

## **WD-40 Company Slavery and Human Trafficking Transparency Disclosure Statement**

### **WD-40 Company Worldwide Corporate Structure and Supply Chain Relationships**

WD-40 Company is a global business, with corporate headquarters in San Diego, California. In addition to its United States domestic operations that also supplies products for markets in Latin America and certain areas within the Asia-Pacific region, the company conducts business in international markets through operating subsidiaries located in Australia (WD-40 Company (Australia) Pty. Limited), Canada (WD-40 Company (Canada) Limited), China (Wu Di (Shanghai) Industrial Co., Ltd.) and the United Kingdom (WD-40 Company Limited). WD-40 Company manages its supply chain operations through each of these subsidiaries under a consistent set of standards, policies and procedures.

WD-40 Company's supply chain relationships can be divided into two groups:

- Tier 1 suppliers – direct suppliers of raw materials for the trade secret concentrate formulation for WD-40 Company Products and filling vendors for the supply of finished goods.
- Tier 2 suppliers – indirect suppliers of raw materials and components to Tier 1 suppliers for the production of finished goods, and service providers using shift-based or temporary workers (i.e. warehousing and hauliers).

For Tier 1 suppliers, WD-40 Company has established standards and procedures to reinforce our expectations toward social responsibility, including the company's policies to prevent and eliminate slavery and human trafficking in the company's supply chain.

For Tier 2 suppliers, WD-40 Company employs a contract manufacturing supply chain architecture with strong relationships based on mutual respect and trust. WD-40 Company selects and approves suppliers for most raw materials and components, and distribution methods. All suppliers are required to adhere to the company's compliance standards, and they are subject to verification of compliance and audit. Through this process, the company believes the risk of slavery and human trafficking at its Tier 2 suppliers is very low.

### **WD-40 Company Policies and Procedures**

WD-40 Company believes in and practices a strong set of Corporate Values, foremost among those values are "We value doing the right thing" and "We value making it better than it is today." WD-40 Company and its global subsidiaries employ approximately 525 persons in management, sales and support positions. There is no risk of slavery or human trafficking within the company's own global operations.

While WD-40 Company believes the risk of slavery or human trafficking in its supply chain is low, the company nonetheless has a variety of mechanisms in place to assess and reduce risks in its supply chain, including:

- A Global Company Code of Conduct that addresses matters of corporate responsibility, including labour and workplace conditions.
- Manufacturing audits of WD-40 Company's filling vendors.
- A Global QMS (Quality Management System) that includes Non-Conformance monitoring, reporting and correction.
- A Global Compliance Policy and Code of Conduct for WD-40 Company suppliers that is incorporated into all contracts for the supply of goods and services.

- Risk assessments for consideration of independent third-party audit requirements for supply chain vendors.

The following activities were undertaken during WD-40 Company's fiscal year ended August 31, 2020 to address the problems of slavery and human trafficking in supply chains. These continuing activities have been developed over a number of years. In keeping with WD-40 Company's Corporate Value of making it better than it is today, risks associated with slavery and human trafficking in the supply chain are regularly assessed in considering enhancements to the company's policies and procedures.

### **Verification and Risk Assessment**

WD-40 Company annually maps all Tier 1 and Tier 2 suppliers to identify and assess risks associated with labour practices, utilising the ethical supply chain management tool, Sedex, where possible. In selecting both Tier 1 and Tier 2 suppliers, the company conducts diligence activities to assess those risks and to verify that the supplier operations will comply with the company's standards as well as applicable anti-slavery and anti-human trafficking laws. The company uses the annual risk assessment results to determine which Tier 1 and Tier 2 suppliers will be subject to audit during the year. The company has not employed third party vendors in support of these verification and risk assessment activities.

### **Audits**

Once supplier relationships have been established, Tier 1 filler vendors are subject to annual audits to assure compliance with the company's standards and applicable laws based on the company's verification and risk assessment conclusions. Audits may be performed by WD-40 Company Quality Assurance Department personnel or an independent third party. For Tier 1 suppliers of constituent chemicals and Tier 2 suppliers of other materials and components, the company conducts periodic audits based on its assessment of risk, and the company may also rely upon third party audits required by other customers of these vendors. The company does not conduct unannounced audits. Where relied upon, some third-party audits may have been unannounced.

### **Certifications**

Terms and conditions for the purchase of goods and services from WD-40 Company's Tier 1 suppliers provide for certifications of compliance with applicable anti-slavery and anti-human trafficking laws in the countries in which they are doing business, as well as compliance with the company's anti-slavery and anti-human trafficking standards included in the company's Global Compliance Policy and Code of Conduct. The company also requests such certifications from certain Tier 2 suppliers as a condition to continued selection and approval of such suppliers as supply chain vendors for the company's products.

### **Accountability**

WD-40 Company maintains internal accountability standards and procedures for employees and suppliers who fail to comply with company standards or local anti-slavery and anti-human trafficking laws and regulations. The company's Code of Conduct requires conduct consistent with WD-40 Company's Corporate Values, including standards for fair labour and workplace practices. Supply chain vendors are required to adhere to specific anti-slavery and anti-human trafficking laws and company standards included in WD-40 Company's Global Compliance Policy and Code of Conduct. Employees are subject to discipline, up to and including termination of employment, for violations of the company's Code of Conduct. Suppliers may be expected to take corrective actions to address non-compliance findings in audits or upon

investigation by WD-40 Company's Quality Assurance Department. In appropriate circumstances, the company may terminate a supplier's contract or discontinue orders for goods or services.

### **Training**

In the past fiscal year, all WD-40 Company employees received Code of Conduct training. Quality Assurance Department employees charged with the oversight of supply chain vendors received instruction as to risk assessment protocols, audit standards, and compliance certification requirements.

*William Noble*

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**Mar 31, 2021**






# FY20 WD-40 Disclosure - Transparency in Supply Chains (for Global Use)\_FINAL

Final Audit Report

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