



RESPONSIBLE SOURCING POLICY

INTRODUCTION

At WD-40 Company (together with its subsidiaries and branches worldwide, the “Company”), we are immensely proud of our company culture that serves as a source of inspiration, strength, and motivation to our employees all around the world. Six foundational values support our vision, shape our culture, and guide us in all that we do. The first two of these are that ‘we value doing the right thing’ and ‘we value creating positive lasting memories in all our relationships.’

Within the context of our supply chain, holding these values means that we have a duty to take responsibility and leadership for ensuring that the extended value chain, from raw materials through to customers and end users, is meeting the expectations that we hold for ourselves and our partner organizations.

As one of the world’s leading brands of general-purpose maintenance products, we are responsible for ensuring that the products we supply are manufactured and delivered in ways that meet the highest ethical and professional standards.

Our Responsible Sourcing Policy (“Policy”) outlines our commitment to responsible sourcing practices for our employees and for our Suppliers all around the world. This Policy provides an overview of the mandatory requirements for our supply chain partners globally. It is to be read and understood together with our Distributor and Supplier Code of Conduct (“the Code”), so that all our Suppliers can understand what it means to partner with the Company.





Our Policy is organized around four key areas:



To ensure clarity for our employees and Suppliers, within each key area we reference requirements from our Code, which should be referred to along with this Policy for full details.

APPLICABILITY

This Policy applies to all Suppliers that engage in activities that are part of the Company's upstream supply chain, including Suppliers engaged in raw material and/or component sourcing, manufacturing, packaging, and logistics. The Company requires all such Suppliers to operate in accordance with the principles in this Policy, as well as in full compliance with all applicable laws and regulations. In some cases, this Policy goes beyond compliance with applicable laws and draws upon internationally recognized standards to advance social and environmental responsibility. When differences arise between standards and legal requirements, the stricter standard shall apply.

The Company will assess its Suppliers' compliance with this Policy and the Code and will work with its Suppliers to continuously improve their performance. Systemic, multiple, or repeated violations of this Policy or Code may jeopardize the Supplier's business relationship with the Company, up to and including termination.

In order to ensure the standards set forth in this Policy are cascaded throughout the Company's supply chain, Suppliers are expected to hold their own suppliers, subcontractors or other affiliated parties involved with such Suppliers' company-related business to the standards and practices in this Policy as well.



BUSINESS ETHICS

IN GENERAL

The Company expects the highest standards of ethical conduct from all its Suppliers. Suppliers are required to comply with all laws, rules, regulations, and treaties applicable to the products and/or services provided to the Company in all locations in which business operations are conducted.

Relevant items from the Code include:

ANTI-CORRUPTION

Suppliers must not engage in, tolerate, or permit bribery, corruption, or other unethical business practices and must demonstrate that they have adequate procedures in place to prevent bribery in all commercial dealings.

FAIR COMPETITION AND ANTI-TRUST

Suppliers must comply with the competition / antitrust legislation laws in force. In particular, they must not enter into any anti-competitive agreements with competitors, other suppliers, or customers.

INTELLECTUAL PROPERTY AND CONFIDENTIALITY

Intellectual property is a valuable asset to our business. Suppliers must protect the Company's intellectual property rights and manage technology and information in a manner that also maintains confidential information of the Company.

RESPONSIBLE SOURCING OF MATERIALS

Suppliers must develop and exercise due diligence in their supply chains and management systems in order to identify risks and take appropriate steps to mitigate them, including raw materials or other inputs that originate from regions with high risks.

High-risk regions include those associated with conflict, child labor violations as defined by the International Labour Organization, forced labor and human trafficking, gross human rights violations or other reasonably objective high-risk activities, including severe health and safety risks and negative environmental impacts.

OTHER REQUIREMENTS

Suppliers must also comply with the Business Ethics Compliance provisions of the Code; see Section VI - Business Ethics Compliance.



WORKPLACE STANDARDS

IN GENERAL

The Company strives to maintain a safe work environment in which people are treated fairly, with dignity and respect. We expect Suppliers to conduct their activities in a manner that respects human rights as set out in The United Nations Universal Declaration of Human Rights. Suppliers must support these expectations at all times, as detailed in the Code.

Relevant items from the Code include:

FREELY CHOSEN EMPLOYMENT

Suppliers must ensure that goods and services provided to the Company are not a product of supply chains in which modern slavery is taking place.

CHILD LABOR

Suppliers must ensure that no underage labor has been used in the production or distribution of their goods or services. Only workers who meet the minimum legal age requirements of the country may be permitted to work. At a minimum, children must be at least 15 years old and have completed compulsory education, whichever is greater.

NO DISCRIMINATION

Suppliers must provide a fair, consistent, and inclusive environment and make all employment decisions based on neutral and objective criteria. In addition to complying with all applicable laws, suppliers must not engage in or tolerate discrimination, harassment, and unfair treatment of employees.

WAGES, BENEFITS AND WORKING HOURS

Suppliers must adhere to all applicable laws regarding working hours, wages, social security payments and overtime payments. They must

meet or exceed legally mandated minimum wage rates and benefits for each employee. Suppliers must limit working hours and overtime to levels that are humane and safe and will ensure productive working conditions. All overtime must be voluntary.

FREEDOM OF ASSOCIATION

Suppliers must respect their employees' right of freedom of association and right to participate in labor-related organizations, including the right to collective bargaining, the right to join a trade union and all other workplace rights.

OTHER REQUIREMENTS

Suppliers must comply with all labor-related provisions of the Code; see Section VII – Workplace Standards.





HEALTH AND SAFETY

IN GENERAL

The Company requires that suppliers must provide and maintain a safe work environment and integrate sound health and safety management practices into their business. This must include occupational health and safety risk assessments and training of employees, including emergency planning and safe working practices.

Relevant items from the Code include:

HEALTH AND SAFETY LAWS

Suppliers must comply with all applicable health and safety laws, rules, regulations, and industry standards.

HEALTH AND SAFETY COMMUNICATION

Suppliers must provide employees with appropriate workplace health and safety information and training in a language the workers can understand, for all identified workplace hazards.

PROTECTIVE EQUIPMENT

Suppliers must provide employees with appropriate personal protective equipment and properly maintain physical guards, interlocks, and barriers where machinery presents an injury hazard to workers.

CONDITIONS AND EMPLOYEE ACCOMMODATION

Ready access to potable water, sanitary food preparation and clean toilets must be made accessible. When provided by the supplier, housing or dormitory facilities and food must be maintained in hygienic conditions in accordance with local laws.

OTHER REQUIREMENTS

Suppliers must also comply with applicable provisions of the Code; see Section VIII - Health and Safety.





ENVIRONMENTAL RESPONSIBILITY AND COMPLIANCE

IN GENERAL

The Company has a legacy of solving problems in workshops, factories, and homes around the world since 1953. Our maintenance products help to preserve valuable resources, ensuring equipment, tools, and machinery operate efficiently and last longer. This prevents or delays the purchase of new items – as highlighted by our worldwide Repair Challenge campaign – and contributes towards reducing the consumption of the world’s resources.

The Company recognizes our collective responsibility to help protect the planet and is committed to reducing the impact our Company has on the environment. We expect Suppliers to work with us towards meeting our environmental goals and GHG emission reduction targets.

Relevant items from the Code include:

COMPLIANCE WITH LAW

Suppliers must comply with all applicable environmental laws, rules and regulations concerning environmental impacts and protection, including energy, greenhouse gas emissions, waste, and water.

EMISSIONS MANAGEMENT AND GREENHOUSE GAS EMISSIONS

Suppliers must develop robust means to monitor, track and document all emissions to air, water, and soil from their facilities, as well as the wastewater generated, in order to identify and improve aspects that can be controlled and influenced.

Suppliers must work towards quantifying their Scope 1 and Scope 2 greenhouse gas emissions (and Scope 3 where appropriate) on a periodic basis and share this data with the Company.

Suppliers are strongly encouraged to set their own targets to minimize greenhouse gas emissions, and to collaborate with the Company on projects to reduce emissions in the overall value chain.

ENERGY USAGE AND RENEWABLE ENERGY

Suppliers are strongly encouraged to take appropriate steps and set targets to minimize the use of energy, as well as put in place energy saving strategies. Wherever possible, Suppliers should implement a strategy to phase out fossil fuels for electricity generation and implement renewable energy strategies as an alternative.





ENVIRONMENTAL RESPONSIBILITY AND COMPLIANCE

CIRCULARITY AND WASTE MANAGEMENT

Suppliers are strongly encouraged to conserve and use resources responsibly, including materials, fossil fuels, and other chemical substances, through the use of practices such as lean production management, use of alternative production processes and technologies, increasing the recycled content in products, exploring the use of alternate materials, etc.

Waste handling and disposal should be carried out in a sustainable way, promoting and supporting the circular economy, on the basis of the 5 Rs Sustainability Framework to “refuse, reduce, reuse, repurpose or recycle.” Disposal methods with an adverse environmental impact in the longer term (e.g., landfill) should be avoided wherever possible.

BIODIVERSITY AND FOREST PROTECTION

Suppliers sourcing agricultural commodities must take appropriate steps to ensure that forests, biodiversity, and areas of high conservation value are protected throughout their entire supply chain. Deforestation or conversion of primary or secondary forests or natural ecosystems must be avoided.

ENVIRONMENTAL SUSTAINABILITY AT WD-40 COMPANY

REACHING NET ZERO

Our aspiration is to be net zero by 2050. We are working to reduce GHG emissions from our operations and to lower the GHG intensity of our products.

PRODUCT SAFETY

We follow strict mandates that align our product development with the safety of our end users without compromising product effectiveness.

OUR CARBON HANDPRINT

We develop, market, and sell products that extend the lifespan of our end users' tools and equipment thus reducing waste.

CIRCULAR ECONOMY

We embrace a circular economy and are committed to identifying closed-loop opportunities.





SEDEX

The Company is committed to ensuring that our supply chain adheres to the highest standards of ethical and sustainable practices. We recognize the importance of responsible sourcing and are dedicated to maintaining transparency, accountability, and integrity in all our business operations.

To this end, we utilize Sedex as a key tool in our responsible sourcing strategy. Sedex, one of the world's leading ethical trade service providers, offers a robust platform for sharing and analyzing data on labor rights, health and safety, the environment, and business ethics.

By leveraging Sedex's resources, we can effectively monitor our supply chain, assess compliance with international standards, and identify areas for improvement. This not only helps us ensure that Suppliers meet global best practices, but also aligns with our commitment to promoting ethical business conduct.

Through Sedex, we are able to demonstrate our commitment to improving the lives of people in our supply chain, reducing our environmental impact, and delivering products that our customers can trust. We believe that responsible sourcing is not just about compliance, but about going beyond it to create positive change. Our strategic supply partners are therefore expected to hold membership of Sedex, complete the Self-Assessment Questionnaire on an annual basis and also to organize and undertake a semi-announced Sedex Members Ethical Trade Audit ("SMETA") every two years. This should be used by the Supplier as a tool to improve the performance of the Supplier's organization.

COMPLIANCE WITH THE RESPONSIBLE SOURCING POLICY

In addition to the above, and as set out in the Code, the Company will use a variety of other methods and tools to ensure that Suppliers comply with the principles laid out in this policy. They include:

- A contractual requirement to sign the Code on an annual basis to certify that the Code has been achieved in full.
- Supplier acknowledgement of this policy.
- Company employee audits, visits, and reviews.
- Third party audits.

FURTHER RESOURCES

Extra resources and information on many of the areas included in this policy can be found as follows:
WD-40 Company website:

- WD-40 Company Distributor and Supplier Code of Conduct
- WD-40 Company Values
Our Values - WD-40 Company (wd40company.com)
- Standard Purchase Order Terms and Conditions - WD-40 Company (wd40company.com)

OTHER RESOURCES

- The International Labour Organization's 1998 Declaration on Fundamental Principles and Rights at Work –
<https://www.ilo.org/ilo-declaration-fundamental-principles-and-rights-work>
- The United Nations' Global Compact –
<https://unglobalcompact.org/>
- The United Nations' Universal Declaration of Human Rights –
<https://www.un.org/en/about-us/universal-declaration-of-human-rights>
- The Fair Labor Association promotes human rights at work – <https://www.fairlabor.org/>

