

Operations

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Creating a cleaner, healthier future begins in operations. Therefore, we have committed to continual, measurable improvements in our environmental profile.

Six wind turbines were installed on Diversey's global headquarters building in Sturtevant, Wis. The six turbines have the ability to generate and feed up to six kilowatts of energy back into the building which reduces operating costs, carbon emissions and its impact on the environment.





碳减排先锋
Defensores do Clima
クライメート・セイバーズ
Climate Savers

Our commitment:

Tripling our Climate Savers pledge, Diversey declares battle against greenhouse gas waste

Transforming our industry begins with transforming our thinking — and helping our customers and partners do so as well. To address the critical issue of climate change, Diversey has taken significant steps in the past two years toward just such transformative thinking.

We have committed to reduce our greenhouse gas (GHG) emissions by 25 percent by 2013, regardless of any change in our operations or production. That commitment, announced in November 2009, *more than triples* the vow we made just a year earlier as part of Climate Savers, the well-respected and rigorous GHG reduction program of the World Wildlife Fund (WWF).

Equally important, the path we are taking toward delivering on this promise is further evidence that reducing GHG emissions is good for both the environment and for business. We announced publicly our commitment to reduce our GHG emissions when we joined Climate Savers in 2008, but we have been taking steps to do so throughout our company's history.

The first step was to fundamentally change the way we think about the GHGs. Simply put, we came to define GHG emissions as a powerful indicator of waste in our operations: they damage the earth's environment, cost money to produce in the form of

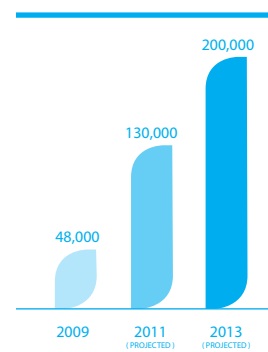
expended energy, and add little value to what we offer our customers.

During the 2009 United Nations Framework Convention for Climate Change COP15 negotiations, WWF held a U.S. CEO Roundtable in Copenhagen where Diversey Chairman Curt Johnson challenged his fellow business leaders to implement aggressive plans to eliminate the waste GHGs represent. Sustainability is not merely a focus on environmental initiatives, he said, but a way to integrate the social, environmental and economic effects of business operations in order to build stronger, more durable enterprises.

"Treating greenhouse gas as a form of waste creates a sea change in the perspective of how to address climate change," Johnson said in his remarks to the U.S. CEO Roundtable. "Once industry begins to treat greenhouse gas emissions as waste, and an indicator of inefficiency in the system, enterprises can factor it into their profit models and calculate a return on investment that spurs the creative private-sector action that will make a huge difference in emissions."

Diversey will invest \$14 million in GHG reduction efforts through 2013. That investment will yield \$32 million in operational savings.

Diversey Reduction in GHG Emissions



Cumulative emissions savings (metric tons carbon)

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→ **Tripling our Climate Savers pledge:** *continued*

We are making improvements in every aspect of our operations: manufacturing and distribution as well as general commercial operations. We are not buying green energy or using emission offsets from another source to reach our 25 percent reduction. And we won't rely solely on installing new technology.

"We will reach this goal through the kind of innovative thinking that has made us an industry leader and a leader in addressing climate change," said President and CEO Ed Lonergan. "This is the kind of leadership thinking that continues to draw customers and partners to work with us to improve their own environmental performance."

Our senior leaders are so committed to GHG reductions — and believe they make good business sense — that they have linked their performance objectives and their own pay to delivering on our Climate Savers covenant. That's a rarity in corporate compensation standards worldwide.

And in another transformative change, we made a commitment to globalizing our approach to financing capital investments in energy, managing our energy use and reducing emissions.

Traditional capital expenditure models would have trapped us into less ambitious GHG reduction targets and lower returns on our investments. By changing our thinking about financing and managing these projects, we substantially improve our results.

For instance, most of the electricity that powers our southeastern Wisconsin headquarters and flagship manufacturing plant is

produced by the cheapest and dirtiest form of energy: coal. Changing our energy use in these facilities will substantially reduce our GHG emissions, but the cost savings we realize from those changes has a lower return on investment because of the low cost of purchasing coal-based energy. Conversely, in areas of Europe where energy is up to 8 times more expensive, but comes from sources that emit fewer GHGs, we can realize a greater return on investment by improving our energy efficiency, but those changes have relatively less impact on reducing GHG emissions.

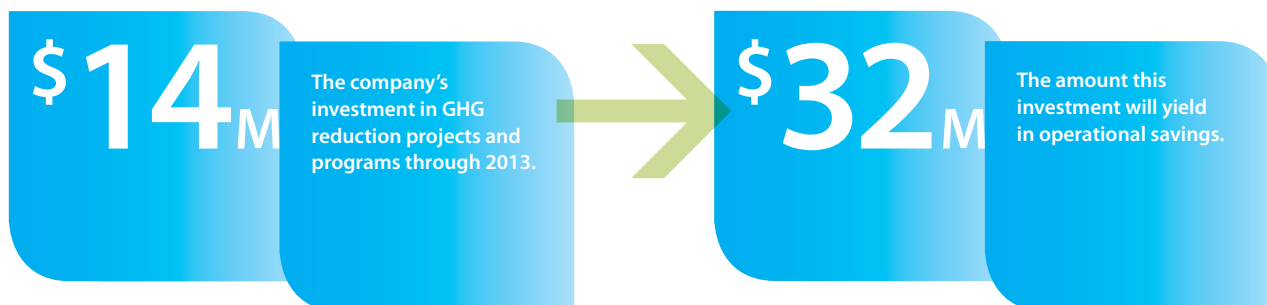
We decided to invert the equation to our advantage: we are leveraging the global disparity between energy costs and carbon emissions worldwide by managing our energy programs and the capital expenditures for them globally.

By balancing projects that require small capital investments but deliver substantial GHG reductions with projects that deliver smaller GHG reductions but deliver fast and substantial ROI, we can deliver industry-leading results.

"A powerful opportunity exists when a company realizes that carbon savings can deliver cost savings, and those cost savings can help fund additional carbon savings," said Jeremy LeMieux, who leads our Climate Savers implementation. "We constantly evaluate projects for both carbon and cash benefits. We continually evaluate new and emerging technologies as well as emerging changes in the business. Each time we review projects we learn more about where our opportunities lie and how we can manage them for the greatest efficiency."



Raising the Bar on Reducing GHG Emissions



"Treating greenhouse gas as a form of waste creates a sea change in the perspective of how to address climate change."

> CURT JOHNSON, DIVERSEY CHAIRMAN

Diversey's leadership is a powerful example to companies around the globe that reducing carbon emissions can be an innovative means toward profitable growth, said WWF President and CEO Carter Roberts.

"By tripling their emission reduction goals, Diversey is showing business leaders and political decision makers that addressing climate change is also really good business," he said. "Diversey and our other forward-thinking Climate Savers partners are leading the charge toward a healthier, more sustainable economy."

With more than 120 projects at various stages of implementation around the world, Diversey has abundant opportunities to realize significant benefits for our operations and for the environment.

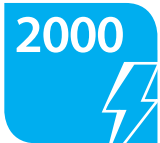
→ We reduced our GHG emissions and our total costs of operating our automobile and truck fleet worldwide. The fuel savings will more than offset the higher price of leasing more fuel-efficient vehicles. More than 80 percent of our North America fleet has been converted



Chairman Curt Johnson discusses climate change at the WWF sponsored CEO's Roundtable in Copenhagen.

→ Tripling our Climate Savers pledge: continued

already, resulting in an 18 percent drop in year-over-year fuel consumption and associated carbon emissions — with no incremental investment of capital.



→ Independent third-party energy audits at our six largest global facilities identified opportunities to eliminate more than 2,000 metric tons of carbon dioxide emissions. We've implemented many of these audit findings and are realizing the gains; others are scheduled for implementation. We are applying learnings from the audits at our other facilities.



→ Improved lighting at our manufacturing plant in Sturtevant, Wis. enhanced the brightness of the facility, reduced our global carbon dioxide emissions by more than 500 metric tons per year, and will completely pay for itself in about two years. We have also upgraded our lighting in many other manufacturing, warehouse and office facilities that have enabled further reductions in carbon dioxide emissions of more than 1,500 metric tons per year. Many additional lighting projects are planned for 2010 and beyond.



→ A global upgrade to our IT networks and collaboration tools has delivered more than \$4 million in capital expenditure savings, \$1 million in operational savings and reduced carbon dioxide emissions by more than 850 metric tons per year.



→ Six building-mounted wind turbines on our global headquarters building reduce peak power demand, which is supplied by local coal plants. Our estimated GHG reduction is approximately 25 metric tons per year. We're continuing to study additional alternative energy projects for other facilities.

Improved Lighting at our London, Ontario, Facility

Lighting retrofits in many locations, including our London, Ontario, facility in Canada, reduced our global carbon dioxide emissions and improved lighting brightness.



A full lighting retrofit of our Enschede manufacturing facility improved lighting quality and intensity and reduced electricity usage by 55 percent.



New IT approach boosts collaboration, cuts environmental waste

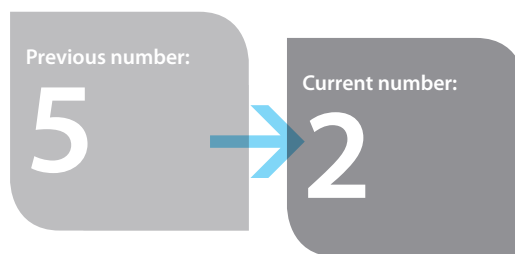
Diversey's global information technology strategy is directly linked to our sustainability strategy. Our new approach improves our opportunities to collaborate, reduce costs and decrease our environmental impact. It also substantially improves our disaster recovery capabilities and simplifies our operations.

- We consolidated our data centers from five to two. Data centers are complex and critical components of any organization's information technology management. They require a high number of hardware components, consume significant amounts of energy and demand high levels of capital and operational investment.
- We consolidated 275 physical servers to 10 and began using "virtual servers." These servers improved productivity by reducing server down-time and improving our ability to manage the server environment.
- We implemented cloud computing — also known as "software as a service" — for major operations including e-mail, expense reporting and customer relationship management. That enabled us to eliminate 14 servers, while shifting our computing to server farms that manage data more efficiently and with less environmental impact.

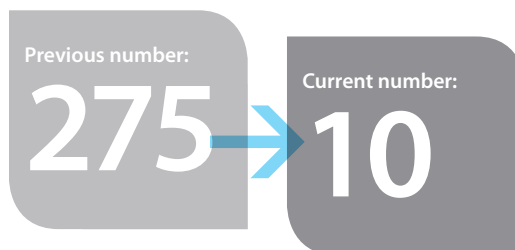
All told, these changes reduced our IT-related capital costs by more than \$4 million and reduced operational costs by more than \$1 million. We cut our carbon emissions by more than 850 metric tons per year — the equivalent to removing 173 passenger vehicles from the road each year.

IT performance results in reduced environmental impact

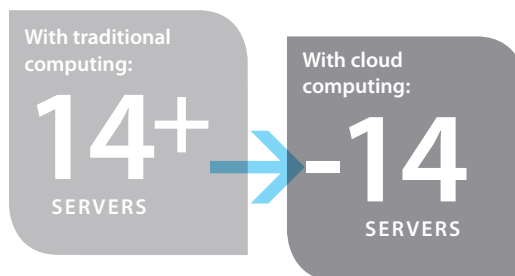
DATA CENTERS:



PHYSICAL SERVERS:



COMPUTING SERVERS:



Reduced our carbon emissions by:

850
METRIC TONS

Reduced our total costs by more than:

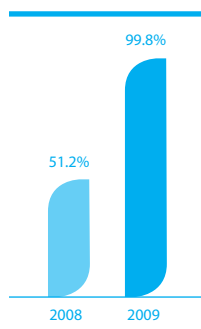
\$5M

Manufacturing improvements deliver efficiencies, cost improvements and waste reduction

Diversey's continuous improvement approach enables us to identify opportunities for efficiency, which in turn helps reduce our impact on the environment while generating profits. We've implemented large- and small-scale projects that have reduced our operating costs and reduced waste in the manufacture and transport of our products.

Waste management improvements yield cost savings, increase amount of waste recycled

Recycling of waste at our Cotes Park site



The success of the Cotes Park project lead to additional audits throughout our other European sites.

Our Sourcing and Manufacturing teams launched a project to address the higher-than-average cost of waste disposal at our Cotes Park, U.K., manufacturing site.

In partnership with a third-party provider, we substantially increased the amount of waste recycled, as well as reduced overall waste disposal costs. The changes the team implemented delivered significant operational improvements, including:

- reducing the number of suppliers handling our waste from nine to one;
- improving the segregation of waste at the source, reducing the time and expense of sorting later;
- improving the site's health and safety compliance through better waste management practices;
- selling organic waste from our product production to a third party that uses it to generate garden compost;
- reducing the overall amount of waste being incinerated and directing remaining waste to a third party for waste-to-energy generation;
- using caustic waste streams for third parties to neutralize acidic effluent;

- increasing our tracking of waste to enable continued improvements in operational efficiency and waste management.

In 2009, Cotes Park recycled 99.8 percent of its waste — a vast improvement from the previous year's rate of 51.2 percent.

To build on the success of this project, we've planned audits of additional manufacturing and warehousing sites in Europe. We're also sharing our experience with customers to help them improve their operations and their environmental sustainability.

Reallocating product production saves money, reduces CO₂ emissions

Diversey employees at four of our European manufacturing sites collaborated on a project to improve factory efficiency and reduce energy and water use.

We had followed a traditional manufacturing model of producing all SKUs of a particular product formula in the factory closest to where the product would be sold. That resulted in shorter transport distances for individual products. But it also meant that each factory had to produce relatively low volumes of multiple products and multiple packaging types. That not only hindered the efficiency of each factory, it required significant water use to clean the manufacturing lines between each product batch.



Our employees in Italy, Spain, Portugal and France re-examined that process. They reallocated the production of nearly 60 SKUs to optimize the efficiency of our production processes and used the Global Value Chain environmental impact reporting tool to model the environmental impact of the proposed changes. The change improved our factory efficiency, delivered savings and reduced our use of water and generation of waste. Our total carbon dioxide emissions went down and freight costs improved, though some low-volume products are now transported greater distances. In total, the three-month project delivered lasting results:

- €188,000 of cash saved;
- 81.8 metric tons of CO₂ emissions eliminated per year;
- 632,340 liters of water saved per year;
- 6,144 kilograms of waste eliminated per year.

Simple changes improve operations, environmental impact in Mexico

Diversey's customers value collaboration that results in operational and environmental efficiencies. One of the largest dairy operations in Mexico invited Diversey to join them in a "Stewardship for Competitiveness" program sponsored by the country's environmental and natural resources authorities.

As a result of the collaboration, we implemented three changes that delivered substantial operational and environmental improvements for Diversey:

- We changed the packaging for some of our products to use less plastic, reduce product damage during transportation and reduce transport costs by enabling more product to be stacked on each pallet. The change eliminated 840 kilograms (1,852 pounds) per year of plastic waste and saved about \$26,332 per year.

- We installed a pressure washer and implemented more effective procedures for washing drums that are used for temporary storage of raw materials. Those changes reduced our water use by 350,000 liters per year.
- We replaced some cloths with a recycled material that eliminated the need to use compressed air for cloth drying processes. This saved 3,300 kilowatt hours of energy per year.

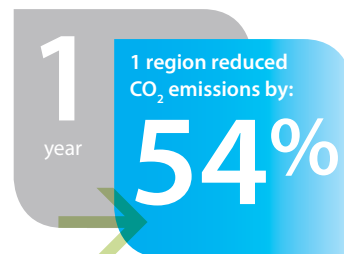
Transportation changes cut CO₂ emissions by 54 percent in EMA

In a single year, Diversey reduced its carbon dioxide emissions related to product shipments by 54 percent over conventional means.

Our teams in Europe, the Middle East and Africa (EMA) evaluated the use of multimodal transport options — using more than one means of transporting products from our production facilities to our customer sites — and discovered significant opportunities to increase our use of sea and rail transportation.

In 2009, Diversey's EMA operations employed multimodal transport solutions for about 14 percent of our total shipments in the region. Using sea and rail solutions as part of mid- and long-distance hauling plans enabled us to eliminate about 1,000 metric tons of carbon dioxide emissions compared to over-the-road transportation. That's a reduction of about 9 percent in a single year.

Plans are under way to increase the use of multimodal transport in 2010, and further reduce our carbon emissions.





From left to right: Nicole Wu, Xie Minya, Moreho Dezio, Luna Yao, Shen Hong and Daisy Zhang preside at the opening of the Diversey Innovation and Learning Center in Shanghai.

Training center in China earns LEED certification

In a powerful statement of Diversey's leadership in sustainable facility care, our training center in Shanghai became one of only 36 buildings in China to qualify as a certified green building under LEED standards (Leadership in Energy and Environmental Design). Initially developed by the U.S. Green Building Council, LEED standards for environmentally sustainable construction have grown to include projects in more than 30 countries.

The new Diversey Innovation and Learning Center in Shanghai, certified LEED Silver, is a showcase for our own sustainability practices and the sustainability expertise we offer customers. Demonstration areas allow customers hands-on experience with our products, tools, dispensing systems and services for floor care, warewashing and kitchen hygiene, laundry care, food and beverage facility care, and health care. The facility also serves as a site for training and development programs for our

own staff, and is available to industry associations for training programs as well. The building is the only LEED certified facility in our industry in China.

Diversey has committed to using LEED principles in the design and operation of all facilities we build or lease. We've also secured LEED certification for four of our existing facilities and are planning for or pursuing certification for eight others. We've applied for recertification of our global headquarters building, as is required every five years, and have filed for certification of the East Campus of the headquarters. Our warehouse and distribution center near the global headquarters, at 550,000 square feet — and about 44 percent better efficiency than similarly sized facilities of its kind — is the largest building in the United States to earn Gold LEED certification for existing buildings.



Simple changes in facility management deliver significant savings

Established as a “living laboratory” for sustainable cleaning practices, our global headquarters building is a vivid example of our promise of a cleaner, healthier future. We designed the facility to demonstrate sustainable facility management in action. Recently, we implemented three simple, low-cost changes that netted more than \$250,000 in annualized savings, and — just as important — served as an example of how rethinking our assumptions can help us all protect the natural environment and protect profits.

- We implemented Daylight Cleaning™, which saves energy by reducing the need for light, heating and cooling at night. It also benefits people:

Building occupants can request specific cleaning services when they need them, and cleaning workers are more likely to stay on the job because their job satisfaction improves. The Daylight Cleaning program also improves facility security and reduces light pollution.

- We set the default on every printer in our global headquarters to two-sided printing. We also swapped inefficient desktop printers in favor of high-speed multifunction print-copy-fax machines located on each floor throughout the building. The new printers afforded us savings through greater energy efficiency, reduced paper use and reduced costs in maintaining and replacing stand-alone printers.
- We eliminated paper cups from our cafeteria and coffee stations and, consequently, from landfills. Instead, we gave every employee a reusable thermal mug and supplied reusable mugs for guests. This approach provides a daily reminder of the power of individual choices to bring about Diversey’s promise of a cleaner, healthier future.

Together, these changes net about \$100,000 in savings per year in our global headquarters operating budget. The cost to implement the changes was nominal and was paid back in operational savings within about two months.





Employees commit to greening our operations

Around the world, Diversey employees are initiating and managing projects to reduce waste, improve efficiency and serve the community.

Through these efforts, we are demonstrating the cumulative effect of individuals making small, day-to-day choices to improve operations and protect the environment.

Santa Cruz “green team” partners with recycling program that helps the elderly

A self-designated Green Team in our Santa Cruz, Calif. facility continued its efforts to divert material from landfills and help senior citizens at the same time. The team continued its affiliation with the California Grey Bears, and organization of “seniors helping seniors.” The Grey Bears operate a recycling center that collects and sells scrap cardboard and packaging film, then uses the profits to provide meals to seniors in need. By donating 16,600 pounds of material from our equipment manufacturing facility, the Santa Cruz Green Team’s efforts accounted for 2,557 of the meals the Grey Bears donated to seniors last year. The Green Team not only kept the scrap material from landfills, they helped us cut our annual waste-hauling fees by about \$27,000.

The Green Team also turned its efforts to reducing the impact of employee transportation, using greener office and coffee machine supplies and planting trees to offset the facility’s paper use.

Their efforts were honored by the California Integrated Waste Management Board through its 2009 Waste Reduction Awards Program (WRAP).



Results from our Santa Cruz “Green Team” partnering with the California Grey Bears

16,600 lbs of donated material

2,557 meals donated to seniors last year

\$27,000 saved of annual waste-hauling fees



Diversey Santa Cruz employees are part of a "Green Team" that works to reduce waste and help senior citizens at the same time.

Denmark continues to deliver energy savings in offices

Our Denmark facilities have reduced energy consumption by nearly a quarter through the implementation of energy-saving plugs and timers. Plugs installed at every outlet shut off the power to computers, desk lamps and other electronics when employees leave the building at night. Timers control coffee makers and printers. The changes were implemented in 2007. Energy use in the Denmark offices is now 23.4 percent less than it was before the plugs and timers were installed.

Mexico and Brazil drive recycling effort

Employees in Mexico established a recycling program for waste produced in the offices and in employees' homes. In its pilot phase, the program helped divert waste from landfills:

- 150 toner cartridges;
- 1,200 kilograms of paper (about 2,646 pounds);
- 25 kilograms of batteries (about 55 pounds).

In addition, the efforts helped Diversey's manufacturing facility in Tlalnepantla recycle 80 percent of the waste it generated. Plans are under way to decrease waste generation in 2010 and to increase the repair and reuse of pallets in the plant.

In Brazil, waste generated from manufacturing, offices and warehouse operations was being collected in large dumpsters where it was difficult to separate properly for recycling and protect from wind and rain. Diversey Brazil employees established a central recycling office with the help of a third party to improve collection and segregation of waste. The office has improved the safety and efficiency of the recycling process and identified opportunities to reduce the amount of waste generated. The site achieved a 37 percent reduction in waste generated from 2008 to 2009.

Diversey achieves significant reductions in environmental KPIs

Diversey maintains a rigorous process to measure and track the environmental impact of our operations. Each year, our facilities around the world develop environmental improvement plans to align their environmental-impact reduction goals with other business goals, such as greenhouse gas emission reduction, efficiency improvement targets, and cost reductions. By aligning all of these individual goals, we achieved significant reductions in wastewater discharges, waste disposal, and energy usage in 2009.

- The 17.1 percent reduction in energy was achieved by the multiple energy savings projects globally with activities including lighting replacements, modifications to compressed air systems, and changing operational practices.
- The 16.1 percent reduction in waste disposed was driven by a combination of efforts to eliminate the waste from being generated through focused projects such as a central recycling office in Brazil and the increase in the amount of waste that is recycled through focused projects such as the third-party waste audits in the U.K.
- The 6.5 percent reduction in effluent chemical oxygen demand was driven by performance improvements of the effluent treatment plants installed or upgraded in 2008 at our China, India, and Japan sites along with the following key operational improvements:
 - Modification of processing lines for 10 tanks and four filling lines and the installation of compressed air flushing units at our Turkey manufacturing site. By flushing the lines with compressed air prior to water cleaning, the site was able to increase their production yield, filling line

efficiencies, and achieve an 83 percent reduction in effluent COD.

- Additional equipment installation at our Spain manufacturing site to reduce the amount of equipment that required cleaning achieved a 37 percent reduction in effluent COD.

Increased flexibility required by our business has the effect of increasing the number of cleaning events required at a manufacturing location which in turn increases both total water and net water metrics. Therefore, sites have to continually look for ways to clean equipment more efficiently using less water per cleaning event to maintain or improve on previous years' water metrics.

Making use of the same AquaCheckSM auditing methodology that our customers rely on to reduce water usage at their facilities, we implemented the same program at some of Diversey's larger manufacturing facilities. In 2008, we completed an audit of our Sturtevant, Wis. facility and then, in 2009, we expanded the program to our Cotes Park, U.K. plant. Through the implementation of several water efficiency projects, these facilities were able to reduce their net water consumption by 18 and 13 percent, respectively, helping to offset the increase of cleaning events globally.

We continuously examine and improve the methods by which we evaluate our environmental impact. In the past several years, we have improved the precision of our reporting and analysis. Our 2009 results reflect the results of our efforts.

Key Performance Measures*

	2004	2005	2006	2007	2008	2009	LY % reduction
Effluent COD (kg/metric ton)	2.75	2.31	2.80	2.73	2.47	2.31	6.5%
Waste Disposed (kg/metric ton)	2.76	2.90	3.29	2.89	2.48	2.08	16.1%
Total Water (m ³ /metric ton)	1.15	1.15	0.96	0.99	0.97	0.97	0.0%
Net Water (m ³ /metric ton)	0.52	0.56	0.50	0.53	0.51	0.51	0.0%
Total Energy (GJ/metric ton)	0.43	0.39	0.37	0.39	0.35	0.29	17.1%



	2004	2005	2006	2007	2008	2009	LY % reduction
Effluent COD (kg/metric ton)	2.75	2.31	2.80	2.73	2.47	2.31	6.5%

Effluent COD is the chemical oxygen demand present in wastewater that is discharged from a site through a regulatory discharge authorization and the COD present in wastewater transported off-site to a third party for wastewater treatment and discharge.

	2004	2005	2006	2007	2008	2009	LY % reduction
Waste Disposed (kg/metric ton)	2.76	2.90	3.29	2.89	2.48	2.08	16.1%

Waste Disposed is waste that is landfilled, incinerated or treated via another method that does not provide any beneficial reuse. We continue to use a three-step approach in reducing waste disposed:

- 1 Eliminate the generation of the waste;
- 2 Identify an alternative use of the waste;
- 3 Identify means to have waste processed to provide a beneficial reuse.

If none of the three alternatives is available for a specific waste stream, based on local regulations or geographic constraints, then we have the waste disposed in accordance with local regulatory requirements.

	2004	2005	2006	2007	2008	2009	LY % reduction
Total Water (m ³ /metric ton)	1.15	1.15	0.96	0.99	0.97	0.97	0.0%

Total Water is the amount of water required to support both the production (water in product, washwater, cooling water) and the facility (e.g. restrooms, kitchens, sprinklers) at our manufacturing locations.

	2004	2005	2006	2007	2008	2009	LY % reduction
Net Water (m ³ /metric ton)	0.52	0.56	0.50	0.53	0.51	0.51	0.0%

Net Water is calculated by subtracting the water included in our products from the Total Water consumed at a manufacturing location. We use Net Water to provide an indication of our water-use efficiency at a location.

	2004	2005	2006	2007	2008	2009	LY % reduction
Total Energy (GJ/metric ton)	0.43	0.39	0.37	0.39	0.35	0.29	17.1%

Total Energy is the combination of electricity, natural gas and any other fuels used to support both the facility and production at our manufacturing locations.

* Data includes 27 manufacturing locations in 21 countries.