



## **Modern Slavery Statement 2020**

**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 covers the period to 31<sup>st</sup> December 2020. It details the steps that Diversey has taken to tackle modern slavery and human trafficking in its supply chains and within the groups businesses.**

### **SUMMARY**

Diverseys' continuing vision is to make a valuable contribution to health and hygiene such that wherever in the world they live, people can enjoy safer cleaner conditions. Diversey strives to innovate 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.

During 2017 Diversey was divested from its former parent Sealed Air which meant substantial re-evaluation of focus and strategy, which has had huge impact on financial systems and governance. 2018 and 2019 have therefore been two years of considerable change and upheaval.

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 Diversey Limited Diversey UK Services Limited, Diversey Hygiene Sales Limited and Diversey Europe Operations B.V. together with the following wholly owned subsidiaries: Zenith Hygiene Group Limited; Zenith Hygiene Systems Limited; Twister Cleaning Technology Limited; Dry Lube Limited;

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

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

Diversey is a member of the Supplier Ethical Data Exchange ("SEDEX") as are many of our suppliers. During 2020 we intend to increase our oversight of 1<sup>st</sup> Tier third party manufacturers/suppliers and also our own operations by continuing to incorporate our use of the SEDEX audits to monitor and ensure compliance globally.



In the UK there were some restructuring activities during 2018 and 2019 and the Diamond BC Group acquired Zenith Hygiene Limited in 2018. The combined group has its principle offices in Northampton (Diversey UK HQ) and Welham Green, (Zenith HQ) with manufacturing and warehousing at Cotes Park, Derbyshire.

Our global supply chains are extensive and complex. In addition to our in-house manufacturing we use a significant number of 3<sup>rd</sup> party manufacturers and suppliers globally. These supplier and contract manufacturers both supply Diversey with raw materials as well as making final products for sale.

#### 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
Kirchheimbolander	Germany	F&B (85%)	50
Nalgarh	India	F&B and Professional	144
Gebze	Turkey	F&B and Professional	68
Wadeville	South Africa	F&B and Professional	29
Munchwilen	Switzerland	Machine Production	82
Candiac	Canada	F&B	5
Eau Claire	USA	F&B	4
London	Canada	F&B and Professional	124
Watertown	USA	F&B and Professional	98
Zhongshan (Banfu)	China	F&B and Professional	127
Socorro	Brazil	F&B and Professional	111
Tlalnepantla	Mexico	F&B and Professional	44
Villabosch	Argentina	F&B and Professional	72



Raw material suppliers send product to our plants directly, send material directly to our contract manufacturers (CM’s), and also supply our warehouses for further distribution.

Contract manufacturers, who make final products for us, send products to our plants, our customers, and our warehouses for onward distribution.

Relationships with both CM’s and raw material suppliers are controlled to ensure adherence to modern slavery requirements by multiple methods. First and foremost, in the contracts that they sign, modern slavery and human trafficking compliance clauses are included. Suppliers are contractually (in addition to being legally) obliged to take steps to ensure their compliance and to follow the laws, secondly these entities are checked during audits. Finally, some of these raw material suppliers and CM’s also participate in the SEDEX audits to ensure compliance

What we buy	What we make	How we move it around	How we sell and distribute
surfactants, commodity and speciality chemicals	Cleaning chemicals, sanitisers, hygiene products	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 focus on mapping and risk assessing our tier one supply chain, who are in the main large multi-national conglomerates, however there is more work to do in the lower tiers where the risk may be greater.

We intend to engage with our primary suppliers this year to encourage greater ownership of their own supply chains.

We are committed to increasing transparency in our supply chains and are working towards identifying potential areas of risk. Over the next 12 months we intend to audit our internal contracts and audit checklists to ensure that in all cases Modern Slavery and Human Trafficking issues are uncovered. We have already engaged with our quality management and supply chain teams who are currently in the process of implementing a ‘Self-Assessment’ system for our raw material and finished goods suppliers which includes a full section on modern slavery. Over the longer term we intend to publish details of all our core supply chains but recognise that further engagement with all stakeholders in this process, including the suppliers themselves, is required before we can make further meaningful progress.

We will also increase our oversight in key sourcing regions such as the Middle East, Asia and Africa and will look to provide training to colleagues on the indicators of modern slavery and forced labour during the coming year.



In common with most global manufacturers, the risk of modern slavery and forced labour in our supply chain remains linked to any workforce demographic that is susceptible to exploitative practices. Informal, temporary, seasonal, and low skilled work may exist in our chemical supply chains, particularly in warehousing and factories, and may exist in our lower tiers of supply. In certain countries we acknowledge that this risk is compounded where governments fail to protect workers' rights and there is poor practice on the part of the third party supply business which results in a lack of responsibility in their duty of care for employees. In some parts of the world there are additional factors which mean that women or children may be more at risk than men. We will work this year towards understanding whether this is in fact a risk in our supply chains.

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

Diversey has a Global Anti-Slavery and Human Trafficking Policy and the sections on forced labour, modern slavery and human trafficking were updated in May 2019 to ensure that processes are implemented and monitored.

The Supplier Code of Conduct was updated in May 2019 to include new obligations and commitments for all suppliers in relation to modern slavery. All suppliers are required to sign up to this Code of Conduct, 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. Clauses dealing with modern slavery were introduced during 2018 into all Diversey supplier contracts with the proviso that breach of the Diversey Supplier Code of Conduct may lead to termination of the respective contract. Compliance with Diversey's Code of Conduct and specifically with our anti-modern slavery commitments, has been embedded into our standard terms and conditions of trading for both supply of goods and services and for all purchases. We have also introduced a new vendor assessment and on boarding procedure which amongst others, includes questions for vendors about the steps they take to identify and eradicate modern slavery issues within their business and within their supply chains.

During 2020 we intend to continue building on the foundations already laid by increasing internal training and auditing our internal systems to ensure they are adequately protecting and detecting issues.

The Associate Code of Conduct applicable to employees, workers and consultants, has also been reviewed. Employees are encouraged to report any issues to the Diversey Ethics hotline. During the past year there have been no reports of modern slavery issues. However we are currently reviewing awareness of the issues and in addition to training on modern slavery which are already available online for all employees, plan to implement mandatory training during 2020/2021.

Diversey have several other internally applicable policies in place which underpin our ethical approach to business and to ensure that all our people are treated with respect. These include the Modern Slavery Policy, Whistle-blowing Policy, and Anti-Money Laundering Policy which are made available to all employees on the Diversey intranet site. It is intended in the coming 12 months to ensure that all of these policies are made available in appropriate languages to colleagues around the globe.



### 3. Due Diligence Processes and Governance

Our current supply chain incorporates many checks and balances to ensure we are addressing and remedying modern slavery issues. The primary vehicles for preventing modern slavery are training and auditing. At Diversey, all of our production sites are active participants in SEDEX and are also audited regularly to ensure compliance. We ensure that our suppliers are addressing and remedying modern slavery issues through contractual agreements and audits. And finally, we train our employees on ethics and modern slavery awareness to make them diligent in detecting and correcting any issues that they might see.

Although we have not yet analysed the number of audits carried out, how many vendor assessment questionnaires completed were returned, or analysed the findings from these, this is a work in progress for the remainder of 2020. We will publish a report containing the details on our website once these results are available.

Currently no issues related to modern slavery have been identified within our supply chains however we do continue to make employees aware of the possibility that they exist and of the ethics hotline for all issues lie this to be reported.

### 4. Identification of Risk Areas:

The areas in our supply chain that pose the highest risk to modern slavery are our organizations in the less developed portions of the world in: Africa, the Middle East, and Asia. These regions follow the same rules and organizational requirements as the rest of Diversey and in addition they also receive more targeted annual training. In this training, regional leaders, supply chain leaders, and plant managers in these areas are further educated on the topics surrounding these issues in an open format to facilitate dialog to address concerns head on in individual regions/countries.

This targeted training serves many purposes. First and foremost, it highlights the risk and regionally specific issues, Secondly and equally importantly, these sessions provide the organization with a more detailed dive into the potential and actual regional problems which then guides and informs us in updating our programs to focus on what is actually occurring on the ground. This two-way dialog makes the program authors, trainers, and developers more in tune with what is really happening while encouraging cross functional dialog to aid in sharing best practice. We believe that truly understanding the problem and sharing best practice throughout the areas with the most challenges helps improve our systems and procedures in the most effective way for us to have the largest impact.

Whilst these regions continue to be the areas of highest risk we believe that awareness and training are our best lines of defence. 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 training is delivered and enforced.

We have assessed the ongoing modern slavery risks in our supply chains based on country information metrics, regular consultation with local bodies, and internal feedback. We have a reporting hotline which is currently open to employees to report issues. In the coming year we will look to introduce country level reporting in high risk regions, which will be used to inform our procurement teams. All suppliers are required to comply with our Code of Conduct for Suppliers which includes ethical and legal compliance requirements and we have embedded the obligations into all contracts with suppliers with the use of suitable contract clauses and a link to the Code of Conduct via our website.

During the current year we have been working through supplier and site audits. Issues that we are looking for are:

- Workers identification documents and right to work
- Workers being charged for work related equipment
- Delays in payments to colleagues seeking to leave employment
- Excessive contractual notice requirements restricting worker freedom

We will report on issues that arise and these will be used to inform our audits going forward. We strongly believe in training and awareness to combat modern slavery, in the coming year we intend to increase our training and awareness throughout our supply chain organization by adding modern slavery to our corporate ethics training sessions.

##### **5. Addressing and Monitoring Risk Areas:**

Currently no issues relating to modern slavery have been raised via our ethics hotline. Reports of calls and topics are received monthly by the audit team and are reviewed and monitored by the senior leadership team. We will ensure that we will focus on spreading the word about modern slavery issues during the next 12 months by doing individual and group training sessions face to face and online as appropriate and by continuing our audit activities.

If for example we identify any migrant worker risk anywhere within our supply chain network – we will address this by ensuring that the suppliers in the region are required to make sure that all their employees are employed directly or indirectly with proof of right to work.



We will continue to extend the use of the due diligence approach to existing and new suppliers with the use of specific questionnaires which will be sent to companies to complete and followed up on an annual basis. The questionnaire results will be collated centrally and reported to senior leadership quarterly.

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:**

<ul style="list-style-type: none"> <li>• 96% of colleagues surveyed agreed that the training helped develop their skills in identifying cases of modern slavery.</li> </ul>	<ul style="list-style-type: none"> <li>• All colleagues surveyed confirmed they now understood what actions to take in the event of discovering a modern slavery incident.</li> </ul>	<ul style="list-style-type: none"> <li>• All colleagues surveyed agreed that e-learning was an effective training method.</li> </ul>
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We believe that educating our workforce about slavery and human trafficking and how to identify it, is very important.

Training of our own employees is a key focus for the coming year. We continue to develop the skills and knowledge of key frontline personnel and have delivered a Code of Conduct training module containing a substantial segment on modern slavery to all employees during 2019/20. Take up of training was 81% with 6352 colleagues receiving training.

There will also be more focus within the on boarding process on modern slavery training for new starters especially those in key roles such as supply chain and procurement.

The Diversey group commitment to hygiene and health, continues to be to protect and care for people every day, especially in the current uncertain global times. We continue the quest to be a pioneer and facilitator for life.

Signed

**Lex Tiedemann**  
**Chief Supply Chain Officer, Customer Service & Procurement**