



## **Modern Slavery Statement 2021**

**This Statement is made pursuant to s54 of the Modern Slavery Act 2015 and also satisfies the California Transparency in Supply Chains Act 2010 and Modern Slavery Act 2018 (C2018A00153 Australia). It covers the period commencing 1st January 2021 to 31<sup>st</sup> December 2021. It details the steps that Diversey has taken to tackle modern slavery and human trafficking in its supply chains and within the groups businesses during the period since the last Statement.**

### **Overview**

Diversey is committed to preventing acts of modern slavery and human trafficking from occurring in its business and supply chain and expects the same high standards from all of its suppliers.

Diversey's mission is to protect and care for people through leading hygiene, infection prevention, and cleaning solutions. We develop and deliver innovative products, services, and technologies that save lives and protect our environment. Over the course of 95 years, the Diversey brand has become synonymous with product quality, service, and innovation. Our fully-integrated suite of solutions combines patented chemicals, dosing and dispensing equipment, cleaning machines, services, and digital analysis.

Diversey strives to make a valuable contribution to health and hygiene such that wherever in the world they live, people can enjoy safer, cleaner conditions. Diversey innovates to meet customer needs, and to improve health by keeping hospitals, hotels, food and beverage producers, office buildings, and other shared environments, clean and hygienic.

This document builds on the previous statement and describes the steps Diversey has taken to help detect, prevent and respond to modern slavery issues within our business and the supply chain. The modern slavery statement covers activity at the following UK and Ireland based entities: Diversey Limited, Diversey UK Production Limited, Diversey Hygiene Sales Limited, Zenith Hygiene Group Limited, Zenith Hygiene Systems Limited; Twister Cleaning Technology Limited; and for the Netherlands: Diversey Europe Operations B.V.; for Australia: Diversey Australia Pty. Limited; and for the USA: Diversey, Inc.

### **1. About Us: Organisation structure, business and supply chains**

Diversey is a major manufacturer and supplier of cleaning chemicals, equipment and services and employs in excess of 8500 people in 58 countries worldwide. We work with a range of large contract manufacturers and suppliers around the globe.

In April 2021 Diversey became a listed company on NASDAQ. This has resulted in a close examination and updating of all of its key governance and compliance policies and charters and has involved a complete review of the Code of Conduct applicable to employees with the implementation of mandatory training, and the establishment of a compliance council.



Diversey continues to lead the market for hygiene and cleaning chemicals, equipment and services globally. During the period our internal audit, procurement and supply chain teams all played their part in our commitment to tackle modern slavery risk in our business and supply chains. Ultimate responsibility lies with the senior leadership team (SLT) and the Board.

The internal audit team receives regular reports from the Ethics Reporting Hotline but has not received any reports to date of modern slavery issues.

Diversey continues to be a member of the Supplier Ethical Data Exchange (“SEDEX”) together with many of our suppliers.

There has been some Diversey Merger & Acquisition activity around the globe during the period since the last statement. In 2021 YTD two acquisitions were entered into, one bringing manufacturing capability (Australia) and the other a customer list (UK). Due diligence has been carried out into the supply chain for both acquisitions utilising internal resources and supported by external legal advisers to ensure compliance with modern slavery requirements.

In addition to our in-house manufacturing we continue to use a significant number of 3<sup>rd</sup> party manufacturers and suppliers globally who supply Diversey with raw materials and make final products for sale.

**TABLE 1: GLOBAL PRODUCTION SITES**

City	Country	Product Type	Employees
Bagnolo	Italy	F&B and Professional	69
Conde Duque	Spain	F&B (65%) and Professional	37
Alfreton	United Kingdom	F&B and Professional	104
Enschede	Netherlands	Professional (85%)	165
Kirchheimbolanden	Germany	F&B (85%)	50
Nalagarh	India	F&B and Professional	144
Gebze	Turkey	F&B and Professional	73
Wadeville	South Africa	F&B and Professional	38
Munchwilen	Switzerland	Machine Production	82
Candiac	Canada	F&B	6
Eau Claire	USA	F&B	8
London	Canada	F&B and Professional	136



Watertown	USA	F&B and Professional	92
Milwaukee (Wypetech)	USA	Professional	31
Zhongshan (Banfu)	China	F&B and Professional	127
Socorro	Brazil	F&B and Professional	114
Tlalnepantla	Mexico	F&B and Professional	46
Villabosch	Argentina	F&B and Professional	70
Melbourne	Australia	F&B and Professional (*added through acquisition Aug2021)	25

Diversey’s Relationships with suppliers (contract manufacturers, raw material suppliers, component vendors, etc.) are controlled to ensure adherence to Diversey’s high quality standards. The procurement contracts used contain modern slavery and human trafficking compliance clauses. Diversey operates an audit programme for suppliers covering all aspects of the operation. In addition some suppliers also participate in the SEDEX audits,

TABLE 2:

What we buy	What we make	How we move it around	How we sell and distribute
Organic and inorganic chemicals, surfactants, commodity and specialty chemicals, packaging components, customer equipment and equipment components	Cleaning chemicals, sanitisers, hygiene products, floor care machines, cleaning equipment, dispensers	Road, bulk liquid and box truck, Sea container, Air freight	Direct to businesses, and distributors, and a small number of end user customers

In the coming year we will continue to risk assess tier one suppliers and continue to review lower tiers where the risk may be greater.

We continue to engage with suppliers to ensure compliance with this policy and establish continuous improvement activities aimed at eliminating Modern Slavery and Human Trafficking throughout their supply chains.

We have during the year reviewed our internal procurement contracts and audit checklists to ensure that in all cases Modern Slavery and Human Trafficking issues are covered. Our quality management and supply chain teams are actively engaged in assessing material and finished goods suppliers and we are currently introducing vendor assessment questionnaires which contain sections on modern slavery.



Mandatory training to front line colleagues on the indicators for modern slavery and forced labour is being implemented during the year.

In the SEA region there is an established unannounced audit program the results of which are retained. These audits examine 2 main areas - good manufacturing practice and ethical practice. The ethical audit covers questions on labour and human rights. The Diversey Supplier Code of Conduct is attached to the questionnaires used and all of the contract manufacturers in the SEA region have signed up to the Code. We will continue to refine the questionnaires to ensure that we include matters that arise in the future.

## **2. Our Policies in relation to Modern Slavery and Human Trafficking**

As part of our commitment to combating modern slavery Diversey has a Global Anti-Slavery and Human Trafficking Policy. This was reviewed during 2021.

The Diversey Supplier Code of Conduct sets out clear obligations for all suppliers in relation to modern slavery and human trafficking. All suppliers are required to sign up to this Code, and as far as is practicable, to ensure that their suppliers, agents and sub-contractors involved in the provision of products comply with these requirements. The Supplier Code of Conduct is a living document which will continue to be reviewed and strengthened. Clauses dealing with modern slavery appear in all Diversey supplier contracts with the proviso that breach of the Diversey Supplier Code of Conduct may lead to termination of the respective contract. Anti-modern slavery commitments, have been embedded into our standard terms and conditions of trading for both supply of goods and services and for all purchases. We are implementing vendor assessment and on-boarding procedures which include probing questions for vendors about the steps they take to identify and eradicate modern slavery issues within their business and within their supply chains.

The Employee Code of Conduct applicable to employees, workers and consultants, has also been reviewed, updated and relaunched during the early part of 2021. The Diversey Ethics hotline is featured in a prominent place on the company intranet and all employees and contractors are encouraged to use the hotline to report any legal or ethical issues. There have been no reports of modern slavery issues during the period. Training on modern slavery is made available online for all employees, and a mandatory training program is planned for Q4/Q1 2022.

Diversey's policies are made available to all employees on the Diversey intranet site. Work is about to commence to ensure all of these policies are made available in appropriate languages to colleagues around the globe.

## **3. Due Diligence Processes and Governance**

As part of our efforts to monitor and reduce the risk of slavery and human trafficking occurring within our supply chains, we have adopted the following due diligence procedures:

- Modern slavery and human trafficking has been added to the Environment and Social Governance Program at global level.
- Modern slavery is also being monitored and reported into the newly established corporate compliance council which meets regularly.



- We have established a modern slavery cross functional group which meets monthly and includes professional colleagues from every aspect of the business.

Our supply chain and procurement processes incorporate many checks and balances to ensure we are addressing and remedying modern slavery and human trafficking issues. Our procedures are designed to:

- establish and assess areas of potential risk in our business and supply chains
- monitor potential risk areas in our business and supply chains
- reduce the risk of slavery and human trafficking occurring in our business and supply chains
- provide adequate protection for whistleblowers

The primary vehicles for preventing modern slavery continue to be training and auditing. At Diversey, all of our production sites continue to be active participants in SEDEX and are also audited regularly to ensure compliance. There have been a total of 19 SEDEX audits over the past 5 years. The reports are available through the SEDEX portal. Where corrective action has been prompted, corrective action plans have been implemented and followed up with audits as appropriate.

We ensure that our suppliers are contractually obliged to address and remedy modern slavery issues through contractual agreements and audits. We continue to update training for our employees on ethics and modern slavery awareness to help them identify and correct any issues that they might see.

#### **4. Risk and Compliance:**

Diversey regularly evaluates the nature and extent of its exposure to the risk of modern slavery occurring in its supply chain by conducting vendor assessments and audits. The areas in our supply chain that have the potential to pose the highest risk of modern slavery are our organizations in the less developed portions of the world for example: Africa, the Middle East, Latin America and Asia. These regions continue to follow the same rules, standards, and organizational requirements as the rest of Diversey. Regional leaders in supply chain, procurement and plant managers have been asked to review individual regions/countries and report back on the identification and management of risk.

We look to and require our regional leaders to take ownership within their regions and countries to train, enforce, and enhance our procedures and policies as needed to address specific local situations to make sure the message and obligations are delivered and enforced.

During the coming year we will engage with our supply chain and procurement teams via regular Town Halls where the message can be delivered effectively to the global and regional teams.

We ensure all our suppliers adhere to our anti-slavery policy and our Supplier Code of Conduct. We enforce a strict code of compliance and do not tolerate slavery and human trafficking within our supply chains. If we were to find evidence of any failure to comply with our policies or codes we will immediately seek to terminate our relationship with the relevant supplier.

#### **5. Effectiveness of Monitoring:**



No modern slavery issues were raised during 2020 via the ethics hotline. We will however continue to focus on spreading the word about modern slavery issues during the next 12 months through Town Halls, training sessions, face to face and online as appropriate and by continuing our many audit activities.

We will ensure that modern slavery issues are highlighted within all levels of the business globally during the next 12 months by introducing a quarterly reporting requirement.

**6. Training and Awareness:**

We believe that educating our workforce about slavery and human trafficking and how to identify it, is very important and that awareness and training are our best lines of defence.

Training of our own employees remains a key focus each year. We continued to develop the skills and knowledge of key frontline personnel in delivering Code of Conduct training with substantial modern slavery content to all employees during the first half of 2021.

We continue to review our focus during the on boarding process on modern slavery training for new starters especially those in key roles such as supply chain and procurement.

**7. Future Action and Sign Off**

Following our review of our actions this financial year to prevent slavery or human trafficking from occurring in our business or supply chains, we intend to take the following further steps to tackle slavery and human trafficking:

- we will during 2021 continue to roll out the vendor assessment process into the procurement function which contains a detailed section of probing questions relating to supplier compliance with modern slavery and human trafficking
- we will review procedure within supply chain in relation to modern slavery and human trafficking.

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes Diversey's modern slavery and human trafficking statement for the financial year commencing 1st January 2021 and ending 31st December 2021.

This statement was approved by Global Supply Chain and Chief Procurement Officers on November 18, 2021.

Signed Bradley E Weber <b>Brad Weber</b> Global Supply Chain President	Signed Julia Velichko <b>Julia Velichko</b> Chief Procurement Officer
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