dwindling worldwide, we realize that water stewardship is critical. In line with this, we have adopted a goal to improve water efficiency in our supply chains.*

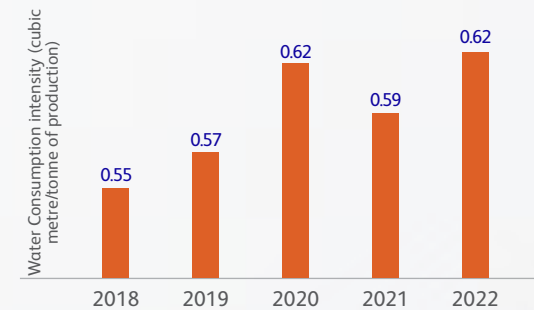
We have contracts in place with registered waste collectors across all locations for ensuring safe and effective disposal of waste. In line with regulatory requirements, we also have measures in place for handling hazardous, medical, and toxic waste.

		Units	2018	2019	2020	2021	2022
Absolute water figures	Total Water Used	Megaliters	674	725	682	700	765
	Water Used in Product	Megaliters	321	344	314	322	349
	Net Water Consumption	Megaliters	353	381	368	378	416

**Net Water Consumption Trend**



**Water Consumption Intensity Trend**





# CARE CARING FOR PEOPLE

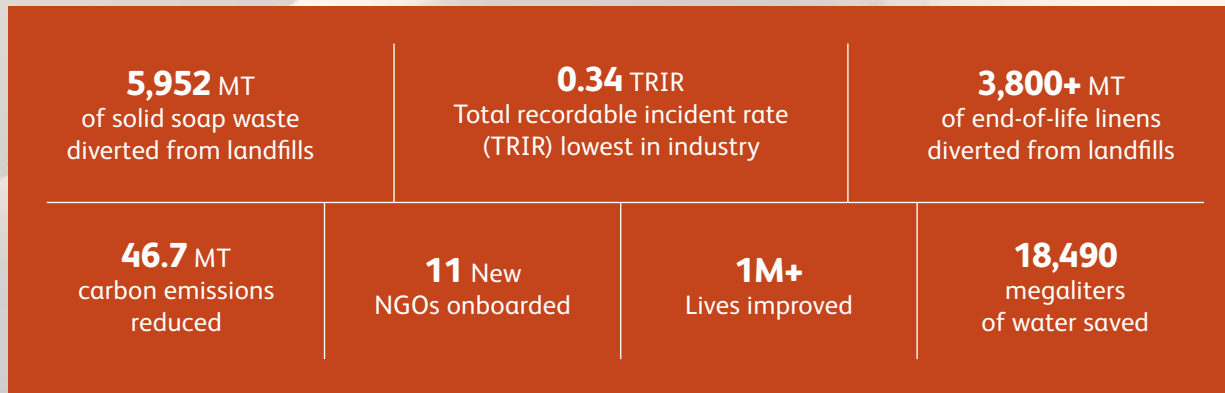
Management Approach | Diversity, Equity & Inclusion | Occupational Health & Safety | Human Rights & Labour Practices  
Human Capital Management | Community Relations & Health (Creating Shared Value) • Case Study: Coffee Briques -  
Eco-friendly and Affordable Cooking Fuel

# CARE

## - CARING FOR PEOPLE

**Management Approach** - At Diversey, we consider people as our most valuable asset, and we place significant emphasis on investing in their success. Our safety programs ensure that our products are designed and manufactured under the strictest safety standards, prioritizing the well-being of both our employees. We are dedicated to fostering an inclusive and diverse workforce, valuing the collective skills and experiences of our talent pool. Through these efforts, we enable our employees to advance in their careers, ensuring they have opportunities for growth and development. Furthermore, our Creating Shared Value (CSV) programs demonstrate our commitment to making a positive impact in the communities where we operate. By engaging with and supporting these communities, we strive to create meaningful and sustainable change for the better.

### 2022 Key Highlights



### Awards and Recognitions

The Soap For Hope program collected the **Profit with Purpose Award** at the World Sustainability Awards 2022 held in Munich, Germany.

Diversey's PlasticShreds was a finalist in Chemical Week's **Best Circularity Initiative** 2022

Diversey Indonesia won **Platinum for Best Overall CSR Excellence** in Indonesia at the 14<sup>th</sup> Global ESG and CSR Summit held in Hanoi, Vietnam

Diversey Thailand won **Gold for AmCham CSR Excellence (ACE)** 2022 in Bangkok, Thailand

# Goals 2030

Our 6 Goals encapsulate our people-first policy. The reasoning for each goal is mentioned in bullet points within the goals as well.

## Goal 1

### Zero workplace injuries

- Unwavering commitment to achieving zero workplace injuries
- Consistently the industry average for recordable incidents over the past four years
- Best Total Recordable Incident Rate (TRIR) result in 2022: 0.34 (marginally lower than the target of 0.33)

## Goal 2

### Increase Gender\* and ethnic\*\* diversity to 40% and 25% by 2030

- Commitment to fostering an inclusive and diverse workplace
- Embracing individuals from varied backgrounds and perspectives
- Identified five key DEI focus areas
- Implementation of unconscious bias training
- Mandating interview slates with at least two diverse candidates in the US and Europe
- Belief that diversity and inclusion drive innovation and success

## Goal 3

### Improve top quartile employee engagement by 2024

- Dynamic and high-achieving culture is a priority for long-term success
- Achieve top quartile employee engagement score by 2024
- Employee engagement programs: 'Fly Hummingbird' in North America and 'Culture Stream' in Emerging Markets region

## Goal 4

### Improve the lives of 1M people in the communities we operate our CSV programs in

- Promote circular economy through Creating Shared Value (CSV) programs
- Programs: 'Soap For Hope', 'Linens For Life', 'CoffeeBriques', 'PlasticShreds'
- Collaborate with customers for collective impact

## Goal 5

### Provide 100 B positive hygiene applications and safe product uses

- Actively promoting positive hygiene applications and safe product adoption
- Strategy 1: Infection prevention in hospital rooms through the use of effective cleaning, disinfectants, and personal care solutions.
- Strategy 2: Safe product applications with closed-loop dispensing and floor care technology.

## Goal 6

### Provide 5 B safe meals with kitchen hygiene solutions

- Objective: Utilize technologies to make a positive impact on the community
- Focus: Eradicate hunger and ensure access to nutritious food
- Harnessing technology for social good and community well-being

\*Globally | \*\*U.S. operations only



Taking care of what's precious™



# Occupational Health and Safety

*Diversey is committed to minimizing risks to human health. We maintain a strong focus on continuous improvement in our commitment to providing a safe working environment. We are dedicated to maintaining accurate and complete Safety Data Sheets and labels that are easily accessible to distributors, customers, and end-users.*

Our ultimate goal is achieving zero workplace injuries, and we concentrate on four core areas to drive progress towards this objective.

### Safe Working Areas

We prioritize the implementation of measures that guarantee safe and secure working surfaces, minimizing potential risks and hazards

### Safe Driving

Recognizing the importance of road safety, we emphasize the promotion of safe driving practices within our organization.

### Ergonomics

We place significant emphasis on ergonomics, ensuring that our workplaces and processes are designed to support the well-being and physical health of our employees

### Personal Protective Equipment

We advocate for the proper use and provision of personal protective equipment (PPE), emphasizing its critical role in maintaining a safe working environment.

Diversey's Research and Development (R&D) department has systematically integrated Diversey's Safety Commitments into all R&D labs worldwide. This proactive approach has resulted in the creation of safer, more organized, and efficient environments.

The following Safety Commitments govern our work every day:

**I Plan My Work So That I Can Do My Job Safely**

**I Work With Others To Improve Safety**

**I Look Out For My Co-Workers**

**I Focus On Prevention**

**I Believe In Safety First, All The Time And Every Day**

With a focus on promoting a positive safety culture, Diversey has established the Global Safety Council, uniting representatives from various regions to collaborate and share best practices. This collaborative platform empowers us to continuously strengthen our safety standards and foster a culture of safety. Diversey is committed to ensuring a safe working environment for all its workforce. It is our constant effort to ensure that we uphold uniform safety standards and enforce our safety policy across our permanent and temporary workforce and contractors. For workforce management we adhere to laws of land as applicable and ensure that we treat our employees permanent and temporary workers equally on safety and health. By design of policy and systems, all our workforce including the temporary workers, receive a minimum of 12 hours of safety training per year. As a part of our 'CARE' mission, in case of an OSHA incident with a temporary worker, we provide best possible support as per the contractual obligations.

We diligently collect and report safety data, and we utilize valuable insights to take proactive measures for improvement. We embrace a spirit of continuous learning, using incidents such as near misses to drive positive change and prevent potential risks in the future.

For ongoing safety, we diligently collect and report safety data, taking necessary actions for continuous improvement. We monitor and track various safety incidents, including fatalities, Lost-Time Incidents (LTI), First Aid Incidents (FAI), and near misses.

**Fatalities**  
Investigate and learn from incidents resulting in loss of life to prevent future occurrences.

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**Lost-Time Incidents (LTI)**  
Monitor incidents causing employees to miss work due to job-related injuries.

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**First Aid Incidents (FAI)**  
Document and analyze incidents requiring initial medical attention.

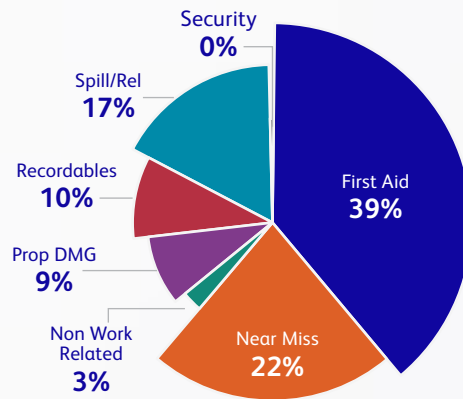
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**Near Misses**  
Pay special attention to incidents narrowly avoided, using them as learning opportunities to proactively mitigate risks.

Our commitment to safety extends beyond mere compliance; it is about nurturing a culture where everyone's well-being is paramount. Together, we strive for

a workplace that embraces safety as a shared responsibility, ensuring our employees thrive in a secure and supportive environment. With our Global Safety Council at the forefront, we look forward to achieving our goals and setting new standards in workplace safety.

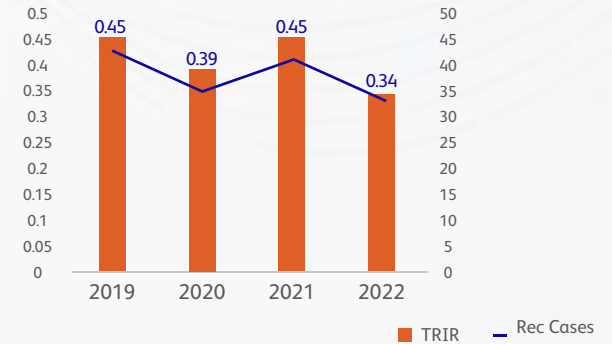
### Global EHS Incidents (2022)



The above figure shows statistics for employee health and safety incidents, across Diversey locations, for the year 2022. For the past 3 years, Diversey has set aggressive Total Recordable Incident Rate (TRIR) targets compared to the Industry Average and has succeeded in staying within a close range to those targets. 2022 ended with the best TRIR result that Diversey has had in recent years and just missed the target of 0.33. Improved safety performance of the sales/service side of the business has

contributed significantly to this decrease through focus on training programs.

### Global TRIR & Recordable Cases



The 2023 focus needs to remain on PPE use as chemical contact is an obvious risk, due to the nature of our business, and there continues to be a high incident rate related to contact with chemicals. TRIR target will remain at 0.33 for 2023.

We have made rapid progress in implementing and adhering to advanced safety standards in order to ensure minimal discomfort to workers and safe working conditions

ACTION	UPDATE
<b>Alert Driving</b>	Completion of courses continues to improve. Efforts, globally, are working to improve overdue lesson rates.
<b>Global Focus topics: Eye/Face PPE</b>	Focus on Eye/Face PPE – Chemical contact is highest risk for Diversey employees, both in Supply Chain and Sales/Service and we are increasing awareness of this risk.
<b>Crisis Management</b>	Plan revisions; provide exercises for regional team to train - in progress
<b>EHS Roadmap</b>	Development of EHS Roadmap – in progress

Diversey has 10 Manufacturing facilities that are ISO 45001 certified for Health and Safety. We use similar approaches across the world. Furthermore, we also have a Safety Management System which covers all employees to identify, analyse and quantify health and safety risks, both at site and in the surrounding environment. This system also helps us recognise the gaps in the existing controls and enable us to implement corrective actions. We regularly conduct assessments based on workplace, work area, jobs and tasks, exposure, activity, and hazard mitigation. Through a Task Hazard Analysis (THA) employees can identify and report any work-related hazards or incidents to their Line Managers. Therefore, through prompt reporting alongside rigorous data collection and analysis, we continuously work to enhance our safety practices and create a workplace environment where everyone feels protected and secure.

**Table 403-9. Details of Work-related Injuries (Employees)**

Parameters	Unit	Y2021	Y2022
The number of fatalities as a result of work-related injury	Nos.	0	0
The rate of fatalities as a result of work-related injury	%	0%	0%
The number of high-consequence work-related injuries (excluding fatalities)	Nos.	0	0
The rate of high-consequence work-related injuries (excluding fatalities)	%	0%	0%
The number of recordable work-related injuries	Nos.	41	41
The rate of recordable work-related injuries		0.45	0.45
Main types of work-related injury	-	Strains/ Sprains	Strains/ Sprains
Number of hours worked in the reporting year	Nos.	17,737,182	17,737,18

**Table 403-9. Details of Work-related Injuries**

S. No.	Parameters	Unit	Y2021		Y2022	
			Type of occurrence	No. of incidents	Type of occurrence	No. of incidents
1	The number of recordable work-related injuries by type of incident		Strain/Sprain	9	Strain/Sprain	11
2			Laceration	7	Laceration	6
3			Fracture	5	Fracture	3
4			Irritation	7	Irritation	3
5			Burn	8	Burn	7
6			Contusion	3	Contusion	2
7			Concussion	1	Concussion	1
8			Bite	1		
	The total number of high-potential work-related incidents identified	Nos	0	0	0	
	The total number of close calls identified	Nos	Tracked by plant/region		Tracked by plant/region	



# Diversity, Equity and Inclusion

Our DEI vision: Protect and care for our people by creating a diverse, equitable and inclusive work environment where everyone feels free to be themselves.

At Diversey, we have established a Global Diversity, Equity, and Inclusion (DEI) Council to ensure the effective implementation of DEI principles at a global level. This council is composed of employees representing various business units and geographic regions. Its leadership is provided by our Chief Human Resources Officer, who guides and directs the council's efforts.

The primary responsibility of the Global DEI Council is to oversee and promote diversity, equity, and inclusion throughout our organization. It regularly monitors and assesses the progress made in advancing DEI initiatives across the company. By continuously evaluating our performance in this regard, we can identify areas for improvement and celebrate the successes achieved in fostering a more inclusive and diverse workplace.

*The Global DEI Council takes its role seriously and makes regular reports on its findings and initiatives to the People Resources Committee of our Board. This reporting ensures that DEI is a top-level consideration and a strategic priority in our organization's decision-making processes.*

*To further reinforce the commitment to DEI, we provide support to regional DEI councils. These councils focus on activating DEI initiatives in ways that resonate with and represent our diverse workforce, which consists of approximately 9000 employees spread across 55 countries. By empowering these regional councils, we can effectively address the unique challenges and opportunities related to diversity, equity, and inclusion in various locations around the world.*

*In summary, our Global DEI Council and the corresponding regional DEI councils play a vital role in advancing diversity, equity, and inclusion at Diversey. Through the collaborative efforts of our dedicated employees, we aim to create an even more inclusive and diverse workplace where all individuals feel valued and empowered to succeed.*

In 2020, we established ambitious goals to enhance diverse representation within our workforce. Our objectives included achieving a global leadership population with 40% gender diversity and 25% ethnic diversity in the U.S. by 2030. As of 2021, we have made notable progress, elevating our global gender diversity from 17.5% to 20.5%, and our U.S. ethnic diversity from 15% to 15.3%.

Diversey has formulated a Diversity, Equity and Inclusion (DEI) framework which includes the following:

**WeCARE** How we can accommodate life & deal with the challenges it brings

**iBelong** How we support everyone to be their self at work.

**iGrow** How people can unlock opportunities to grow themselves & their careers

**iEarn** How we reward contribution fairly, flexibly and transparently



Taking care of what's precious™

Our goal is to increase the diversity of our workforce and primarily begin with increasing gender and ethnic diversity. Given below are highlights of our DEI efforts:



To further drive our diversity, equity, and inclusion (DEI) initiatives, we identified five key priority areas in 2021. The five DEI priorities that guide our efforts are:

- 1 Educating our leaders about the value and significance of DEI for our business.
- 2 Promoting Employee Resource Groups that provide safe spaces for employees to connect, address challenges, and find solutions.

- 3 Raising awareness about the importance of DEI through training programs, including those addressing unconscious bias and enhancing internal communications.
- 4 Updating our existing HR policies to ensure inclusivity and introducing new policies that embody inclusiveness.
- 5 Benchmarking and showcasing Diversey's external activities, including campaigns and partnerships, to align with our DEI objectives.



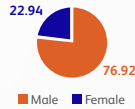
In order to become a leader in attracting talent and ensure highest levels of employee satisfaction, we have created a Global DE&I Roadmap:

2021 Initiating Compliance	2022 Advancing	2024 Leading	2026 Transforming
<ul style="list-style-type: none"> <li>• HR led diversity programs</li> <li>• Focus on targeted recruitment</li> <li>• Diversity For Diversity Sake</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of DE&amp;I strategy</li> <li>• Involvement of all employees, including management</li> <li>• Conducting training workshops, ERGs and Councils to spread awareness on DE&amp;I</li> <li>• Building networks and partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Company-led DE&amp;I initiatives</li> <li>• Commitment to meet DE&amp;I goals set by company</li> <li>• Integrating Accountability</li> <li>• Differences and embraced and valued</li> <li>• Senior management understands and articulates the value of DE&amp;I</li> </ul>	<ul style="list-style-type: none"> <li>• DE&amp;I goals support business strategy</li> <li>• Inclusive culture supports diverse workforce</li> <li>• Company is recognised internally and externally as diverse and inclusive</li> <li>• Company-led community engagement on DE&amp;I issues</li> </ul>

These priorities have guided the implementation of new initiatives at both global and local levels. We remain committed to maintaining successful practices that have yielded positive outcomes, such as unconscious bias training and the requirement of at least two diverse candidates in interview slates, specifically in the U.S. and Europe. Through these concerted efforts, we are actively fostering a diverse, equitable, and inclusive environment throughout our organization.

# Promoting DEI Across Diversey

## North America



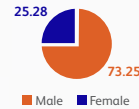
### Actions taken

- Monthly DEI Newsletter established.
- 11 Fireside chats with Politicians, Civil Rights Leaders, Professors, Ambassadors and Artists.
- Employee diversity highlighted through 15 Origins podcasts.
- 8 ERGs established for AAPI, BPN, UNIDOS, LGBTQ+ Alliance, PHEW, Caregivers, ABLE and Veterans

### Impact

- Newsletter distributed to 1400+ employees monthly
- Total attendance was ~450
- Distributed to 1400 employees monthly
- Average 20 members in one ERG with monthly and bi-monthly meeting

## Latin America



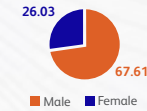
### Actions taken

- DE&I LATAM Week was held from October 18<sup>th</sup> to 21<sup>st</sup> 2022.
- Regional and Cluster/Local DE&I Committee development with monthly meetings

### Impact

- More than 330 participants attended across the region.
- More than 40 DE&I members, including Cluster leaders.

## Europe, Middle East and Africa (EMEA)



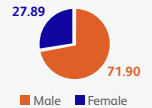
### Actions taken

- Establishment of Mentorship Program (LEAD and Diversey)
- Quarterly DE&I Coffee breaks with themes that revolved around International Women's Day and Mental Health for all employees as well as Leader specific programs like the Leader's Webinar
- DE&I Regional Committees (17 comms)
- Unconscious Bias training for managers
- Monthly DE&I Council review meetings regarding progress made and best practices

### Impact

- 9 Mentors and 9 Mentees (Internal Program)
- Mentors and 3 Mentees (LEAD Network)
- 216+ participants attended on an average
- Distributed to average of 4000 employees (EU and EM)
- 84 participants (EU + EM) completed the training
- 36 participants (EU + EM) in progress
- 11 meetings, all local councils are represented

## China (North Asia)



### Actions taken

- DE&I unconscious bias training
- Embrace Equity program on International Women's Day with sports programs
- 4 communication articles on mental health and mental health courses promotion

### Impact

- 16 employees participated on site
- 400 employees attended Embrace Equity promotions, 20 participated in the sports games
- Distributed to around 400 employees

**Table 2-7- Details of Employees based on Gender (2022)**

S. No.	Employee Category	Male	Female	Other	Not Disclosed	Total
1	No. of employees	6,339	2,461	3	216	<b>9,019</b>
2	No. of permanent employees	6,287	2,413	2	199	<b>8,901</b>
3	No. of temporary employees	52	48	1	17	<b>118</b>
4	No. of non-guaranteed hours employees	ND	ND	ND	ND	<b>0</b>
5	No. of full-time employees	6,242	2,254	2	196	<b>8,694</b>
6	No. of part-time employees	45	159	0	3	<b>207</b>

**Table 2-7- Details of Employees based on Region (2022)**

S. No.	Employee Category	USA	Outside USA	Total
1	Number of employees	1,161	7,858	<b>9,019</b>
2	Number of permanent employees	1,161	7,700	<b>8,861</b>
3	Number of temporary employees	4	154	<b>158</b>
4	Number of non-guaranteed hours employees	ND	ND	<b>0</b>
5	Number of full-time employees	1,160	7,521	<b>8,681</b>
6	Number of part-time employees	1	179	<b>180</b>

# Human Rights and Labor Practices

*Everyone at Diversey has the responsibility to ensure that fellow workers are safeguarded, treated fairly and with dignity. We are committed to achieving the highest standards of professionalism and ethical conduct and have undertaken certain actions to ensure that exploitation both within our organization and in our supply chains is prevented.*



- Maintain clear policies and procedures which help to prevent exploitation and human trafficking, both in our organization and in our supply chains
- Have a clear and transparent recruitment policy
- Conduct checks within our supply chains and vet new suppliers
- Make appropriate checks on all employees, and recruitment agencies, to ensure we know who is working for us and with us
- Ensure an open and transparent grievance process for all staff and operate a straightforward reporting procedure to deal with any concerns raised
- Raise awareness so that our colleagues know what we are doing to promote their welfare and the welfare of individuals working in our industry
- Make a clear annual statement setting out the steps we have taken to ensure slavery and human trafficking is not taking place in our supply chains and to demonstrate that we take our responsibility to our employees and our customers seriously

## Human Rights

We adhere to the principles of the Universal Declaration of Human Rights (UDHR), the International Labor Organisation (ILO), and the United Nation's Global Compact (UNGC), and expect our suppliers and business partners to adhere to these principles. We seek to ensure that materials used in our products come from socially responsible sources. We do not tolerate, contribute to, or facilitate any activity that fuels conflict or violates human rights.

## Anti-harassment, bullying and discrimination

We are a global organization that values diversity and inclusion as an integral part of our workforce. We are an equal-opportunity employer and comply with all

anti-discrimination laws. We embrace diversity in our employees, including different cultures, sexual orientations, gender identities, ages, backgrounds, and experiences. This diversity enhances our creativity, innovation, and growth by offering multiple perspectives. We believe that diversity of ideas enriches our decision-making process and our ability to provide continuous value to the marketplace. To ensure a fair and inclusive environment, we prioritize early identification and effective resolution of any instances of discrimination, harassment, or bullying based on protected statuses. If you experience or witness such behavior, please report it immediately to Human Resources or as specified in our local policies.

## Commitment against the use of child labour, forced labour, modern slavery, & human trafficking

We are firmly committed to opposing and eliminating the use of child labor, forced labor, modern slave labor, and human trafficking in all aspects of our business operations, including our supply chain. We strictly adhere to applicable local minimum-age requirements and only employ workers who are legally eligible and willing to work. We extend this commitment to our business partners, demanding that they also uphold the fundamental human rights of workers globally. To this end, we have initiated a Supplier Code of Conduct whose principles and guidelines apply to all suppliers of Diversey.

## Workplace environment and equal opportunity

Diversey is committed to providing a workplace environment that is safe, respectful to and inclusive of all individuals, free from harassment, bullying and offensive and disrespectful conduct. We strive to provide a safe and healthy workplace and comply with all applicable safety and health laws and legislations. As part of our commitment to combating modern slavery, we have implemented the following policies:

- **The Global Anti-Slavery and Human Trafficking Policy:** elaborates our stance on modern slavery and mentions how employees can identify any instances of these practices and where they can report potential non-compliance.

- **The Employee Code of Conduct** provides the foundational standards of conduct for all aspects of our business and is applicable to all our employees and operations across the globe. It contains provisions related to ethical standards, compliance with laws, safe working conditions, and whistleblowing and encourages employees to raise concerns about issues they are observing or experiencing in the workplace or within our business functions without fear of reprisal.
- **The Supplier Code of Conduct** explains our commitment to ethical workplace practices and sets forth the ethical and legal standards we expect suppliers will adhere to. Suppliers are required to demonstrate that they provide safe working conditions, treat workers with dignity and respect, and act in accordance with all laws and international and organizational standards governing slavery or forced labor. Violation of this code may lead to the termination of the business relationship.



# Human Capital Management

*At Diversey, we employ a holistic and long term strategy and strive to create an environment where our employees care about their work, their customers, suppliers and support each other. We seek to provide all employees with meaningful work, opportunities for growth and ensure fair and equitable treatment. As part of our ongoing commitment to enhancing the global employee experience, we have set a goal to achieve a top-quartile employee engagement score by 2024.*



Across different regions, Diversey tailors its approach to employee engagement, taking into account the unique cultural aspects of each location. For instance, in North America, managers conduct bi-monthly listening sessions, providing a platform to openly discuss challenges and share best practices.

## Diversey: A Great Place to Work

Diversey India recently participated in a study conducted by Great Place to Work® Institute India to assess and benchmark Diversey Culture and People Practices. As an outcome of the same, our company has proven to have a High-Trust, High-Performance Culture™ and we are a Great Place to Work-Certified™. The Great Place to Work® Assessment is considered a ‘Gold Standard’ in Workplace Culture Assessment



In Latin America, we have implemented a program called "Fly Hummingbird," which aims to boost engagement by fostering a culture of working smarter rather than harder. This program comprises various components, including master classes that focus on improving productivity, effective communication, and priority setting. It also involves one-on-one calls between senior leaders and front-line employees, as well as the alignment of guidelines to promote a healthy work-life balance.

In China, Diversey organized informal social group networks such as ‘New Hire Sailing’, ‘Elite Champion’, ‘Manager Roundtable’, ‘Trainer Committee’ and ‘Reading Club’.

In our Emerging Markets region, we have established a dedicated work stream known as the "Culture Stream." This initiative focuses on developing customized programs that integrate diverse elements from a multicultural geography. Through focused group discussions and coffee sessions, we aim to break down barriers and create an inclusive work environment that embraces all employees.

## Diversey awarded Innovation in Human Resource Management, Planning and Practice

Diversey Europe Operations BV has received a Bronze Award at the 2022 Middle East & North Africa Stevie® Awards for its “Effective Leaders Training Program”, run by the Emerging Markets Human Resources team. Facilitated by more than 220 leaders from over 20 countries across the Emerging markets business segment, the Effective Leaders Training Program focused on the growth and development of the participants through theoretical modules, virtual workshops and hands-on training within the 2-year period.

Case story

### Doing Not Trying: Leading through Inclusion

The LEAD Network CEO Roundtable has become a unique forum for senior executives within the retail and FMCG industries to speak openly about the challenges and rewards of promoting more women to leadership positions. In this forum, CEOs talk candidly about their companies' efforts to reach gender parity. This initiative is part of LEAD's continuing commitment to sharing best practices among industry leaders. Sinéad Kwant - President, Europe & Executive Committee Member, Diversey hosted the LEAD Network Conference (2022) Panel 'How Industry Leaders Can Propel The 50/50 Agenda Forward' on 14<sup>th</sup> October in Paris, France.

Diversey is committed to ensuring an inclusive workplace where all employees are treated fairly, and their voices are heard in order to ensure maximum employee satisfaction. We conduct regular global talent reviews and follow four key components to measure performance:

- Goal Alignment
- Continuous Feedback
- Accountability
- Growth

Recently, we have introduced a standardized training module for our new hires across our sites. The module encompasses overview training to an understanding of

policies and systems at Diversey to tackle concepts of Anti-bribery, Cybersecurity Basics, Privacy and Information Security, Conflicts of Interest, Business Ethics/Code Of Conduct, Diversity, Workplace Harassment for Employees, and International Trade Compliance. We require our employees to set goals that align with the company vision as it acts as a way to motivate both employees and management. We hold employee feedback sessions once every 3 months and encourage employees to regularly have one-on-one meetings, team meetings, team huddles, phone calls, emails or chats with their managers. This feedback is crucial as it ensures employees understand their progress vis-à-vis the goals that they have set. By policy and design of career progression systems, all our employees receive regular performance and career development reviews. We also hold a year-end review, which includes a section on self-evaluation that is followed by manager evaluation. We have envisioned certain features for employee engagement which include the following:

- Accelerate talent development through talent review
- Build organizational capabilities within and outside of HR
- Provide leadership, strategy, solutions, and tools for rewards programs as well as HR system

We have implemented the vision through the following actions:

- Online Learning Offering
- Building Great Team Curriculum
- Scale of different mentor programs
- Personal development plan

All our efforts help us enhance our employee satisfaction and create a thriving workplace. This is evident through our annual employee engagement surveys. Our Employee Engagement Surveys which serve three purposes:

**Proven Engagement** questions that link with high team performance

Easy access to **Score Cards** per manager with **Heatmaps** on where to focus

Ability to **Benchmark** with Industry to stretch ambition

The Employee Engagement Surveys began in 2020 and have been carried on every year. We have made significant progress on a few metrics:

- We have **25%** learning of our team in the **top quartile of engagement** vs industry (in 2020 this figure was 6%)
- We have cut the number of teams with low engagement by **more than 40%**



The Employee Engagement Surveys found that when compared with business units in the bottom quartile of engagement, those in the top quartile realize improvements in the following areas:

<b>41% LOWER</b> Absenteeism	<b>20% HIGHER</b> Sales	<b>59% LOWER</b> Turnover	<b>28% LESS</b> Shrinkage
<b>17% HIGHER</b> Productivity	<b>58% FEWER</b> Patient Safety Incidents	<b>10% HIGHER</b> Customer Metrics	<b>21% HIGHER</b> Profitability
<b>70% FEWER</b> Employee Safety Incidents		<b>40% FEWER</b> Quality Incidents (Defects)	

These figures are crucial for realising how we as an organisation can strategize to enhance employee engagement by linking business outcomes with the same as well as ensure high levels of employee satisfaction.

Diversey is committed to promoting skill advancement of its highest governing body and thus has undertaken several internal development programs in the realm of Environmental, Social, and Governance (ESG) by offering comprehensive training across a variety of facets.

**Table 404-3. Employees receiving regular performance and career development reviews**

S. No.	Parameters	Unit	Y2022	
			Employees	Workers
1	Total number of employees -Male	Nos.	6,287	52
2	Total number of employees -Female	Nos.	2,413	48
3	Employees/Workers receiving career and developmental review- Male	Nos.	6,287	52
4	Employees/Workers receiving career and developmental review- Female	Nos.	2,413	48
5	Percentage of Employees/Workers receiving career and developmental review- Male	%	100%	100%
6	Percentage of Employees/Workers receiving career and developmental review- Female	%	100%	100%



# Community relations and health (Creating Shared Value)

We at Diversey are committed to making a positive impact on the lives of people in the communities where we live and operate. Employee volunteerism, disaster relief, and product donations are ways we make a difference. We also team up with customers and NGOs to tackle shared social and environmental challenges, working together to “Create Shared Value” (CSV). Our portfolio of CSV programs which include Soap For Hope™, Linens For Life™, CoffeeBriques and PlasticShreds touch all three parts of sustainability with each program having certain social, environmental, and financial benefits. Through our CSV programs, we aim to create a positive impact and promote a circular economy.

## Our CSV Programs



**The Soap For Hope™** program, launched by Diversey and its partner hotels, collect used guests' soaps, reprocess them and distribute to poor communities



With the **Linens For Life™** program, families earn a small livelihood by converting linens discarded by hotels into new and useful items for resale. At the same time, hotels can recycle their unwanted linens in a way that makes a real difference



**Coffeebriques** repurposes used coffee grounds into coffee-charcoal briques, providing a cheap source of cooking fuel, and a means of livelihood



Plastics are shredded and used as aggregates by mixing it with bitumen or cement to make roads or smooth floor surfaces(badminton courts). PlasticShreds meet many SDG goals.

### Soap For Hope™ (S4H)

Our Journey So Far (October 2013 to December 2022)

Metric	Achievements
Used soaps diverted from landfills	6,613 MT
Number of 120g soap bars made	55.1M
Number of people impacted	1.1M

The ‘Soap For Hope™’ Program was started ten years ago with the aim to reduce waste and transform used soap partner hotels discard into new soap that could be distributed for free to communities in need. There are three major focus areas of the program:

- Saving lives by promoting hygienic practices through the provision of soap to communities in need

- Enhancing livelihoods for local communities through soap recycling and reprocessing
- Waste reduction by helping hotels find alternative uses for discarded soap

#### Process:

Recovering discarded soap bars from Diversey hotel partners

Soap is transported to a local site to be repurposed using an innovative - but simple - cold-press method.

The new soap is then distributed locally, or transported to communities in need

### Benefits of S4H:

- Elimination of waste
- Improved sanitation and hygiene practices
- Employment generation for local communities

### Soap for Hope – Progress Made in 2022

- 32 new launches for Soap for Hope
- 6 new NGOs onboarded
- Multiple Soap For Hope trainings conducted with new partner NGOs across the globe

### Linens For Life™ (L4L)

Our Journey So Far (December 2011 to December 2022)

#### Metric

End-of-life linens diverted from landfills	4,283 MT (estimates)
Number of people impacted	3.2M

The Linens For Life™ Program began over 11 years ago to combat multiple social and environmental problems with the aim of reusing hotel linens that were discarded and meant to be sent to the landfills. There are two major objectives of the L4L program:

- Diversion of waste from landfills
- Income generation by enabling participants to upskill themselves by providing them sewing machines

### Process:

Collecting unwanted linen from Diversey hotel partners

Convert linen into clothes, blankets and other necessities

Distribute products through wide network of NGOs

### Benefits of L4L

- Income generation
- Community development
- Upcycling of discarded waste
- Diversion of waste from landfills

### Linens for Life™ – Progress Made in 2022

- 5 new launches for Linens for Life
- 5 new NGOs onboarded

### CoffeeBriques

The Coffeebriques program was launched in 2019 by Hilton Mandalay in Myanmar. The program converts used coffee grounds into eco-friendly fuel for cooking and heating. The objective of the CoffeeBriques program is to not only provide a cheaper source of fuel, but also to protect the environment by reducing deforestation resulting from using wood as a primary energy source and enable people to earn livelihoods.



### Case story

#### CoffeeBriques

#### - Eco-friendly and Affordable Cooking Fuel

CoffeeBriques is an eco-friendly initiative aimed to tackle multiple challenges, including sustainable waste management, affordable cooking fuel solutions, and environmental protection.

#### The CoffeeBriques Concept:

The CoffeeBriques product by Diversey transforms used coffee grounds into eco-friendly fuel suitable for cooking and heating. Instead of discarding the coffee grounds as waste, they are repurposed to create a valuable resource. The process involves converting the coffee grounds into compact briquettes, which serve as an alternative and cheaper source of fuel for cooking.

### Key Benefits and Impact:

- **Affordable Cooking Fuel:** CoffeeBriques offer an affordable and sustainable alternative to traditional cooking fuels like wood or charcoal. By utilizing a waste material that is readily available, Diversey helps address fuel affordability challenges faced by communities, particularly in regions where traditional fuels may be expensive or scarce.
- **Waste Management:** The initiative contributes to improved waste management practices. By repurposing used coffee grounds, CoffeeBriques significantly reduce the amount of coffee waste ending up in landfills. This supports the circular economy by closing the loop on coffee ground waste.
- **Environmental Protection:** The adoption of CoffeeBriques helps in preserving the environment by minimizing the demand for wood or charcoal as primary energy sources. This, in turn, can help mitigate deforestation and its associated environmental impacts.
- **Job Creation:** The production of CoffeeBriques opens up new employment opportunities for individuals involved in converting the used coffee grounds into the final product. This social aspect of the initiative contributes to economic development and community empowerment.

### Conclusion

Diversey's CoffeeBriques exemplify an innovative and impactful recycling and circularity initiative. By harnessing used coffee grounds to create eco-friendly and affordable cooking fuel, the company addresses sustainability challenges while supporting waste reduction, environmental conservation, and community development. This case study showcases the potential of such creative solutions to make cooking eco-friendly and accessible to communities while positively contributing to the planet and people.

### PlasticShreds

PlasticShreds was launched in 2021 in collaboration with the Bali Hotels Association. The program advocates for the collection of single-use plastic waste and the transformation of the waste into something useful as gravel replacement used in building materials for horizontal structures like basketball and badminton courts. Both programmes not only protect the environment by enabling the diversion of tons of hotel discards from landfills, incinerators and oceans but also support local communities by enhancing their livelihoods and providing support for skill development. Through the provision of products through the CSV programs, communities are taught to adopt sanitation and hygiene practices while practicing sustainable development.



# SUSTAIN

## SUSTAINING STRONG GOVERNANCE

Management Approach | Key Governance Highlights | Corporate Governance & Compliance | Data Security & Privacy | Economic Impact | Innovation Management | Sustainable Sourcing & Management

# SUSTAIN

## - SUSTAINING STRONG GOVERNANCE

**Management Approach** - Diversey's corporate governance approach emphasizes transparency, accountability, and ethical practices. With a separate Chair and CEO, the Board ensures independent oversight, while the CEO handles day-to-day leadership. The company adheres to robust governance policies, including Corporate Governance Guidelines, and maintains well-defined charters for its Board committees. Active shareholder engagement allows Diversey to address priorities and concerns effectively. Risk oversight is a priority, and ethical standards are outlined in the Code of Conduct. Leadership succession and human capital management are carefully managed by the People Resources Committee. Diversey continuously evaluates its governance framework to meet changing regulations and stakeholder expectations.



### 2022 Key Highlights

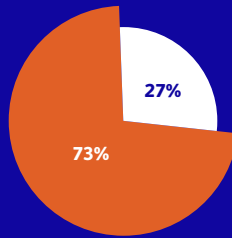
<b>Annual Review</b> of Independence of Board	<b>10</b> Number of Independent Directors	Annual Board <b>Self-Evaluation</b>
<b>Gender, Experience and Skills</b> Diversity of Board	<b>11</b> Members Size of Board	<b>&gt;75%</b> Director Attendance at Board & Committee Meetings

# Key Governance Highlights

Our Board of Directors (Board) is composed of individuals with expertise in fields relevant to our business, experience from different professions and industries, and a diversity of age, race, ethnicity, gender and global experience. Together, this diverse mix of skills and experience supports our strategy. Among our directors, two are women and one other is a racially or ethnically diverse individual (meaning, an individual who is Black/African American, Hispanic or Latinx, Asian, Pacific Islander, American Indian/Alaskan, or who identified as two races or more).

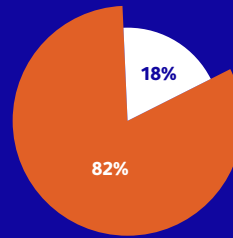
## Overall Diversity

- Non-Diverse
- Diverse



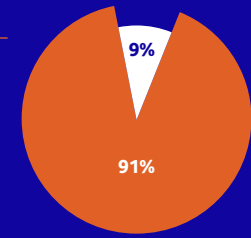
## Gender Diversity

- Male
- Female



## Racial/Ethnic Diversity

- White
- Two or more races or ethnicities



# Corporate Governance and Compliance

Diversey is committed to ensuring strong corporate governance practices that protect the best interests of our shareholders because we believe that both strong corporate governance and an independent board provide the foundation for financial integrity and shareholder confidence. We have implemented several key governance

practices to ensure transparency, accountability, and responsible decision-making. These practices are aimed at fostering strong corporate governance, protecting shareholder interests, and driving long-term value for all stakeholders.

One of the key governance practices at Diversey is the separation of the positions of Chair of the Board and CEO. This structure ensures a clear distinction between governance oversight and executive leadership, promoting effective governance and independent decision-making. The company also follows a majority voting standard for the election of directors. This means that directors are elected by a majority of shareholders'

votes, ensuring that their appointment is based on the support of the majority of shareholders. Diversey actively engages with major shareholders to gather feedback on governance issues. This shareholder engagement allows the company to better understand and address the concerns and expectations of its shareholders, promoting transparency and alignment with shareholder interests.

To prevent overcommitment and ensure directors can effectively fulfil their responsibilities, Diversey has established a director "over boarding" policy. This policy limits the number of other public company boards on which a director may serve, allowing directors to focus on



Taking care of what's precious™



their roles at Diversey. Board diversity is another important aspect of Diversey's governance practices. The company aims to constitute a diverse Board with gender and ethnic representation. The Board is composed of experienced directors with expertise relevant to the business, and all non-employee directors meet Nasdaq independence standards.

Diversey has adopted a Related Party Transactions Policy that establishes a requirement and process for the review, approval, or ratification of all related party transactions. This policy ensures transparency and fair treatment in transactions involving related parties. The company has also implemented comprehensive governance policies, including Corporate Governance Guidelines, a Code of Ethics for Senior Financial Officers, and a Code of Conduct applicable to all directors, officers, and employees. These policies set clear standards for ethical conduct and provide guidance for responsible business practices.

To promote ethical behavior and provide a channel for reporting concerns, Diversey maintains a global ethics hotline available 24/7. This hotline allows individuals to anonymously report concerns or violations, and the company has implemented policies and procedures to ensure appropriate responses to whistleblower concerns. Diversey began the rollout of global anti-bribery and corruption (ABC) training in 2021. The ABC training needs to be completed by all employees bi-annually. Diversey employees are also required to follow all applicable laws and other corporate policies that address areas such as diversity and inclusion, fair business practices, and data security. Diversey's governance practices include robust charters for each of the Audit, People Resources, and Nominating and Corporate Governance Committees. These charters mandate regular board and committee self-assessments, as well as evaluations of the charters themselves, ensuring effective governance processes and continuous improvement.

In line with responsible governance, Diversey has adopted a Clawback Policy. This policy provides for the discretionary recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under federal securities laws. We have adopted additional policies designed to foster compliance, risk mitigation and control. These policies include, but are not limited to, the Company's Insider Trading Policy, Related Party Transactions Policy and Regulation FD Policy.

Shareholders of Diversey have proxy access rights, allowing them to nominate director candidates and have their proposals included in the company's proxy materials. This enhances shareholder participation and strengthens the accountability of the Board. Furthermore, a majority of director compensation at Diversey is paid in equity, promoting alignment of director interests with those of shareholders. This compensation structure encourages directors to act in the best interests of shareholders and supports a culture of long-term value creation.

Diversey conducts regular self-evaluations of the Board, committees, and individual directors. These evaluations contribute to the continuous improvement of governance practices and ensure that the Board and its committees operate effectively. Overall, these governance practices demonstrate Diversey's commitment to strong corporate governance, ethical conduct, diversity, and shareholder engagement. By adhering to these practices, Diversey



aims to build trust, protect shareholder interests, and drive sustainable growth for the benefit of all stakeholders.

### Board Leadership Structure

Our corporate structure is designed to uphold strong Board authority and oversight. We aim to meet or exceed the requirements set by Nasdaq and applicable laws and regulations while ensuring alignment among directors, management, and shareholders. This structure encompasses various aspects such as Board composition, committee charters, corporate governance guidelines, and director compensation. We have separate roles for the CEO and Chair of the Board to maintain a clear distinction between management and oversight. The Chair of the Board provides guidance to the CEO and senior management while overseeing Board meetings. We have established processes for evaluating performance, succession planning, and setting the agenda for Board and committee meetings. Our Board and committees continually review opportunities for improvement.

### Risk Oversight

The Board is responsible for exercising sound business judgment and acting in the best interests of the company and shareholders. This includes overseeing policies and procedures for assessing and managing risks. Major risks

facing the company are reviewed by the Board and strategies are developed to address them. Market and economic risks are assessed during the review of short- and long-term plans. Operational risks are promptly reported to the Board or the Audit Committee. Each committee also addresses risks within its respective areas of responsibility. The Chair of the Board plays a vital role in facilitating communication and consideration of significant risks through agenda development, advisory support to committee chairs, and facilitating interactions between independent directors and the CEO. Directors have access to relevant company personnel and external advisors.

### Shareholder Engagement

We believe in year-round engagement with our shareholders, providing opportunities for dialogue and feedback. We are open to meeting with shareholders, either in person or through virtual platforms, to discuss various topics including governance, strategy, performance, and environmental, social, and governance (ESG) initiatives. We value the insights and perspectives of our shareholders and consider their feedback in our decision-making processes. We provide channels for shareholders to communicate with the Board and respond to inquiries. Our corporate governance practices and documents are regularly reviewed to align with evolving trends and regulatory developments.

### Leadership Succession Planning and Human Capital Management

We have robust processes in place for evaluating management performance and planning for leadership succession. The People Resources Committee plays a critical role in overseeing succession planning, providing recommendations, and evaluating potential successors to executive positions. The committee collaborates with the full Board in assessing candidates for CEO and other officer positions. Additionally, the committee is actively involved in human capital management, including compensation and benefits programs, incentive plans, corporate diversity, employee health and well-being, talent reviews, and development initiatives. We prioritize a global and diverse workforce, recognizing that employee engagement and well-being are integral to our success.

## KEY GOVERNANCE PRACTICES

### 1. Independence

- Other than the Chief Executive Officer (CEO), independent board of directors
- Independent Chair of the Board with clearly defined responsibilities
- Independent Audit, Nominating and Corporate Governance Committee (NCGC) and People Resources Committee
- Regular executive sessions of the Board and its committees without management present

### 2. Best Practices

- Active shareholder engagement
- Diverse Board in terms of gender, race & ethnicity, experiences, and specific skills and qualifications
- Majority of director compensation delivered in our equity
- Robust charters for each of the Audit Committee, People Resources Committee and NCGC

### 3. Accountability

- Directors elected by majority voting
- Annual self-evaluations of the Board, its committees and individual directors
- Annual evaluation of CEO (including compensation) by independent directors
- Clawback policy (Clawback Policy) that applies to our short- and long-term incentive plans

## Our Board Committees and Key Responsibilities

### People Resources Committee

The People Resources Committee annually reviews and approves corporate goals, CEO performance evaluations, and CEO compensation. The company fully discloses CEO remuneration in its SEC filings and maintains internal compensation ratio calculations. Additionally, the Committee oversees various aspects including compensation for other executive officers, independence assessments for consultants and advisors, management compensation philosophy and policy, director compensation, DE&I programs, advisory votes on executive compensation, and the preparation of the People Resources Committee report for the annual proxy statement.

### Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee at Diversey is responsible for developing criteria for new Board members' skills and characteristics, recommending director nominees for election or reelection, and proposing candidates for committee chairpersons. The committee also reviews corporate responsibility and sustainability efforts, oversees political and charitable contributions, and suggests changes in Board and committee membership. Additionally, they assess the adequacy of committee charters, evaluate director qualifications and independence, and make recommendations on shareholder proposals while conducting annual performance evaluations of the Board and its committees.

### Audit Committee

The Audit Committee at Diversey holds several key responsibilities, including appointing and assessing the independence of the independent registered public accounting firm, reviewing and discussing risks faced by the company, evaluating the adequacy of internal controls, establishing policies for accounting-related complaints, and monitoring compliance with legal and regulatory requirements. Additionally, the committee oversees the Company's policies and programs related to legal and regulatory compliance and sustainability, reviews related party transactions, and prepares the required Audit Committee report for the annual proxy statement.

## Our Policies and Code of Conducts

### EHS and Sustainability Policy

The Sustainability, Environmental Health and Safety Policy outlines our commitment to employee safety, compliance, operational efficiency through continuous improvement, environmental stewardship, product stewardship, supplier engagement and sustainability across our entire enterprise.

### Global Anti-Slavery and Human Trafficking Policy

This policy sets forth our stance on modern slavery and how employees can identify any instances of these practices and where they can report potential non-compliance.

### Code of Conduct

This provides the foundational standards of conduct for all aspects of our business, and is applicable to all our employees and operations globally. It includes provisions related to, among other things, ethical standards, compliance with laws, safe working conditions, and whistleblowing, which encourages employees to raise concerns about issues they are observing or experiencing in the workplace or within our business functions without fear of reprisal.

### Code of Conduct and Code of Ethics for Senior Financial Officers

Diversey has adopted a comprehensive Code of Conduct for all employees, directors, and officers. In addition, we have implemented a specific Code of Ethics for Senior Financial Officers, which applies to key positions such as the CEO, CFO, Chief Accounting Officer, and Vice Presidents of Tax and Treasury. These codes outline the ethical standards and conduct expected from individuals in these roles. They are readily available on our website and can be obtained in print upon request. Any requests for waivers or amendments to these codes are carefully considered by the Board or its committee, and any approved waivers or amendments are promptly disclosed.

### Supplier Code of Conduct

This code explains our commitment to ethical workplace practices and sets forth the

ethical and legal standards we expect suppliers will adhere to. Suppliers are required to demonstrate that they provide safe working conditions, treat workers with dignity and respect, and act in accordance with all laws and international and organizational standards governing slavery or forced labor (e.g., International Labor Organization). Additionally, supplier violations of this code may lead to the termination of the business relationship.

**Table 2-27: Compliance with laws and regulations**

S. No.	Employee Category	Unit	Y2022
1	Number of significant instances of non-compliance with laws and regulations for which fines were incurred	Nos.	1
2	Number of significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	Nos.	0
3	<b>Total number of significant instances of non-compliance with laws and regulations</b>	<b>Nos.</b>	<b>1</b>

**Table 2-27: Compliance with laws and regulations**

S. No.	Employee Category	Monetary Unit	Y2022	
			Number of fines	Amount
1	Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	\$	1	15,200
2	Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods			
3	<b>Total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period</b>		<b>1</b>	<b>15,200</b>

**Table 2-27: Compliance with laws and regulations**

1	Non-compliance with laws & regulations in the social & economic area & fines (Total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms.)	number/ currency	0	0	0	0
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# Data Security and Privacy

*At Diversey, safeguarding our intellectual property and ensuring data security and privacy are of utmost importance. We recognize the critical role they play in maintaining our competitive edge and protecting our innovations. Failure to protect them could lead to imitation by others, which may impact our profitability and liquidity. To mitigate such risks, we implement robust measures to safeguard our intellectual property, employ data security protocols, and uphold stringent privacy standards. By prioritizing the protection of our intellectual assets, we aim to sustain our market leadership and drive continuous innovation.*

## Protecting Intellectual Property and Trade Secrets

To maintain our competitive advantage, we rely on trade secrets to protect the formulation and manufacturing techniques of our products. While we have not sought patent protection for some of our principal product formulas and manufacturing processes, we utilize trade secrets to defend against patent assertions. However, we cannot prevent others from developing similar products, which poses a challenge.

## Patent Protection & Trademark Protection

We own a significant number of patents and pending patent applications, providing protection for our products, methods, and manufacturing processes. Trademark and trade name protection is also important to our business, although the costs associated with maintaining trademarks and trade names can be substantial.

## Maintaining Integrity of Operational and Security Systems

Maintaining the integrity of our operational and security systems is critical. Our information technology and telecommunications systems are vulnerable to breakdowns, cyber threats, and attacks. Disruptions or failures in our systems could lead to customer loss, legal liability, reputational damage, and additional costs. Although we have security measures in place, the evolving nature of cyber threats poses ongoing risks.



## Safeguarding Sensitive Data and Data Privacy Compliance

We have measures in place to protect sensitive, confidential, and personal data. However, security breaches, human errors, or programming issues could compromise data and result in liabilities, penalties, and reputational damage. Changing data privacy regulations requires us to continually update our systems, policies, and practices, adding complexity and costs. Diversey is committed to upholding GDPR compliance for all its stakeholders, ensuring the highest standards of data protection and privacy are maintained.

## Risks and Challenges in IoT Solutions Development

The development of IoT solutions introduces security, privacy, and execution risks. Collecting and handling large amounts of data in IoT scenarios must satisfy customer and regulatory requirements. Any failures or violations could lead to legal claims or enforcement actions, impacting our costs, reputation, and overall business.

## Commitment to Data Security and Privacy

Overall, ensuring data security and privacy is a priority at Diversey. We are committed to protecting our intellectual property, managing third-party software effectively, mitigating cyber risks, and complying with data privacy regulations. These efforts are essential to safeguarding our business, financial condition, and results of operations.

# Economic Impact

*As a global company we have significant direct and indirect economic impact on our stakeholders. The direct economic impact includes our purchasing of goods from suppliers, dividends paid to shareholders, wages and benefits paid to our employees, as well as financial expenses paid to creditors, income taxes paid to the public sector and community investments.*

The key figures related to our direct economic impact are listed in the table on this page. We also contribute indirectly to the economy in a variety of ways, though our greatest indirect impact comes as a result of the benefits of technology.

ECONOMIC IMPACT			
Stakeholder Group	Impact	2022	2021
Direct Economic Value Generated			
Customers	Net Sales (in Billions)	\$2.8	\$2.6
Economic Value Distributed			
Employees	Wages and Benefits (Accrued salaries, wages and related costs)(in Millions)	\$75	\$89
Public Sector	Income taxes paid, net (in Millions)	\$8	\$8

## Our Tax Payments

The company paid a total of \$41M in income taxes in 2022. This represents a decrease of \$7M from the company's tax payments in 2021. The decrease in tax payments is due to a number of factors, including a lower effective tax rate and a one-time benefit related to the termination of a management agreement. Besides paying direct income tax, we contribute to society in the form of pension contributions, social security contributions, payroll taxes, value added taxes, sales taxes, customs duties, excise taxes, environmental taxes, and other similar duties and fees.

## Our Tax Policy

The foundation of our tax policy is to pay the right amount of tax that is legally due in the correct jurisdiction. As a major taxpayer and collector of indirect taxes and payroll-related taxes, we pay and collect these taxes in accordance with the applicable rules and regulations in every country where we operate, and we follow the rules set by the relevant authorities. We also follow a global transfer pricing policy that is based on the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations issued by the Organization for Economic Cooperation and Development (OECD). The guidelines outline the arm's length principle as an internationally accepted valuation standard for intercompany dealings and we comply with that principle in all our intercompany dealings. We also follow the development of local transfer pricing rules and regulations in all territories and adopt localized transfer pricing policies if necessary. Large multinationals are obliged to disclose country specific information to the tax authorities (so-called country-by-country reporting within the framework of OECD BEPS action 13). We are compliant with these reporting requirements. We may also seek advance pricing agreements. For example, agreements between taxpayers and tax authorities, to the extent feasible in order to gain mutual understanding and acceptance on the tax treatment of intercompany arrangements. The benefit of such agreements is to remove uncertainty regarding tax treatment, especially in complex business arrangements. Diversey conducts business in many countries, and in every one of these countries, our policy is to operate in an open and cooperative relationship with the tax authorities. Our tax planning is aligned with our business models, and taxes are considered in business decision-making but only as one of many elements. Our business and location planning is driven by sound commercial needs. We are subject to income taxes in multiple jurisdictions. Our businesses and investments globally, particularly in emerging markets, are subject to uncertainties, including unfavorable or unpredictable changes in tax laws, taxation treatment and regulatory proceedings, including tax audits. We are compliant with reporting requirements to disclose country-specific information to tax authorities according to country-by-country reporting requirements. We will also actively monitor and comply with other regulations in this area.

# Innovation Management

*Over the course of 99 years, we have continuously refined our suite of solutions, dosing and dispensing equipment, cleaning machines, services, and digital analysis. Our commitment to innovation is supported by a dedicated R&D and engineering team of more than 1,400 specialists worldwide with over 1300 patents.*



In 2022, our R&D costs, primarily related to employee expenses, amounted to \$28M, following \$33M in 2021 and \$32M in 2020. These costs are expensed as incurred and recorded within our Consolidated Statements of Operations as a component of Selling, General and Administrative expenses.

Innovation is at the core of our corporate strategy as we recognize its critical role in driving our success. We strive to develop new and innovative products, applications, services, and processes that meet the evolving needs of our customers. Embracing green cleaning practices, we focus on solutions that protect building occupants' health, lower the total cost of cleaning, and minimize adverse environmental impacts.

We maintain significant R&D capabilities and leverage our global presence to interact closely with customers through hands-on collaboration. Our R&D engineering personnel drive innovation through internal development as well as by identifying and integrating third-party resources and technologies. We maintain a robust pipeline of new product development projects at various stages, ensuring that our portfolio remains cutting-edge.

Recognizing the strategic risk associated with a lack of innovation, we prioritize the continuous development of new and innovative products. Our ability to differentiate ourselves from competitors, meet regulatory requirements, and satisfy customer preferences depends on our ongoing investment in R&D. While the development and introduction cycle of new products can

be lengthy and involve substantial investment, maintaining our competitive advantage remains essential. We must accurately predict demand, resolve technical challenges, achieve manufacturing efficiencies, and meet evolving industry standards to ensure the success of our innovative endeavors.

At Diversey, we recognize that our decisions impact a wide range of stakeholders worldwide. Through collaboration, partnership, and engagement, we drive innovation and deliver positive impacts at scale. By investing in R&D, continuous improvement, and stakeholder collaboration, we remain committed to driving innovation that not only meets the evolving needs of our customers but also creates value for all our stakeholders.

# Sustainable Sourcing & Management

*Embracing sustainability as a guiding principle, Diversey places responsible sourcing at the very core of our commitment. We firmly believe in fostering strong collaborations with our suppliers, working together to uphold the highest standards of responsible sourcing practices.*

*Our expectation is unwavering; suppliers must adhere to stringent environmental regulations and abstain from any activities that could pose risks to the environment. By actively engaging with our suppliers, we unite in a collective effort to ensure the safety and sustainability of our products.*

*Through these collaborative endeavors, we envision a brighter future where responsible sourcing practices become a driving force in promoting a greener and more sustainable world for generations to come.*

Underpinning our Responsible Sourcing approach is an ongoing and robust engagement with our suppliers and customers. This engagement enables us to integrate mandatory sustainability requirements and set ambitious targets to drive progress. By doing so, we establish a

holistic sustainability network that spans the entire supply chain. We prioritize open dialogues with our suppliers to identify the most crucial actions we can take to position ourselves as sustainability leaders. This collaborative process goes beyond mere paperwork; it compels us to set goals and take tangible steps towards achieving them.

Through these engagements, several key focus areas have emerged as pivotal to our sustainability journey:

**1. Scope 1, 2, and 3 Emissions:** We recognize that Scope 3 emissions have the most significant impact on our customers. Consequently, we concentrate our efforts on reducing greenhouse gas emissions across all scopes to minimize our carbon footprint. In this line, we actively align our sustainability goals with science-based targets, ensuring that our efforts are rooted in scientific evidence and contribute to global sustainability objectives.

**2. Innovation and Technology:** Embracing innovative solutions and leveraging cutting-edge technology enables us to make substantial strides in sustainability. By constantly seeking advancements, we remain at the forefront of sustainable practices.

**3. Water Conservation:** We place an emphasis on conserving water resources. Our commitment to sustainable sourcing includes initiatives aimed at reducing water usage and promoting responsible water management practices.

**4. Collaboration with ESG Rating Frameworks:** To bolster our sustainability endeavors, we engage with esteemed agencies such as Ecovadis. These

partnerships enable us to tap into a wealth of knowledge and best practices, fostering continuous improvement.

**5. Logistics Optimization:** We recognize that supply chain optimization presents opportunities for significant impact. Through strategic collaborations, such as our partnership with Dow, we aim to enhance the efficiency of our logistics operations, leading to substantial cost reductions and environmental benefits.

**6. Circular Packaging:** Embracing circularity in packaging is a key priority. We strive to develop packaging solutions that minimize waste, promote recycling, and support a circular economy.

**7. Collaboration on Innovation:** We actively collaborate with our suppliers' innovation teams to assess the feasibility of our sustainability goals. By working together, we identify opportunities to reduce waste and promote reuse, thereby advancing our circularity objectives.

**8. Alignment with Vendors:** We emphasize the importance of aligning with our vendors on metrics and accountability. This alignment streamlines our sustainability efforts, minimizing complexity and fostering a shared commitment to responsible sourcing.

**9. Enhanced Supplier Engagement:** Recognizing the invaluable role of our suppliers, we prioritize regular and meaningful engagement. This ongoing dialogue fosters a strong partnership, enabling us to collectively drive sustainability initiatives forward.



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Diversey's unwavering dedication to sustainability is evident in our robust sourcing and management practices. Our suppliers are required to hold all necessary environmental permits, ensuring compliance with regulations. Adherence to relevant regulations is non-negotiable, guaranteeing that our products meet the highest standards wherever they are manufactured, sold, or distributed. Comprehensive safety information accompanies our products, providing clear guidance on usage, hazard classifications, warnings, first aid instructions, and emergency contacts. We maintain accurate Safety Data Sheets and labels, readily accessible to our distributors, customers, and end users. Responsible material use, as outlined in our Responsible Chemistry Policy, permeates every aspect of our sourcing, transportation, use, production, and sale of chemicals.

### Human & Labor Rights in the Supply Chain

Diversey upholds ethical standards in its supplier relationships, respecting diverse cultural and social norms across regions. Suppliers must align with internationally recognized human rights and labor standards, such as the Universal Declaration on Human Rights and ILO Declaration on Fundamental Principles and Rights at Work.

Child labor is strictly prohibited, and suppliers must adhere to applicable local minimum age requirements and protect children from exploitation. Forced labor, human trafficking, and slavery are strictly forbidden, ensuring employment is voluntary and free from coercion. Suppliers must provide fair wages and benefits, complying with minimum wage regulations and local industry standards where applicable. Discrimination in hiring and employment practices based on various characteristics is prohibited, promoting diversity and equal opportunity. Creating a safe and healthy workplace is crucial, with suppliers implementing emergency procedures, fire safety measures, and hazardous material management. Best practices for health and safety, training programs, accident prevention, and worker well-being are prioritized.

### Supplier Relationships

Diversey emphasizes fostering strong and collaborative relationships with suppliers, ensuring compliance with its Supplier Code of Conduct. This approach promotes transparency and continuous improvement in sustainability practices, collectively promoting sustainable development principles. Diversey's Supplier

Code reflects a strong commitment to sustainability, applying to all suppliers globally. Adherence to the Code is crucial for Diversey's sustainability efforts, encouraging suppliers to promote sustainable practices in their operations and supply chains.

Compliance with laws and environmental regulations is fundamental for all suppliers. Suppliers are expected to respect workers' rights, avoid conflicts of interest, and conduct business ethically, refraining from corrupt practices. Diversey encourages efficient and sustainable transport and logistics operations to minimize the carbon footprint and optimize the supply chain.

In case of non-compliance with the Supplier Code, suppliers are expected to cooperate in investigations and take corrective action if needed. Diversey collaborates with suppliers to ensure compliance. Aligning with the Supplier Code allows suppliers to contribute to sustainability, protect human rights, promote fair employment practices, ensure a safe working environment, and support environmental conservation efforts.



# Memberships and Associations

*Diversey recognizes the value of strategic partnerships with external organizations that share our sustainability goals. Collaborating with these partners allows us to leverage expertise and develop innovative solutions. By joining forces, we extend our impact beyond our own operations, driving positive change throughout the value chain.*

Collaboration is encouraged between Diversey and its suppliers to achieve sustainability goals. Suppliers are invited to actively participate in projects and initiatives that contribute to Diversey's sustainability commitments.

Overall, Diversey's commitment to sustainable sourcing and management is an integral part of our broader sustainability strategy. Through responsible sourcing practices, respect for human and labor rights, strong supplier relationships, strategic partnerships, and sustainable transport and logistics operations, we embed sustainability throughout our supply chain. By working closely with our suppliers, we ensure compliance with our Supplier Code of Conduct, driving positive environmental and social outcomes. We remain committed to collaboration, continuous improvement, and a sustainable future for all.



# ESG Progress Dashboard

Parameters	Unit	2021	2022	GRI Standards
<b>General Disclosures</b>				<b>2</b>
Employees	Nos.	~9000	9019	2-7
<b>Anti-Corruption</b>				<b>205</b>
Communication and training about anti-corruption policies and procedures	%		66	205-2
<b>Materials</b>				<b>301</b>
Reclaimed products and their packaging materials	%		50	301-3
<b>Energy</b>				<b>302</b>
Energy consumption within the Organization	GJ	79,243	10,514	302-1
Energy Intensity	GJ/MT of production	0.226	0.222	302-3
<b>Water and Effluents</b>				<b>303</b>
Water Withdrawal	megaliters	700	765	303-3
Water Consumption	megaliters	378	416	303-5
<b>Emissions</b>				<b>305</b>
Direct (Scope 1) GHG Emissions	MT CO <sub>2</sub> e	14,236	15,221	305-1
Energy indirect (Scope 2) GHG Emissions	MT CO <sub>2</sub> e	9,446	9,612	305-2
GHG Emissions Intensity	MT CO <sub>2</sub> e/MT of Production	0.037	0.0372	305-2
<b>Waste 2020</b>				<b>306</b>
Waste Generated	MT	5,716	5,882	306-3
Waste diverted from disposal	MT	2,986	3,163	306-4
Waste directed to disposal	MT	2,730	2,719	306-5
<b>Occupational Health and Safety</b>				<b>403</b>
Workers covered by an occupational health and safety management system	%	100	100	403-8
Work-related injuries (TRIR)	No. of incidents/ No. of worked hours	0.45	0.34	403-9
Work-related ill health	Nos.	0	0	403-10



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# GRI Content Index

**Statement of use:** Diversey has reported in accordance with the GRI Standards for the period 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022.

**GRI 1: Foundation 2021**

**Applicable GRI Sector Standard(s)**

GRI Standard/ Other Source	Disclosure	Page No.	Omission
<b>General disclosures</b>			
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	2-1 Organizational details	6	
	2-2 Entities included in the organization's sustainability reporting	6	
	2-3 Reporting period, frequency and contact point	6	
	2-4 Restatements of information	39	
	2-6 Activities, value chain and other business relationships	6	
	2-7 Employees	60	
	2-8 Workers who are not employees		Omission (not applicable): As of yet, we do not report on the number of workers who are not employees and whose work is controlled by the organization, due to non-standardized reports received from third parties.
	2-9 Governance structure and composition	73	
	2-10 Nomination and selection of the highest governance body	74	
	2-11 Chair of the highest governance body	73	
	2-12 Role of the highest governance body in overseeing the management of impacts	73	
	2-13 Delegation of responsibility for managing impacts	73	
	2-14 Role of the highest governance body in sustainability reporting	74	
	2-15 Conflicts of interest	73	
	2-16 Communication of critical concerns	72	
	2-17 Collective knowledge of the highest governance body	65	
2-19 Remuneration policies	72		



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GRI Standard/ Other Source	Disclosure	Page No.	Omission
<b>General disclosures</b>			
	2-18 Evaluation of the performance of the highest governance body	72	
	2-20 Process to determine remuneration	73	
	2-21 Annual total compensation ratio	74	
	2-22 Statement on sustainable development strategy	8	
	2-23 Policy commitments	20	
	2-24 Embedding policy commitments	24	
	2-25 Processes to remediate negative impacts	34	
	2-26 Mechanisms for seeking advice and raising concerns	27	
	2-27 Compliance with laws and regulations	71	
	2-28 Membership associations	81	
	2-29 Approach to stakeholder engagement	25	
<b>Anti-corruption</b>			
GRI 205:	205-1 Operations assessed for risks related to corruption	32	
ANTI-CORRUPTION 2016	205-2 Communication and training about anti-corruption policies and procedures	82	
<b>Materials</b>			
GRI 301: MATERIALS 2016	301-3 Reclaimed products and their packaging materials	82	
<b>Energy</b>			
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	82	
	302-3 Energy intensity	82	
GRI 303: WATER AND EFFLUENTS 2018	303-2 Management of water discharge-related impacts	21	
	303-3 Water withdrawal	82	
	303-5 Water consumption	82	

GRI Standard/ Other Source	Disclosure	Page No.	Omission
<b>Emissions</b>			
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	82	
	305-2 Energy indirect (Scope 2) GHG emissions	82	
	305-4 GHG emissions intensity	82	
<b>Waste</b>			
GRI 306: WASTE 2020	306-2 Management of significant waste-related impacts	45-46	
	306-3 Waste generated	82	
	306-4 Waste diverted from disposal	82	
	306-5 Waste directed to disposal	82	
<b>Occupational health and safety</b>			
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	56	
	403-2 Hazard identification, risk assessment, and incident investigation	56	
	403-3 Occupational health services	55	
	403-4 Worker participation, consultation, and communication on occupational health and safety	54	
	403-5 Worker training on occupational health and safety	54	
	403-6 Promotion of worker health	54	
	403-8 Workers covered by an occupational health and safety management system	56	
	403-9 Work-related injuries	56	
	403-10 Work-related ill health	56	
	<b>Training and education</b>		
GRI 404: TRAINING AND EDUCATION 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Annual SEC Filing Schedule 14A	
	404-3 Percentage of employees receiving regular performance and career development reviews	65	
<b>Local communities</b>			
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	66	



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## Addendum

On March 8, 2023, Diversey announced that it had entered into a definitive agreement with Solenis for an all-cash acquisition. The transaction was successfully completed on July 5<sup>th</sup>, 2023. Diversey will continue on its ESG efforts and report targets, progress, and performances as part of Solenis starting October 1, 2023. The following environmental KPI represent Diversey's data for the period January 1, 2023 to June 30, 2023.

GHG Emissions	10,764 MT
Energy	122,328 GJ
Water	174.5 ML
Waste	3260 MT



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