



Diversey has been, and always will be, a pioneer and facilitator for life. We constantly deliver revolutionary cleaning and hygiene technologies that provide total confidence to our customers across all of our global sectors.

Headquartered in Charlotte, North Carolina, USA, Diversey employs approximately 9,000 people globally, generating net sales of approximately \$2.6 billion in 2017.

For more information, visit www.diversey.com or follow us on social media.



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To be successful in today's digitized global economy, it is essential that we embrace change as our constant companion. The status quo should be challenged, believing that there is, and always will be, a better way of doing things. At the same time, we solidly know who we are. We know what we value. And that knowledge colors everything we do, from the leading-edge solutions we deliver to our customers to the spirit of family we foster internally.

At the heart of our values there is also an abiding commitment to operate a sustainable enterprise. Diversey seeks to quantify customer-derived value in the form of reduced energy and water use, greenhouse gas emissions, waste reduction, and efficiency improvements. Sustainability is not only a strategic commitment to eliminate waste, it just makes good business sense. We are proud to introduce our new corporate sustainability strategy with the tagline "Facilitators for Life" which reinforces Diversey's broader mission, vision and values that all foster a healthy and safer world where people are free to live their lives; one where we protect and care for people every day.

We are likewise proud to be active participants in an ongoing global dialogue about how best to meet the formidable challenges that lie before us, from population growth and food shortages, to global warming and climate change, to displaced people, war, and pandemics, to name just a few. We believe it is our responsibility to be part of the solution to those challenges and to engage with our customers, suppliers, and host communities in that pursuit. To meet it requires focus, aggressive action, and the belief that in the end we can make a difference in protecting the planet we share, the people who inhabit it, and the means to provide a safe and prosperous future.

This report illustrates some of the ways we demonstrated our commitment to sustainability in 2017. It was a transitional year for Diversey, as we concluded one chapter in our storied history and started another. To be sure, we are excited by the opportunities we have to chart our own course, supported by our new partner, Bain Capital and look forward to chronicling even greater successes in the years to come.

In the meantime, I want to thank you in advance for taking a few minutes to review this document. I look forward to your comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Ilham Kadri". The signature is stylized and includes a long horizontal flourish at the end.

DR. Ilham Kadri
President and Chief Executive Officer
September 2018

Global footprint

8,774

DEDICATED EMPLOYEES

90

DISTRIBUTION CENTERS

65

OFFICES

27

WAREHOUSES

16

FACTORIES

8

R&D CENTERS

A new beginning

Throughout the course of Diversey's nearly 95 years of providing revolutionary cleaning and hygiene technologies, we've demonstrated that protecting and improving the environment is good for business. Although it's been given many names since 1923, sustainability has been at the core of the value Diversey delivers to customers. Diversey's new beginning in 2017 offered the opportunity to reflect on our progress and look forward to focus on opportunities to deepen our commitment to sustainability.

With significant social and environmental challenges around the world, our time to reflect on past accomplishments must be brief. Since our last sustainability strategy and goals were created with a 2012 baseline, the United Nations published the 2030 Agenda for Sustainable Development. The Agenda consists of 17 Sustainable Development Goals (SDGs) and served as a key reference point to develop the new Diversey sustainability strategy.

Natural resource consumption has increased significantly. Between now and 2050, the world's population will climb to 10 billion, placing growing demands on our planet's scarce resources. This means the world needs plentiful, healthier food, renewably sourced materials, ample energy, and better infrastructure and transportation. We are using 1.7 Earths in terms of resources. Each year our consumption of resources outstrips supply. In 2017, 'overshoot day' was August 2. We use more ecological resources and services than nature can regenerate through overfishing, overharvesting forests, and emitting more carbon dioxide into the atmosphere than ecosystems can absorb.

To ensure our new strategy would have maximum impact and target the biggest opportunities, we analyzed our current footprint; listened to customers, experts, and other stakeholders; studied frameworks like the SDGs; and mapped Diversey's new business strategy. Our 'Facilitators for Life' approach will ensure Diversey acts to address key environmental, social, and technological opportunities.

By **IMPROVING THE ENVIRONMENT:**

Reducing waste, conserving energy, saving water and preventing greenhouse gas emissions

By **PROTECTING AND CARING FOR PEOPLE:**

Increasing safety in our operations, investing in employees and ethical business practices, and improving health and hygiene in our customers facilities

By delivering **CUSTOMER-CENTRIC SUSTAINABLE SOLUTIONS** to the market:

Improving efficiency with customers and delivering advanced sustainability value to customers



Diversey's new goals

Sustained, long-term success of Diversey depends on our ability to operate efficiently in a resource constrained environment, address critical social challenges, reduce risk in our operations, and lead innovation in the cleaning and hygiene industry for our customers. Our Facilitators for Life strategy includes aggressive goals across our operations that align with several SDGs to advance progress.



Improve the Environment



Protect and Care for People



Innovate Sustainable Solutions



2025 Goals



Improve the Environment

1	Reduce energy intensity in our operations by 10%		2	Reduce greenhouse gas emissions intensity in our operations by 10%	
3	Reduce waste to landfill in our operations by 10%		4	Reduce water use intensity in our operations by 5%	



Protect and Care for People

5	Eliminate recordable workplace injuries of Diversey employees		6	Ensure ethical supply chain by engaging 100% of suppliers with our Supplier Code of Conduct	
7	Ensure ethical business practices by training 100% of Diversey employees on Code of Conduct		8	Improve lives of people in the communities we operate with Diversey Creating Shared Value programs for all sectors	

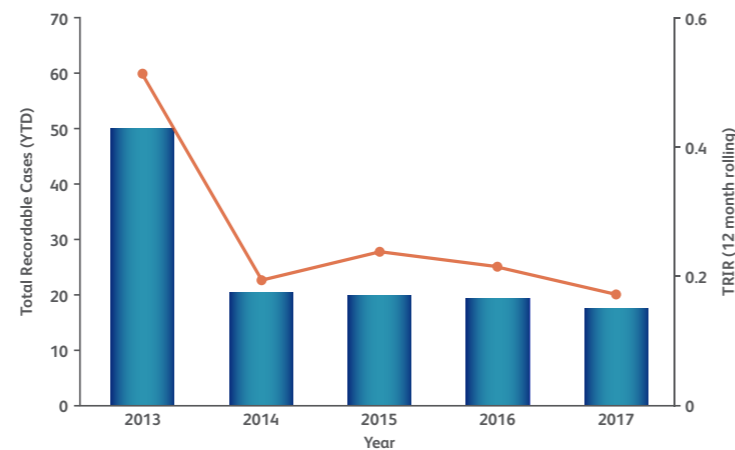


Innovate Sustainable Solutions

9	Quantify the sustainability value associated with Diversey products and solutions		10	Integrate sustainability scorecard into innovation process for 100% of new technologies	
11	Reduce our packaging footprint and increase the recyclability of our plastic packaging		12	Improve safety and environmental profile of products through 100% compliance with our Responsible Chemistry Policy	

Safety

With almost 9,000 employees around the world, health and safety is an imperative for Diversey. In 2017 we were able to lower our already-low injury rate by focusing on behavioral based safety and awareness training, hazard recognition, and communication. To achieve our ultimate goal of zero workplace injuries, we will continue our focus on the unsafe conditions and behaviors that contribute to injuries.



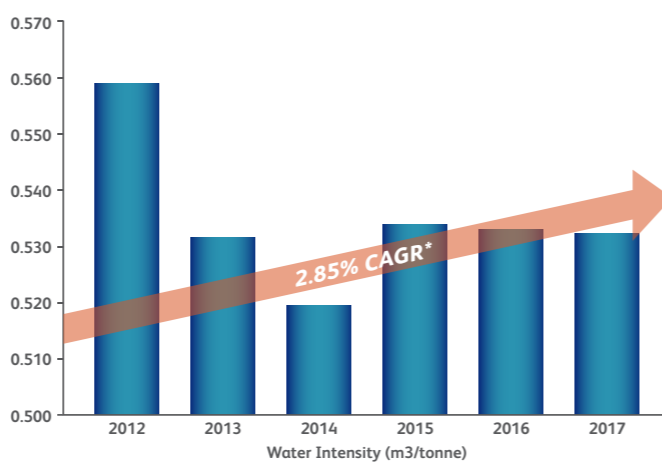
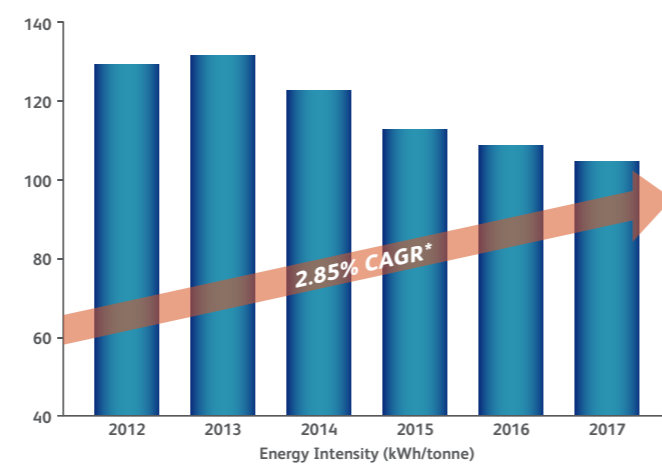
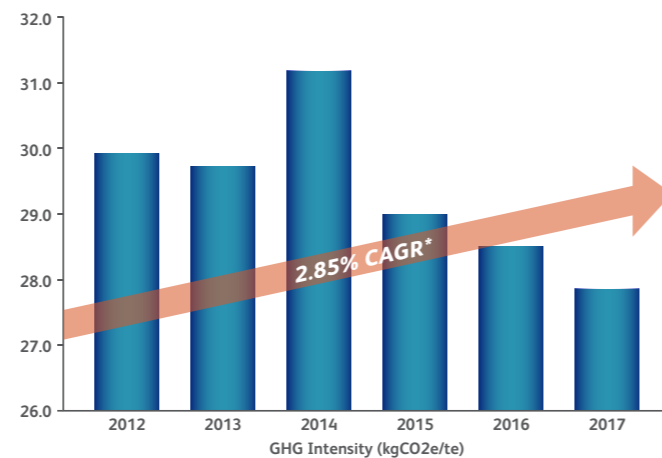
Note: 2012 safety data was recorded as all Sealed Air. Diversey-specific data is not available for 2012.

Supply Chain Progress

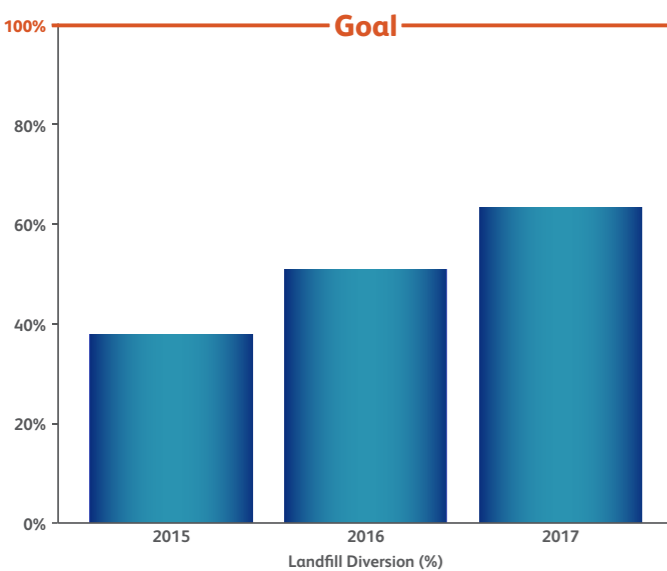
Operational excellence in our manufacturing facilities goes beyond quality, efficiency, and productivity. World class manufacturing at Diversey also includes our commitments to reduce our environmental impact. Our public commitments to reducing GHG emissions, energy consumption, water use, and waste translate to meaningful results and measurable reductions.

From our baseline, established in 2012 through to 2017, Diversey has significantly reduced the intensity of our GHG emissions, energy, and water use. Our continuous improvement model relies on all of our supply chain employees to identify inefficiencies and make the changes necessary to optimize our operations.

The examples below are just a few illustrations of how our supply chain integrates sustainability and efficiency in our operations.



*CAGR is Diversey's compound annual growth rate, illustrating business growth during increased environmental efficiency.



Brazilian Supply Chain cuts waste, improves operational efficiency

Two distinct initiatives undertaken in 2017 by Diversey's Supply Chain team at the company's Socorro facility in Sao Paulo, Brazil, provided excellent examples of our beliefs that at its core, sustainability equates to the reduction of waste and that reducing waste is not only good for the environment, but makes good business sense.

Last year, the 130-person team applied themselves fully to reducing the amount of chemicals discarded, which aligned with their strategy of reducing the amount of waste disposed. The project focused on reducing production of products with low turnover, finding alternative uses for those products before their expiration, and defining alternative ways to reprocess them.

With assistance from Planning, Procurement, R&D, and Marketing, Supply Chain produced impressive results. Not only did they reduce the costs associated with waste disposal by 17 percent, which generated savings of nearly \$75,000 (U.S.), but they also reduced the volume of waste discarded by 38 percent compared to the year before, which equated to a reduction of more than 91,000 tons of waste.

Meanwhile, Supply Chain also turned their attention to reducing the amount of water used in the process of sanitizing the equipment used in production. To complete that task, the team used a Diversey product called Divosan Forte. Previously, it was used in a 0.9 percent dilution, which required that all equipment be rinsed after use. Last year, the team tested a 0.13 percent solution that did not require rinsing except in the pipes where the solution accumulates.

The results were even better than they had been when using the higher dilution rate and also reduced the amount of water used in the sanitation process by approximately 40 percent, saving 20,000 liters of water per sanitation. With 12 sanitations per year, that amounted to a year-over-year saving of 240,000 liters of water.

In short, the initiatives launched by our Socorro Supply Chain team illustrate that imagination, hard work and a commitment to principles of sustainability can produce results that lighten the environmental impact of a company's operations while simultaneously reducing its operating costs. That, in turn, is a classic example of what we mean by "win/win."



Diversey team in Nalagarth, India shows what it means to 'give back'

Hardwired into Diversey's DNA is the belief that every community in which we operate should be a better place because we are there. While providing jobs and family-supporting incomes are essential parts of that equation, we believe that our commitment to our host communities ought to include something more.

What that 'something more' is varies from community to community, based on the principle that Diversey employees should take the initiative in determining how they can best give back.

Diversey's team at our plant in Nalagarth, India, have provided a case in point. Every year since 2009, Diversey's employees and contract workers there have participated in an initiative of their own creation that they have appropriately named the Joy of Giving. The initiative benefits a local elementary school supported by the Indian government. The children who attend the school are from low-income families, many of them the sons and daughters of migrant workers.

Every year our Nalagarth team does something different to benefit the school and its children, from installing a hand-washing station one year and building a toilet another year, to providing dental checkups for the kids and distributing desks for the school's classrooms.

In 2017, Diversey's 55 employees and 100 contract workers organized two Joy of Giving initiatives. During National Safety Week in March they distributed pencil boxes to each of the school's 70 students. And in December, they gave each student a warm jacket.

One of the collateral benefits of giving jackets to the kids was an improvement in attendance. Because the school is open-air and the temperature dips as low as 0 degrees Celsius (32 degrees Fahrenheit) in winter, the school has historically experienced a drop in attendance during that season.

School officials have expressed their thanks to Diversey's Nalagarth team and the local newspaper one year reported the team's distribution of sweaters, shoes and caps to the kids. But the greatest expression of appreciation came from the smiles of the children who understood that people they hardly knew cared enough to make their lives – and their education – a little better.



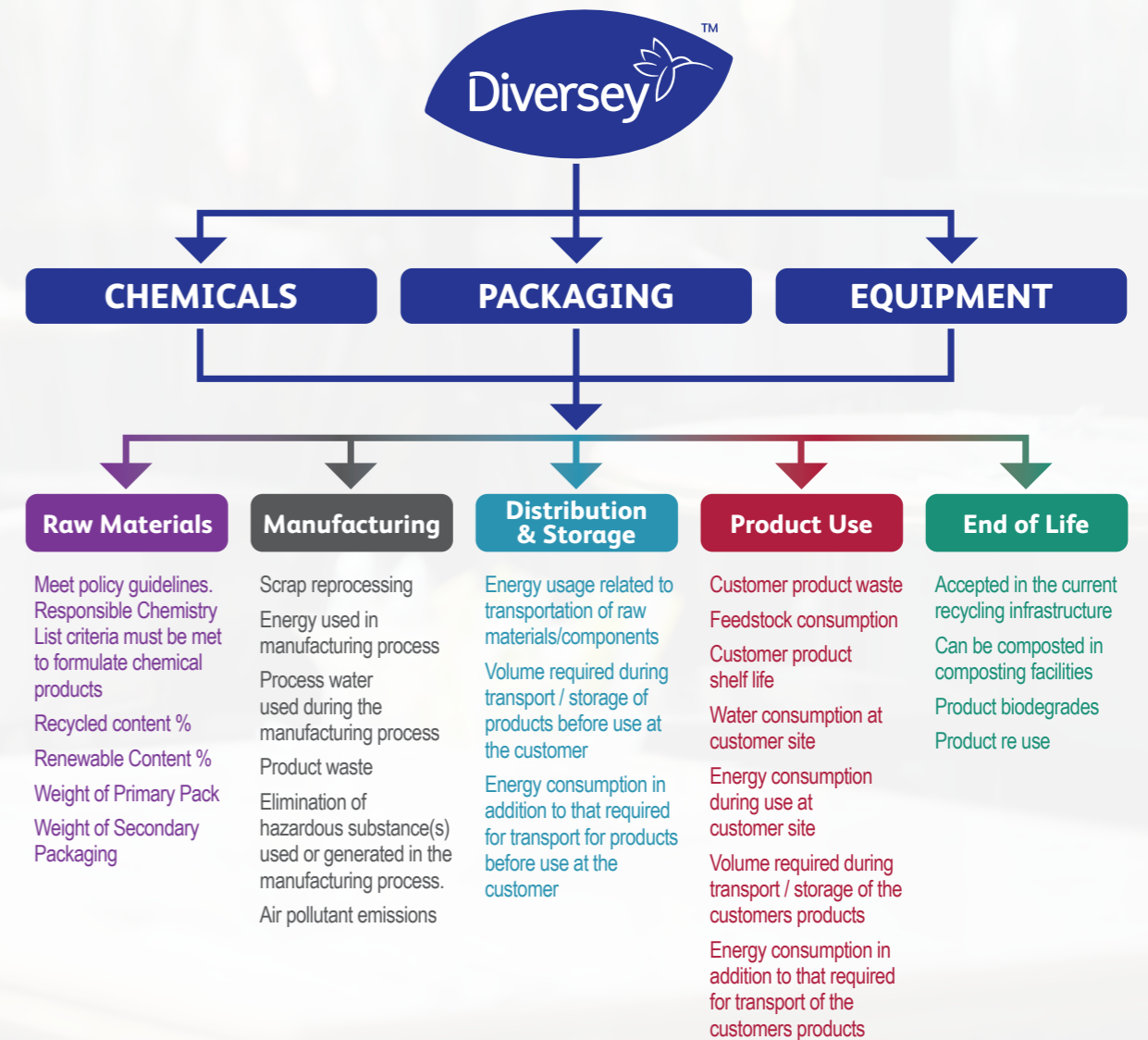
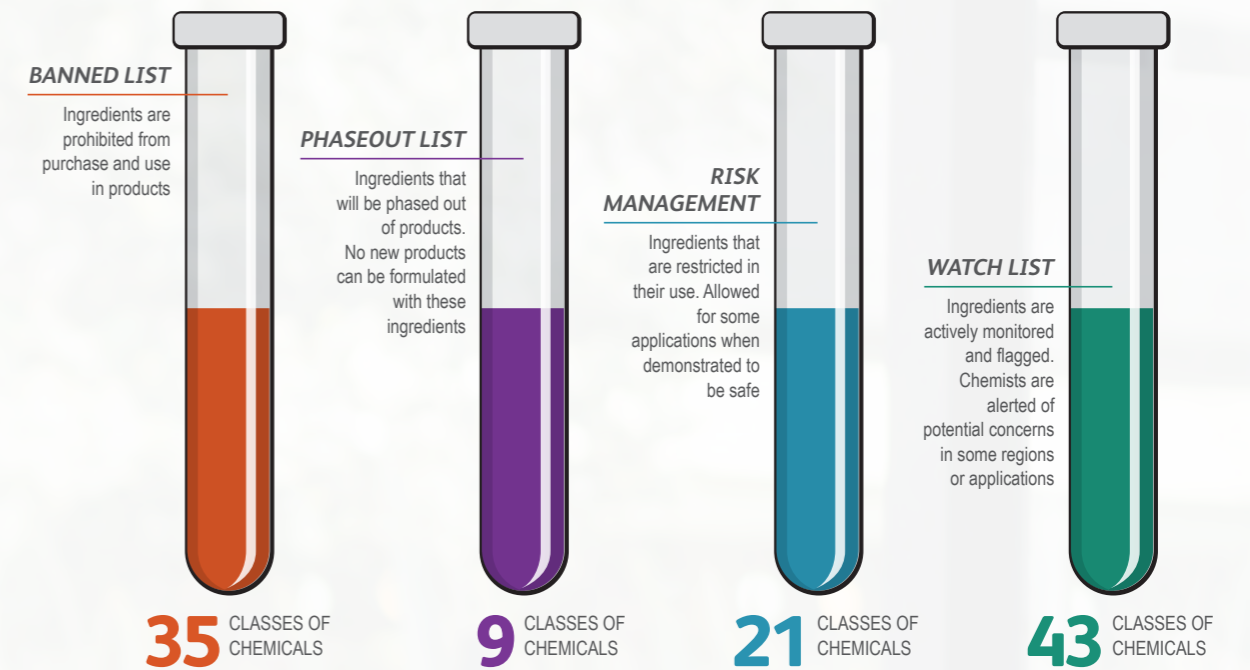
Customer-Centric Sustainable Solutions

Diversey's Facilitators for Life approach means that we protect lives by producing innovative solutions that make food, drink, and facilities safer and more hygienic. Our close relationships with customers helps us identify inefficiencies and reduce environmental impacts of their operations as they save money, conserve energy, reduce water use, and eliminate waste.

In addition to reducing total cost of cleaning by lowering customer utility bills, Diversey incorporates green chemistry into innovation. Our bio-based cleaning products use renewable plant-derived feedstock instead of non-renewable, petroleum-based chemicals. Diversey also adheres to our Responsible Chemistry Policy to guide new formulations away from materials with potential concerns.

Sustainability is a strategic driver for Diversey and is at the center of our value proposition to customers. Our sustainability scorecard is embedded in our innovation process to ensure we continue to develop new products and technologies that deliver sustainability value to customers. In 2017, 100% of our innovations utilized the scorecard to identify ways to improve sustainability performance. The scorecard uses a holistic, life-cycle-based approach to focus R&D efforts. The scorecard has demonstrated added value by initiating dialogue with Diversey Marketing to find added value for these projects.

The scorecard has three technology platforms: chemicals, packaging, and equipment. In each of the platforms, there are five life cycle categories: raw materials, manufacturing, distribution and storage, product use, and end of life. For each technology platform, there are up to 25 individual criteria, such as compliance with our Responsible Chemistry Policy, renewable material content, efficient manufacturing, reduced water use at customer site, and recyclability.



TASKI AERO quietly transforms vacuuming

Shhhh! Do you hear that? If your answer is 'no,' you might be listening to a new TASKI AERO® vacuum cleaner. Each of the four models – AERO8, AERO8 Plus, AERO15, and AERO15 Plus – includes the patented TASKI “whisper technology,” a feature that virtually eliminates the noise concerns of daytime vacuuming.

TASKI AERO tub vacuum cleaners are highly efficient, incorporating a 585-watt, state-of-the-art vacuum motor that delivers the same cleaning performance as vacuums with 900-watt motors or more. To appreciate what this means, consider that TASKI AERO vacuums in the Eco mode are 65 percent quieter than a conventional hair dryer. As a result, they can be used at any time in any environment.

The modular four-model TASKI AERO system is not only good for business, but good for the environment, reducing both energy costs and CO₂ emissions by about 60 percent.

The development of the TASKI AERO line resulted from the input of more than 600 customers, enabling the sort of purposeful innovation that has paved TASKI's path to industry leadership. Features built into the four models include:

- The TASKI whisper technology, which harnesses patented cushioning technology that results in ultra-silent performance;
- An integrated cable quick rewind, which enables fast and quick storage of the vacuum's 12.5-meter cord;
- An Eco button which, with one push, reduces the motor power 50 percent, thereby reducing noise emissions to 50 decibels; and
- A full dust-bag indicator that tells the operator when the dust bag needs to be replaced.

The efficiency of the TASKI AERO line is based on an ingenious airflow concept. Each part of the vacuum, is optimized for the best possible airflow without any loss, based on sealed connections. These include a high-efficiency motor with a special turbine geometry, a ventilation design that increases suction power, an exhaust filtration component that increases efficiency through optimized air flow and resistance, a streamlined airflow that reduces energy consumption while creating a powerful suction, and a vacuum-cleaner nozzle that increases dust pick up.

All that efficiency adds up to a significantly lower environmental footprint of TASKI AERO. Based on the units sold in 2017, using TASKI AERO instead of inefficient 900-watt motors reduced greenhouse gas emissions equivalent to removing over 1000 cars off the road .

Combining cost efficiency and an enhanced environmental profile, TASKI AERO vacuum cleaners help explain why we believe that what's good for the environment is good for business.



<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



Taking the guesswork out of clean-in-place systems

Since the introduction of clean-in-place systems more than a half-century ago, one vexing problem with the otherwise efficiency-enhancing technology has persisted – until now.

The problem was how to know if clean-in-place (CIP) systems had cleaned too little or too much. Cleaning too little created potential hygiene risks. Cleaning too much wasted water, chemicals and energy.

CIP systems were developed to eliminate the need to disassemble processing equipment for cleaning, which, as food processors and bottlers know, is time consuming and labor intensive. It costs a lot of money, in other words. There had to be a way to determine whether the optimum level of clean had been achieved without taking everything apart. And now there is.

It's called Diversey® CIPTEC and it ensures that the correct level of hygiene is achieved during the CIP process without under- or over-cleaning. And in fact, the majority of CIP systems over-clean by 50 percent, which, in addition to being wasteful economically, also exacerbates the environmental impact of cleaning.

Diversey CIPTEC harnesses the power of light to monitor CIP systems in real time. The unique CIPTEC Spectrophotometer measures the light traveling through the liquids inside CIP systems, as well as the volume of soil and the level of chemicals during the final rinse stage. That, in turn, accurately determines the effectiveness of CIP stages and the removal of soils.

With Diversey CIPTEC, the complete CIP system is analyzed continuously. A statistical algorithm is used to refine the cleaning cycle to the optimum level. CIPTEC gathers data from the entire process. That data enables an analysis of different phenomena during the wash cycle and the discovery of anomalies that cause results to vary. Using that and other data, CIPTEC calculates the optimal regimen to eliminate over-washing, while maintaining a safety margin at a Six Sigma level.

33 km³
OF WATER AND
EFFLUENT SAVED

1,900 mw
MEGAWATTS OF
ELECTRICITY SAVED

\$680K
CASH SAVINGS
FOR THE YEAR

Diversey CIPTEC:

Because environmental stewardship makes good business sense.

A case study Diversey undertook recently at a dairy plant producing 200 million liters of milk annually dramatically established the operational efficiency our CIPTEC technology. That study substantiated a reduction of 6,600 hours of CIP time, which translated to 6,600 hours of additional production time. It also verified savings of 33 cubic kilometers of water and effluent, 38 kiloliters of product-recovery, and 1,900 megawatts of electricity. Combined, those savings equated to cash savings for the year of €560,000 (apx. U.S. \$680,000).

CSR Programs at Diversey

Diversey's corporate social responsibility (CSR) programs drive us to work with diverse partners around the world to improve lives in the communities where we operate. Employee volunteerism, disaster relief, and product donations are a reflection of Diversey's efforts to be a good corporate citizen. However, what differentiates Diversey is our extension of CSR to creating shared value (CSV). By partnering with our customers and NGOs, we tackle shared social and environmental challenges. Mutually beneficial programs like Soap For Hope and Linens For Life touch all three parts of sustainability with social, environmental and financial benefits.



Diversey sponsored the ISSA Hygieia Network again in 2017, working on advancement for women at all levels in the cleaning and hygiene industries. Diversey was a founding member and works to eliminate gender discrimination and support professional goals of industry women through partnership with the Network. Dr. Ilham Kadri, Diversey CEO and President and Chairwoman of the ISSA Hygieia Network, was also featured in one of the stories of the book *Invisible Heroes*. The inspirational stories of 23 women (and 1 man) who have brought cleaning out of the shadows, which was published by the ISSA Hygieia Network in 2017.



Giving hope to those who need it most



Soap For Hope™

In 2013, Diversey launched a CSV initiative called Soap For Hope™. The plan, as conceived by Stefan Phang, Diversey's Director of Sustainability and Corporate Social Responsibility, was to work with the company's customers in the hospitality sector to repurpose the soap remnants that customers leave behind when they check out of their rooms. Instead of throwing the remnants away, Stefan reasoned, why not create a sort of cottage industry that would make new soap out of the old, thereby providing an opportunity to make money to struggling people in low-income areas, improving personal hygiene in those areas, and reducing the impact of discarded soap on landfills.

That first year, Diversey rolled out Soap For Hope in two impoverished cities in Cambodia. Today, Soap For Hope is operating successfully in more than 40 countries across Asia, the Middle East, Africa, Eastern Europe, and Latin America. So far, nearly 1 million people have benefited from the initiative.

In less than five years, Soap For Hope has been responsible for the collection of more than 2,600 metric tons of soap waste from 540 hotels. That volume has been used to make 21 million bars of new soap. Some of that total has been distributed at no cost to people in areas lacking proper sanitation. Others have been sold back to the hotels who provided the raw material.

Soap For Hope has been widely chronicled and consistently praised in the media. In addition, Diversey recently garnered two prestigious Global CSR (Corporate Social Responsibility) Awards at the Global CSR Summit in Lombok, Indonesia. The award winners were chosen from among more than 300 submissions. One of those awards, called the Best Community Program Award, was awarded uniquely to Diversey at the platinum level, recognizing Soap For Hope for alleviating poverty, improving education, driving business growth, and inspiring community engagement.

When Stefan and his Diversey colleagues set out on their "Soap For Hope" journey, they were motivated to give something back to the communities in which the company operates, a commitment at the heart of Diversey's core values. The initiative was not driven by a desire to improve the company's bottom line. Nonetheless, the Soap For Hope story would not be complete without pointing out that not a single hotel participating in the program has changed from Diversey to another cleaning and hygiene provider. To be sure, Diversey's partnership with its hospitality customers is giving hope to those who need it most.





Linens For Life™

Every year, a typical 400-room hotel generates about two to three metric tons of used linen – bedsheets, pillow cases, towels, table clothes, employee uniforms, and the like. Two to three tons. That’s a lot of linen. For Diversey’s Corporate Social Responsibility (CSR) team, it’s also a lot of opportunity.

Powered by the imagination and inexhaustible energy of Sustainability and CSR Director Stefan Phang, Diversey pioneered Linens For Life™, a program to recycle hotels’ used linens to help meet the needs of local communities. Its objectives are threefold: to help with immediate disaster relief efforts; to provide livelihoods to local communities and vulnerable social groups through various recycling initiatives; and to help hotels reduce waste.

To date, Diversey has launched more than 23 Linens For Life projects in a total of 15 cities across Asia, Middle East and Africa. Used linens collected by participating hotels are distributed by Diversey to non-governmental organizations and local communities to be reused or recycled. Those projects have provided sustainable livelihoods to approximately 700 people.

In late 2017, thanks to Diversey’s global partnership with Hilton Hotels and Resorts, Linens For Life expanded to the Hilton Athens in Greece. Diversey and Hilton also are working to launch Linens For Life programs soon in other countries in Europe and in the United States.

The project in Greece has provided an uplifting example of what imagination and teamwork can do to repurpose the used linens hotels generate. Diversey brought together the Family Support Center of the Holy Archdiocese of Athens and an organization called Knit2Lead. Together they taught poor and abused women to sew. Hilton Athens provided the linens. The women then transformed those linens into original creations that they sold during a Christmas bazaar that they held in the Hilton Athens lobby.

“Linens For Life aims to provide a livelihood to local communities through creative conversions of used linens into items for sale. I strongly believe that people don’t want charity, they want to work. When we can give them livelihood, they are happy and confident that they can make money and create value,” Stefan said. “The project is about environmental and social protection, and hygiene as well. That’s why we call it Linens for Life. It’s life and livelihood.”

