



**2020**

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT**

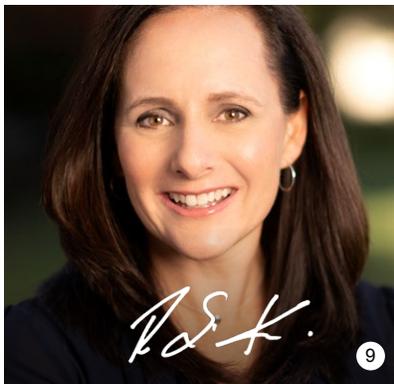
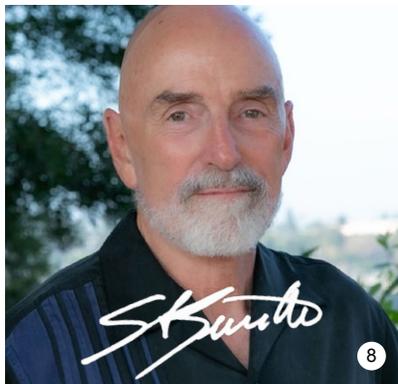


**LIVING  
OUR  
VALUES**

WD-40 Company ESG Team



“The WD-40 Company ESG Team is proud to present this, our first ESG Report 2020.”



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## CEO MESSAGE

G'day Stakeholders:



At WD-40 Company we value doing the right thing and believe that taking an integrated approach to environmental, social and governance (“ESG”) issues contributes to creating long-term value for our stockholders and for all our stakeholders. While we have for decades operated our business in a sustainable manner, we have never formally shared our activities across environmental and social factors until now. As a culture, we focus quietly and purposefully on doing the right thing, but we have never made a conscious effort to share our stories related to ESG with our wider circles of stakeholders. Yet it has become increasingly clear that both internal and external stakeholders want to know more about our ESG efforts.

We chose [Living Our Values](#) as the theme of our inaugural ESG Report because our values are the heart and soul of our company, our culture, and our brands. Our value of “doing the right thing” started us down this path now known as ESG decades ago. In the context of ESG, “doing the right thing” means that the well-being of our employees, the safety of our products in the hands of our customers and end users, and minimizing our impacts on the natural environment have long been at the forefront of our concerns and actions.

Through the creation of this report, we learned that our tribe members feel passionately about the topic of ESG. In fact, the contents in this report were created primarily by a tribe-member led [ESG Team](#) who took on the additional responsibilities of contributing to this report - not because it was part of their job description - but because they feel transparency on ESG topics is important to our business, to society, and to them personally. I want to thank the tribe members who contributed their time and talent to make this report a reality.

The path to publication of this report, although long and arduous, was an exciting journey of discovery for us. In fiscal year 2018, we established a cross-regional, cross-functional ESG Team and completed an [ESG External Benchmark Study](#) to better understand the environmental and social topics within our business. In fiscal year 2019, the ESG Team completed an [ESG Materiality Assessment](#), which helped us to determine three primary ESG topics we would focus on in this report: [our tribe](#), [our products](#) and [our sourcing and supply chain relations](#). In fiscal year 2020, the ESG Team completed both a [Life Cycle Assessment](#) screening of our flagship product, WD-40 Multi-Use Product, and the publication of this report.

This report sets out the foundation upon which we will build and refine our ESG strategy going forward, including setting specific goals, targets, and the tactics to achieve them. We have made a commitment to report on our ESG activities every two years. Our next report will include information on the ESG goals and targets that we set and our performance in working towards those goals and targets.

We are committed to operating in a sustainable manner and being a responsible corporate citizen for the benefit of our customers, end users, investors, tribe members, the natural environment, and the communities in which we live and work.

To a bright future,

A handwritten signature in black ink, appearing to read 'Garry O. Ridge'. The signature is fluid and cursive, written in a professional but personal style.

**Garry O. Ridge**  
*Chief Executive Officer and Chairman of the Board*

# WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

## ABOUT THIS REPORT

This is our first ESG Report. It covers the activities of WD-40 Company in general over time, and specifically during our fiscal year 2020, the period from September 1, 2019 through August 31, 2020, and references the 2016 GRI Standards. In this report we set out the foundation upon which we will build and refine our ESG strategy going forward. We have made a commitment to report on our ESG activities every two years. Our next report will include information on the ESG goals and targets that we set and our performance in meeting them.

This report is organized around the material issue areas that we identified during the Materiality Assessment we conducted in 2019. Learn more about our [ESG Materiality Assessment](#) and our approach, practices and activities related to the material issue areas by going to the following sections in this report:

- [Our Tribe](#)
- [Our Products](#)
- [Our Sourcing and Supply Chain Relations](#)

This report has been prepared in accordance with the GRI Standards: core option. It is descriptive of our company globally with specific differences as noted throughout the report.

For questions regarding WD-40 Company's ESG activities or report, please contact: Wendy Kelley, Director, Investor Relations and Corporate Communications, Phone: +1-619-275-9304.

## ABOUT OUR COMPANY

It was 1953 when scientists at the San Diego-based Rocket Chemical Company set their sights on a challenging mission: helping rockets get into space. The unique formula for WD-40 Company's now iconic WD-40® Multi-Use Product was created through the persistent quest to solve a challenging problem in the beginning days of the aerospace industry.

In the early 1950's, the fledgling aerospace industry in San Diego was plagued by seaside air that corroded the parts of new planes and missiles. Although three researchers at Rocket Chemical Company believed they could develop a formula that would inhibit such corrosion, the solution stubbornly eluded them. Undeterred, they persisted where others might have given up. They conducted studies on 39 separate formulae in search of the perfect water displacing formula to prevent rust and corrosion. Finally, on the 40<sup>th</sup> try, the formula succeeded! Thus, WD-40 (water displacement - the 40<sup>th</sup> formula) was born—a secret formulation that to this day solves multiple everyday problems, makes things work smoothly, and extends the life of tools and equipment in homes, factories, and workshops in more than 176 countries and territories worldwide.

WD-40 Multi-Use Product became so successful across America that in 1969 Rocket Chemical Company changed its name to WD-40 Company and international expansion followed rapidly thereafter. Our namesake product is now joined by our WD-40 Specialist® line of maintenance products and an array of other maintenance, homecare, and cleaning products developed or acquired since 1995. WD-40 Company owns a wide range of trusted brands including WD-40®.

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Brand, 3-IN-ONE®, GT85®, X-14®, 2000 Flushes®, Carpet Fresh®, no vac®, Spot Shot®, 1001®, Lava®, and Solvol®.

WD-40 Company's corporate tribe members, Americas' segment operations, technical center, and Latin America office are all located in the United States. Outside the United States, WD-40 Company has wholly-owned subsidiaries with offices in Canada, the United Kingdom, Australia, China, Malaysia, and Mexico, as well as several offices and brand support centers throughout Europe. You can learn more about our company history and products [here](#).

At WD-40 Company, we call our employees tribe members. For us, the concept of "tribe" has a special significance. A tribe is a group of people who share similar beliefs, values, and attitudes working toward a shared purpose. Each tribe member is accountable for contributing to the tribe's mutual success. For us, a self-sustaining and interdependent tribe shares common attributes such as values, knowledge, celebration, ceremony, and a strong sense of belonging. All tribe members are recognized for their specialized skills and their contributions to benefit the greater good of the tribe. Through our combined efforts, a tribal culture becomes a self-sustaining place where people want to stay and grow. Learn more about [our tribe](#).

Our company's business model exemplifies the philosophy of thinking globally and acting locally, fully aligned with today's growing focus on more environmentally and socially sustainable supply chains. We rely on third-party contract manufacturers and distribution centers located in geographic proximity to our markets around the world to blend our proprietary formulae, create our finished goods, and ship products to local warehouses. Even though we outsource the manufacturing of our products, we maintain a high degree of quality assurance, oversight, and influence over production. Our unique multi-channel distribution network allows us to respond to local needs and support local economies by contracting manufacturing and distribution in closer geographic proximity to our customers and end users, and to reduce our carbon footprint by minimizing our transport distances. Many of our vendors and suppliers have been trusted partners for decades, and we consider all of them part of the WD-40 Company tribe. Learn more about [our sourcing and supply chain relations](#).

To understand WD-40 Company, it is fundamental to know that we are a values-based and purpose-driven organization. We know that purpose mobilizes people in a way that pursuing profits alone never will. The reason for this is simple. A company with a clear sense of purpose ignites the passion of its employees and inspires the trust of its customers. We're very proud that our iconic blue and yellow can with the little red top has been creating positive lasting memories for our end users since 1953 by helping them fix machinery, make their tools last longer, extend the life of their costly equipment, and make life move a little more smoothly.

Our values are the heart, soul, and guiding compass of WD-40 Company. Our values were composed through input from the entire tribe nearly 20 years ago. They support our vision, shape our culture and guide us as we apply our judgment to make decisions. At WD-40 Company, our values are not just written on the wall or occasionally spoken. We live, breathe, work and play by our values every day. They are incorporated into our strategic decision-making, our performance coaching processes, our candidate evaluation methods, and our Leadership Laboratory programs to develop leadership abilities throughout the tribe. They grant us freedom, so we can each make autonomous decisions, yet still act as one.

### Living Our Values

We chose *Living Our Values* as the theme of our first ESG Report because our values are the heart and soul of our company, our culture, and our brands. As stated earlier, our value of “do the right thing” started us down the path now known as ESG many years ago. Our values inform how we approach, govern, and manage our business in a responsible and self-sustaining way.

We recognize that values truly exist only when they are practiced. Unless we demonstrate our values in our work and the choices that we make, they have no meaning. Although we focus daily on practicing our values, we are human. We know that as soon as you think you have “arrived,” you’ve only ensured that you haven’t. We constantly self-examine, find where we are not meeting our own standards and take action to further improve. When a tribe member stumbles over a value, the surrounding tribe rises to the occasion and helps guide them back to our values.

Because of the fundamental importance to our tribe and to our company’s culture and success of living our values, we set out what each value means to us in principle and in action. We go beyond having a simple list of values with no operational definition that illustrates their meaning. Like our values themselves, these descriptors were created with broad tribe input. We have prioritized them in order, and we are clear about what each value means:

#### **1. We value doing the right thing**

We do the right thing in serving our tribe mates, our stockholders, our customers, our products’ end users, our suppliers, and even our competitors. This means looking for the right action in every context, asking critical questions that bring out the best course or decisions relevant to the situation and the circumstances. It also means being honest in both word and deed; being reliable, dependable and competent. Doing what’s right according to the situation and the context. If we are honest, and if we speak and act congruently, we will be doing what is right.

#### **2. We value creating positive lasting memories in all our relationships**

As a result of our interactions with our tribe and stakeholders, we all will feel better at the end of the interaction than we did when we began; we will leave with a positive memory of it. Our stockholders should be proud to say they own our stock. Our customers should consider us a part of their business success. End users should be glad they bought our products, telling their friends about the quality and utility of our brands. Our company name and our many brands should become known as emblems of quality, performance and value. Our tribe members should consider each other as valued friends and colleagues who share work, struggles, successes, life, and laughter over the years. The result will be a higher degree of mutual trust and respect if we successfully live these values.

#### **3. We value making it better than it is today**

We strive for continual improvement. We are a learning organization. We are responsible for our own development and helping others to learn as well. We celebrate our successes then move on to new heights of achievement. We solicit ideas and solutions from all, and consistently look for ways to progress. We are comfortable with self-criticism and receiving constructive feedback. We take the time to recognize others who do the same. We endeavor not to repeat mistakes. We value the development of our people in order to enhance their skills and to improve their career opportunities. There is a special moment which occurs right at the point in time where a person gains an insight or new knowledge because of a particularly positive...or negative...event. We are

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constantly on the lookout for these “learning moments” because they are the fuel for continual improvement.

### **4. We value succeeding as a tribe while excelling as individuals**

We recognize that the collective success comes first. Our organization is a global company with many different locations and tribe members spread far and wide. But everything we do is towards the success of the entire company. And within the company are smaller groups, whether they are functional departments or teams defined by geography. The same philosophy applies in these sub-teams. We believe the individual can’t “win” at the expense of, or apart from, the team or tribe. But individual excellence is the means by which our organization succeeds. And “excellence” is defined as outstanding contribution to the whole.

### **5. We value owning it and passionately acting on it**

We get our shoes dirty. We are relentless about understanding our business and our role in impacting it. We are passionate about our end users, customers and markets, and how we can positively impact them. We act in ways that maintain our traditions while positioning us powerfully for the future. We consider carefully, act boldly, and course correct as needed.

### **6. We value sustaining the WD-40 Company economy**

We exist to create and protect economic value for all of our tribe and stakeholders. We take seriously that many families are dependent upon the actions we take. We are individually and collectively responsible for the future of our tribe members, and we are accountable for the impact we have on all of the people who are affected by what we do. We recognize and accept this responsibility.

We recognize that life is full of conflicts when it comes to living values. Sometimes you can’t honor two values at the same time. That’s why our values are force-ranked, and our first value is more important than all others: at WD-40 Company, we do the right thing. As doing the right thing is our number-one value, it is unacceptable to create a positive lasting memory for a customer if what you’re doing is illegal and/or unethical. Similarly, ranking our financial value last does not mean it is unimportant—it is one of our core values—but we do nothing to drive economic value that isn’t consistent with all our other values. Learn more about our [values](#) and our [Code of Conduct](#) statement.

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*Sustaining the WD-40 Company economy is the last value because our financial results are the applause for prioritizing and living our first 5 values.*

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## **Living Our Values in the Context of ESG**

Our approach to ESG begins with our values. We recognize that every company has environmental and social impacts, positive and negative. As a company, we are committed to understanding our impacts so that we can increase the positive impacts and reduce the negative impacts. We have a deep and long-standing commitment to avoiding dangerous chemicals like benzene and those listed on dangerous chemical lists like [California’s Proposition 65](#) (Prop 65) list. You will never see a Prop 65 warning label on our products because those chemicals are not present in any of our products at concentrations regulators deem harmful and for which a warning is required. Prioritizing safety aligns completely with our core corporate values: doing the right thing, creating positive lasting memories, and making it better than it is today. This commitment to safe materials

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puts us at a disadvantage with respect to other product suppliers who do use cheaper, more dangerous chemicals in their products. This is an investment in our values. We have an exemplary reputation for safety and reliability throughout the industry, and we work hard to maintain it. WD-40 Company has screened the ingredients used in all our products for harmful contaminants and has elected to use only those that meet our high standards for consumer safety for a very long time.

Though WD-40 Company products are safe when used as directed, we have a dedicated safety hotline (+1-888-324-7596) in the event that our end users require medical advice related to product use or misuse. Our safety hotline is staffed with trained medical professionals who are authorized to give medical advice, 24/7.

One way that we live our purpose, values, and our commitment to create positive lasting memories in all our interactions, is to invite feedback from, and listen intently to, our many stakeholders regarding what matters most to them with respect to our company, our practices, and our products. With rising stakeholder interest in ESG issues, we established a company ESG Team in 2018 to delve more deeply into our current practices and to explore areas where we can make our practices better than there are today. That ESG Team now forms our cross-regional, cross-functional standing project committee, with representation that includes senior leaders in key functional areas.

We commissioned an [ESG External Benchmark Study](#) by an [independent third-party](#) to better understand the accepted and best practices among our peers, competitors, customers, and leaders in ESG practice. The findings of this study enabled us to identify what we are already doing well and where we can improve. Learn more about our [stakeholder engagement and materiality assessment](#).

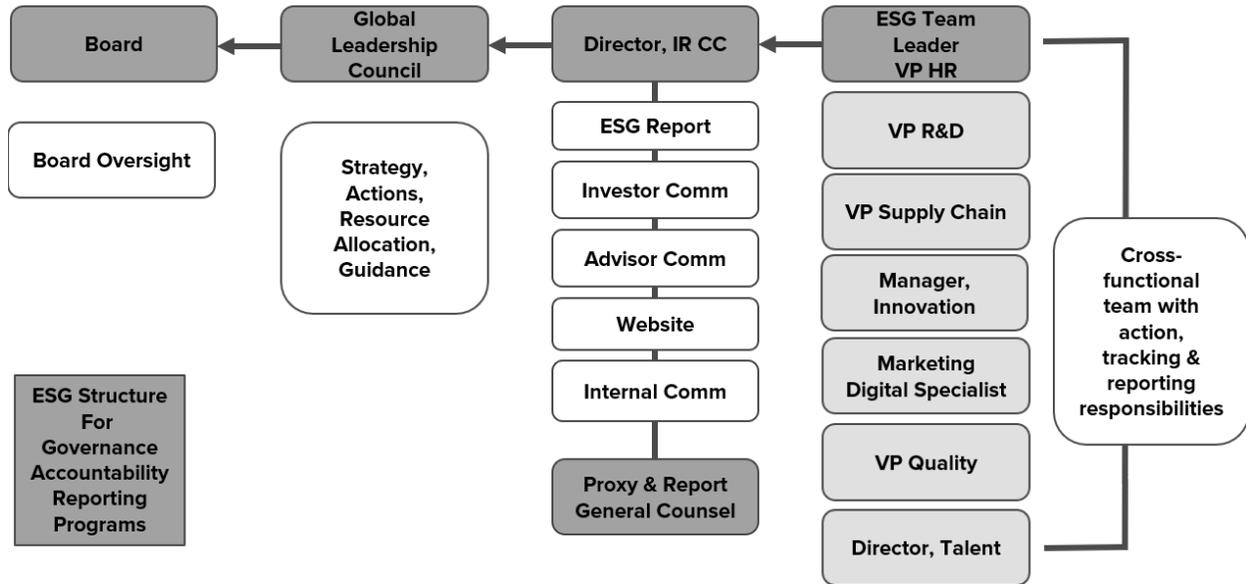
Based on the findings of our ESG Team and benchmarking work, we then conducted a formal [ESG Materiality Assessment](#) so that we could explore and listen even more deeply to what matters most to our stakeholders. This process enabled us to examine and understand stakeholder ESG concerns in the context of what matters to our business success.

In addition, to more comprehensively understand the environmental and social impacts of our products, in fiscal year 2020 we completed a formal, screening-level [Life Cycle Assessment \(“LCA”\)](#) of our largest volume product: WD-40 Multi-Use Product, which represents the largest portion of our total global sales. The LCA was conducted on a 12 ounce can of WD-40 Multi-Use Product manufactured in North America; however, the results of the LCA screening are representative of WD-40 Multi-Use Product in other regions and the information gained can be readily extrapolated to all regions of our operations. To learn more, click here: [Life Cycle Assessment \(“LCA”\)](#).

In alignment with our values, we are committed to excellence in how we govern our company. Ultimate oversight for our ESG commitments and progress resides with our Board of Directors. You can learn more about our company leaders and members of our Board of Directors in our company’s [proxy statement](#) or on our investor relations website [here](#). This governance responsibility includes how we govern and manage the environmental and social, as well as the economic, aspects of our business.

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## ESG Governance Structure



Our ESG governance structure ensures that our ESG material issues are managed, tracked, and reported across the company through a cross-functional team whose members serve as ESG point persons in their respective functional areas. The ESG Team members coordinate with and through the Director of Investor Relations and Corporate Communications who, in conjunction with the ESG Team Leader, coordinates with and reports to our Global Leadership Council (“GLC”) identified below as one of our internal stakeholders.

All these commitments are core to our values of doing the right thing, making it better than it is today, passionately owning and acting on our responsibilities, and being accountable for the impacts we have as we sustain our company’s economy.

At WD-40 Company we nurture a culture of accountability. That includes taking responsibility for the ESG aspects and impacts of our business. Our culture of accountability is reflected in our [Maniac Pledge](#) that every tribe member commits to, passionately owns, and acts on.

We are committed to continual progress and transparency in ESG matters. To share our tribe’s ESG journey with all stakeholders, we will publish regular ESG reports every two years going forward from this initial report.

We ask every tribe member to be accountable in their actions and to own and to passionately act on our:

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*Maniac Pledge*

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*“I am responsible for taking action, asking questions, getting answers, and making decisions. I won’t wait for someone to tell me. If I need to know, I am responsible for asking. I have no right to be offended that I didn’t ‘get this sooner.’ If I am doing something others should know about, I am responsible for telling them.”*

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### STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Our company’s purpose is to create positive lasting memories in everything we do. We solve problems. We make things work smoothly. We create opportunities. This purpose includes our approach to stakeholder engagement. We interact with a broad range of stakeholders using means that enable our stakeholders and ourselves to engage in meaningful communication, and to share and explore common objectives, interests, and concerns.

Following is a list of our key stakeholders, the means by which we generally communicate with them, and the locus of the engagement within the company:

WD-40 COMPANY: STAKEHOLDER ENGAGEMENT		
Internal Stakeholders	How we engage	Who engages
Tribe	Biennial tribe survey, daily coach interactions, periodic internal conferences, social events and celebrations, volunteer committees, global “Tribal News Network”, broad communications translated for all relevant languages	All coaches, leaders and tribe members
Global Leadership Council	Routine joint meetings, formal conferences several times a year, and as required by current events	CEO, CFO, COO, trading bloc leaders, finance leaders, global functional executives
Board of Directors	Formalized calendar with charts of work, attendance at business meetings, director visits to regional offices, and director oversight of ESG governance and participation in strategic planning	Management at all levels with Directors
External Stakeholders		
Investors	Ongoing and frequent formal meetings with current and prospective investors, gaining input from investors and analysts, outreach as appropriate	Investor relations, CEO, CFO, COO, directors as appropriate
Suppliers	From initially qualifying as a new supplier through ongoing fulfillment interactions, we engage with suppliers as trusted partners	All supply chain, quality and R&D staff, with engagement up to and including the CEO as indicated by topic, project, importance of the relationship
Customers	Continual engagement with our customers; completion of ongoing market research;	Sales, marketing, research, quality and legal staff, as

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	product complaint hotline; brand messaging and impact measurement studies; customer strategic planning	indicated by the topic, project or event.
End users	Market research; advisory panels; technical training institute curriculum provision and product trial programs; social media bilateral engagement; promotional events and programs	Sales, marketing, quality and R&D staff, external advertising, public relations and marketing firms
Regulators/governments	Proactive regulatory status monitoring globally through support from external expert advisors and internal staff, including regulatory compliance, legal, quality and R&D; support by in-country regulatory experts and contact with relevant agencies; active participation providing industry guidance and recommendations for regulatory compliance methods based upon scientific and technical foundations	R&D, supply chain, quality and legal staff.
Associations	Participation in selected trade, professional, industrial and regulatory associations	All relevant functional staff, depending upon the purpose of the association
General public	In addition to our product-related marketing and advertising programs, trade conference attendance, consumer hotline, and user groups, we engage actively in the communities proximal to our offices to support those communities in non-commercial activities appropriate for our organization. Interactions include: hosting non-profit conferences at company facilities, extending invitations to attend our leadership development programs, supporting volunteer time by	All tribe members, including individual contributors, coaches and senior leaders.

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	tribe members, an employee-led charitable contribution committee, and volunteer committees formed in several offices of the company globally.	
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We listen attentively to our current stakeholders, and we seek to understand what stakeholder concerns are emerging. As ESG concerns become more prevalent, we believe that current and new end users will increasingly make purchasing decisions in part on understanding our ESG commitments, practices, and performance. We also believe that our ESG commitments and performance will increasingly contribute in important ways to the employment choices of current and prospective tribe members. And of course, ESG efforts are consistent with living our six values, the core of our company.

To better respond to inquiries from our stakeholders, we undertook an internal inquiry process to carefully examine current environmental and social trends and issues related to our business and industry, the best practices among our peers and ESG leaders globally, the practices we currently have in place, and those we have planned. Although internally we live by our value of doing the right thing in everything we do, it became clear that we have not adequately told our story of how living our values is reflective of and resonant with practices that are increasingly referred to under the ESG umbrella.

### ESG Team

As one of our most important stakeholder groups, we turned to our tribe to explore and manage this aspect of our business. In 2018 we established a cross-regional, cross-functional global ESG Team to study current and likely future ESG trends and issues as they affect United States-based global public companies, and to examine how those trends and issues may affect the global operations of WD-40 Company. The Team's mandate was to provide the company's Global Leadership Council, our most senior leadership group, with a set of recommendations regarding the company's strategy and actions going forward regarding all ESG issues relevant to the company. The internal context for the formation of the ESG Team was the strong cultural orientation to do the right thing in every aspect of our operations around the world—although until recently we did not refer to our actions as ESG or formally talk about them under the ESG theme. Cross functional participation in the ESG Team included tribe members representing the following areas:

- Our tribe (employees and recruiting-related interactions)
- Social and community
- Sustainability related to product development, innovation and marketing in our three trading blocs: Americas, Asia-Pacific, and EMEA (Europe, India, Middle East and Africa)
- Product manufacturing, distribution and use
- Investor relations
- Governance and SEC reporting

We commissioned expert external sustainability advisors, [Sustainability Partners](#), to conduct a detailed [ESG External Benchmark Study](#), followed by an [ESG Materiality Assessment](#) to guide us in our ESG strategy going forward.

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### ESG External Benchmark Study

Led by our North America innovation team, [Sustainability Partners](#) carried out a benchmark study to:

- Review prevailing accepted and best ESG practices in public companies around the world to understand what our peers, customers, and leaders in ESG are doing
- Understand WD-40 Company's existing ESG practices based on
  - Publicly available data
  - Internal interviews at WD-40 Company
- Benchmark WD-40 Company's publicly available data on our practices with those of the companies in the benchmark study.

The study involved conducting research on the ESG practices of other corporations that were specifically chosen based on input from company leaders and the ESG Team. Research and analysis focused on practices related to:

- Strategy and governance
- Environmental responsibility
- Product development and communications
- Suppliers and responsible sourcing
- Social impact

The study looked at two levels of external practice:

- Accepted practice: the level of practice that is the most commonplace among the companies we benchmarked
- Best practice: the highest level of practice among the benchmarked companies in any practice area

The study then compared these two levels of practice to the internal practices that we make publicly available. This benchmark study identified the range of ESG performance and communication that represents current and developing practices across industries, allowing us to compare our own status against a spectrum of organizations.

The study contained recommendations for actions we could take as a company, including conducting an ESG Materiality Assessment to understand as fully as possible our stakeholders' perspectives on which ESG trends, issues, and practices are most important to them, and in addition, which ESG trends, issues and practices they perceive to be most important to WD-40 Company's ongoing business success.

### ESG Materiality Assessment

Based on the results and recommendations of the ESG External Benchmark Study, in fiscal year 2019 we conducted a comprehensive ESG Materiality Assessment, incorporating input from customers, suppliers, management, end users, directors, stockholders, and of course, our tribe around the world. Altogether, the Materiality Assessment research engaged more than 400 WD-40 Company stakeholders in a process that consisted of three components:

- In-depth materiality interviews with key stakeholder groups:
  - Company leaders

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- Board of directors
- Investor firms
- Strategic customers
- Strategic suppliers
- Individuals with insight into end user points of view
- Materiality questionnaires completed by those personally interviewed above, and
- Approximately 70% of our global tribe members who completed the ESG online survey

The personal interviews enabled us to learn a great deal about stakeholders’ perspectives on what factors contribute to, and are important for, WD-40 Company’s business success; what environmental and social impacts are perceived to be most significant for the company; and what ESG issues influence stakeholders’ decisions and continued relationships with the company.

The online surveys provided a more granular view of specific ESG issues, both from the perspective of their perceived importance to WD-40 Company and their perceived importance to the specific stakeholder. This enabled us to identify and confirm which issues are of greatest concern across stakeholder groups.

### Material Issues

Through the research and analysis completed in our ESG Materiality Assessment, we identified three broad material issue areas under which we identified 14 topic areas that guide our ESG strategy development and the organization of our ESG reporting.

The three broad material issue areas, and why they are integrally important to our stakeholders and the WD-40 Company’s business, are:

1. Our tribe: the WD-40 Company employees whose passion and talents make our success possible
2. Our products: the core of our identity and connection with our end users
3. Our sourcing and supply chain relations: the foundation of our business model and a key component of our business success

The 14 topic areas that emerged as important to both our stakeholders and our business are set out in the table below outlining the weight each stakeholder group gave to a given issue.

	STAKEHOLDER GROUP						
	INVESTORS	BOARD	GLC	TRIBE	CUSTOMERS	END USERS	SUPPLIERS
<b>MATERIAL ISSUE AREA: SOURCING/SUPPLY CHAIN RELATIONS</b>							
Material transparency	H	H	H	H	H	L	H
Shared values with WD-40 Company	H	H	H	H	H	M	H
Fair and equitable treatment of employees	H	H	H	H	H	L	H

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	STAKEHOLDER GROUP						
	INVESTORS	BOARD	GLC	TRIBE	CUSTOMERS	END USERS	SUPPLIERS
Systems in place to minimize environmental footprint	H	H	H	H	L	L	H
<b>MATERIAL ISSUE AREA: PRODUCT</b>							
Design products for health and safety of people throughout the product life cycle	H	H	H	H	H	H	H
Design products for health and protection of natural environment throughout the product life cycle	H	H	H	H	H	H	H
Minimize/eliminate toxic materials in products for home use: <ul style="list-style-type: none"> <li>• No chemicals listed on dangerous chemical lists (e.g. Calif. Prop. 65)</li> <li>• Safe to use as directed</li> </ul>	H	H	H	H	H	H	H
Clear communication on product safe disposal	H				H	M	H
Sustainable packaging	H	H	H	H	H	M	H
<b>MATERIAL ISSUE AREA: TRIBE</b>							
Ensure we have a safe, inclusive, healthy and productive work environment	H	H	H	H	H		H

## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

	STAKEHOLDER GROUP						
	INVESTORS	BOARD	GLC	TRIBE	CUSTOMERS	END USERS	SUPPLIERS
Establish programs that contribute to the health and well-being of the tribe	H	H	H	H	H		H
Ensure tribe members can flourish in their careers and experience personal and collective achievements		H	H	H			
Provide tribe members with awareness and training in ESG issues and practices at work	H	H	H	H	H	L	H
<b>Invest in our communities</b> through corporate giving and employee engagement in community service projects	M	H	H	L	M	M	H
<b>FURTHER EXPLORATION: ENVIRONMENTAL IMPACTS</b>							
Reduce/eliminate hazardous waste (Product/Supply Chain)	H	H	H	H	H	H	H
Reduce waste	H	H	H	H	H	M	H
Climate change impact	H	M	H	H	L	M	M
Energy efficiency and renewable energy use	H	H	M	H	L	M	H
Water efficiency	H		H	H	L	L	M
Safeguard water	H	L	M	H	L	M	M
<b>Key:</b>							
High interest	H						
Moderate interest	M						
Low interest	L						
No data shared							

## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

We gained many insights from the conduct of our first ESG Materiality Assessment. For example, we recognized that we believe our most significant environmental impacts are related to the production, transportation, use, and disposal of our products. To better understand and verify the foundation of this belief, in fiscal year 2020 we commissioned a formal, screening-level Life Cycle Assessment of our largest volume product, the iconic WD-40 Multi-Use Product, to help us identify what those impacts are and how best to address them. You can learn more about our LCA here: [Life Cycle Assessment \(“LCA”\)](#).

We also learned that we need to be more explicit and transparent about the practices that we already have in place so that our key stakeholders can stay informed about our strategy, actions, and progress. Toward that end, in fiscal year 2020 we focused our attention on organizing and presenting the practices that we have in place today in this, our first ESG report. We focus on the three broad areas identified in the ESG Materiality Assessment as most important to our stakeholders: Tribe, Products, and Sourcing and Supply Chain Relations. We integrate our practices related to important environmental impacts of our business around climate, energy, material waste, and water into these material issue areas. The following sections of this report explore each of our material issue areas in greater detail.

## OUR TRIBE

### Our Tribal Culture

We call ourselves a tribe. When asked to describe our tribal culture, it is often met with a pause, while we search for the words to describe this thing that we *feel* when we are with our tribe members or walk into our offices. The initial response is typically, “our tribe is like a family,” but it goes beyond that.

We aspire to consistently live our tribal attributes and in doing so, we bring our tribal culture to life and create a self-sustaining and interdependent community. In our work lives together we strive to:

- Fiercely live our **values**
- Continually **learn, teach** and **evolve**
- Create a sense of **belonging** in our inclusive practices and by living the Maniac Pledge
- **Celebrate** our learning moments and successes with gusto while honoring our ceremonies, traditions and folklore
- Be **future focused** in our planning, innovation and investment
- Continually hone our **specialized skills**
- Be **warriors** who band together for our mutual success
- **Celebrate** life and our accomplishments together

We believe that when mutually accountable and interdependent tribe members consistently live these behaviors, we create a workplace where people want to stay, and where they can grow and thrive. Such a place creates much stronger performance than organizations who don’t achieve this state of tribal cohesion. It is that simple.

## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*



**We are committed to advancing our ESG practices.** Environmental, social, and governance topics have been top-of-mind at WD-40 Company far longer than the concept and acronym have existed. Although we have not called this aspect of our business ESG, we have focused for decades on doing what’s right in how we create, produce, and distribute products. Beyond regulatory compliance in every applicable jurisdiction, we are focused in our efforts to continually provide safe, environmentally friendly, and effective products globally.

Based on our Materiality Assessment and guided by our ESG Team, our approach to managing our ESG performance focuses on rigorously evaluating and prioritizing which environmental, social, and governance issues make both business and ESG sense to address and report on. Our leadership provides clear communication on defined goals, targets, prioritization programs, and resource allocation for ESG initiatives. Just as importantly, they provide clear boundary explanations about what future opportunities are and are not currently prioritized and resourced, and why.

With respect to our tribe, we have identified the following areas as priorities for focusing and managing our ESG practices:

- Ensuring the health and well-being of our tribe with a work environment that is safe, inclusive, diverse, equal, healthy and productive
- Perpetuating and strengthening our culture of belonging and inclusion, where learning and teaching are valued
- Maintaining and safeguarding our unique culture as leadership changes over time
- Engaging all tribe members in our ESG approach, strategies, and actions; harnessing their enthusiasm for supporting ESG strategies and initiatives
- Ensuring that our approach to ESG is intentional, integral, authentic, and in harmony with our values

## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

- Communicating our ESG stance and practices, internally and externally, to attract and retain the best talent
- Continuing to champion transparent compensation practices within our global tribe, as we engage in fair and equal opportunity pay practices
- Communicating what ESG-related initiatives are being performed in our communities, and how these initiatives connect with our values and ESG priorities

As described in our [2019 Annual Report to Stockholders](#) titled, *A Culture That Can*, our truly unique and positive culture is the foundation for everything we do and is something that we fiercely protect. Our culture is truly fundamental to our enduring success. Our tribe members take it upon themselves at a deeply personal and professional level to perpetuate our culture as we grow and evolve through inevitable changes. Without the tribe's collective engagement and commitment to living our values and tribal attributes, the company would not have achieved our growth objectives over the decades, nor would we likely be able to do so in the future.

We are a learning culture invested in strengthening our tribe from within through learning and development. We are a meritocracy, with a comprehensive, performance-based total rewards strategy. We firmly believe that building a deep bench of future leaders is fundamental to our continued success. Learning and teaching is a top priority for our leaders.

In the following sections, we set out how we live our values in support of the well-being and advancement of our tribe.

### Learning and Development



Learning and teaching takes its rightful place at the top of our tribal attributes because without it we would struggle to build a sustainable future, innovate, retain valued tribe members eager to learn, provide career opportunities, develop our individual and collective competencies, scale our business in a fiscally sustainable way, and so much more.

All tribe members who are interested in learning and growing are invited to self-select into comprehensive instructor-led and online just-in-time learning courses to develop skills when and where they are needed. Tribe members also have access to tuition reimbursement programs, internal coaching, and graduate degree scholarship programs. Tribe members self-selecting into any Learning Laboratory programs or courses learn side-by-side with their cross-functional peers and leaders. We do not segregate educational opportunities, with the knowledge that while people have different roles, all are equal, deserving of respect and dignity, and capable of teaching each other no matter how many years of experience they have or what role they may fulfill.

Our internal educational facilitators, or “faculty” as we call them, have the privilege of paying our learning and development forward to our local communities by delivering customized training to our valued distributors in each trading bloc, to non-profits in San Diego, including The San Diego Foundation, where our primary corporate offices are located, and to youth development programs and conferences around the world. Leaders from our largest and most long-term United States aerosol fillers, can producers, and logistic providers are invited to join our Leadership Laboratory cohorts to raise our collective leadership competency across our value chain. Learning inclusion allows us to share and align on servant leadership practices and enables us to speak the same

## WD-40 COMPANY ESG REPORT: LIVING OUR VALUES

language as we conduct our work together. Through these efforts we are “making it better than it is today” in our global communities.

### Talent Development Philosophy

With the belief that everyone in our tribe has the potential to learn and grow, our leaders actively encourage tribe members to explore growth opportunities in three ways: 1. ongoing learning, 2. role expansion and 3. promotion. Tribe members can digitally access a library of job descriptions so that they can take their career journey into their own hands and self-initiate an exploration of alternative roles, job levels, and competencies needed for the role. This job transparency philosophy provides all tribe members with the opportunity to be accountable for their professional growth.

We invest time, money, and attention in people who show they are willing to invest in themselves through:

- Internally developed programs and courses that are open to all who wish to take advantage of them
- Supporting college coursework and degree programs with financial reimbursement
- Supporting participation in professional conferences
- Full graduate degree scholarships to selected tribe members
- Identifying experiential opportunities aligned with their chosen professional path

We view and expect our leaders to act as coaches who are responsible for mentoring and teaching the tribe members in their care by providing:

- Instruction, guidance, and skill development coaching
- Experiential opportunities that are critical to learning and growing

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*“Our job is to make sure that we create an environment where our tribe members wake up each day inspired to go to work, feel safe while they are there and return home at the end of the day fulfilled by the work that they do, feeling that they have learned something new and contributed to something bigger than themselves.”*

*- Garry Ridge, CEO and Chairman*

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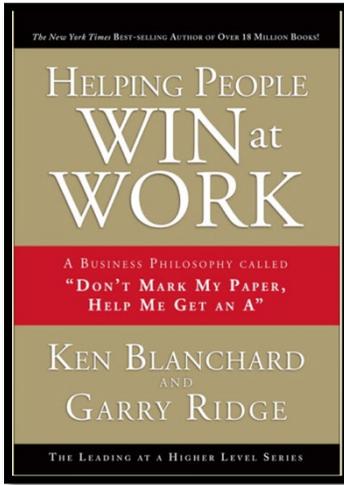
We appoint tribe members to roles of greater responsibility and compensation when they have demonstrated the aptitude to succeed, a character aligned with our values, and have enough of the competencies required to predict success. We prioritize maximizing opportunity for our existing tribe members by:

- Offering roles where they are not yet fully competent, together with coaching on how to develop the competencies they need, which increases their engagement and both their interest in and their prospects for success
- Promoting from within whenever possible

All global tribe members have quarterly performance discussions and development conversations with their coaches. The focus of the discussion is centered around functional competency, goal achievement, demonstration of values, and opportunities for development. We follow a philosophy of “Helping People Get an ‘A’”, which means we don’t focus on marking their “paper”, i.e. performance ratings, as much as ensuring they know how to succeed, and have the guidance to do so.

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Our CEO and chairman, Garry Ridge, co-authored a book with celebrated management expert Ken Blanchard on this philosophy, and it is now deeply embedded in our culture:



Development planning for key competency areas is identified by the coach and tribe member. Significantly, all tribe members are responsible for writing their own review then discussing it with their coach. We have found this stimulates a greater sense of personal awareness of, and responsibility for, objectively assessing one's own performance, as well as providing tribe members with a greater sense that they are in control of their own destiny.

We emphasize personal accountability for each tribe member's development. This means that every tribe member is accountable for their own future, i.e., communicating their objectives, pursuing education (internally and externally), asking for what they need from their coach, researching the paths available (all job descriptions, career progressions and salary ranges are publicly available), and

volunteering for experiences that will help them demonstrate what they can do.

We have set up [The Learning Laboratory](#) as our ecosystem for professional development. Through our labs we create and deliver relevant learning to equip our global tribe members with the skills and experiential learning essential for success.

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### *The Learning Moment*

*What keeps people in organizations from wanting to learn? We have found that most often people look at mistakes as career-damaging events rather than opportunities to learn. At WD-40 Company, when things go wrong, we don't call them "mistakes"; we call them "learning moments." We expect and applaud the opportunity to openly discuss, learn, rectify, and grow from our learning moments, as well as share our experience with others to avoid unnecessarily repeated learning moments.*

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The Learning Laboratory encompasses programs that develop leadership, general competencies and internal faculty who teach these programs. Leadership is taught through Leadership Laboratory. Technical product knowledge is provided through Tribology University. Sales and marketing skills are taught through our Commercial Academy.

THE LEARNING LABORATORY	
	<p>The study of servant leadership begins with an understanding of the principles of human behavior. Cohort members transition through a progressive series of multi-year leadership courses designed to provoke critical thinking about leadership and how to put their learning into action. Introspective assignments and engagement with leaders from other organizations are key elements of the effectiveness of these labs.</p> <p>Courses include human behavior, adult learning, problem-solving and decision-making, strategic thinking, organizational theory and design, constructive conflict resolution, building a culture of accountability,</p>

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	<p>talent acquisition, compensation philosophy and practices, coaching for results, employment law and much more.</p>
	<p>Competency labs provide specific courses such as presentation skills, project management, behaviors of trust, business process improvement, leading through change, situational adaptability, team effectiveness, P&amp;L understanding, project management and much more. With the guidance of our Lab designers, many courses are taught by tribe members who possess a deep expertise in their topic and a passion for sharing and teaching.</p>
	<p>Designed to support the growing number of tribe members joining the leadership and competency Lab faculty, these labs are offered to tribe members responsible for, or passionate about teaching their specific expertise. These programs are built on the principles of adult learning and ensure a consistent level of facilitation competency amongst the internal faculty.</p>
	<p>The commercial academy equips our sales and marketing tribe members with online and instructor-led product and sales knowledge. Key topics include category strategy, understanding the customer's business, consumer behavior, pricing and contract negotiation, customer relations management, key account strategy and management, digital commerce channel integration, developing market strategies and phasing, and much more.</p>
	<p>Tribology is defined as the science of interacting surfaces in relative motion. Our Tribology University provides our tribe and customers with critical product knowledge. Courses include instructor-led classes and online formats.</p> <p>We are particularly proud of the opportunity to partner with technical training institutes to teach the trades people of tomorrow how to repair and maintain equipment to extend operational life rather than replace them, adding to our collective waste stream.</p>

Since the inception of our Learning Laboratories in 2012, we have invested more than 31,000 hours of training and development into our tribe members and our valued partners across the world in just the Leadership Laboratory alone. (In the diagram below, 2020 enrollments are shown as of March 1, 2020. Workshops after that were conducted in alternative formats due to the COVID-19 pandemic throughout calendar year 2020.)

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LEARNING LABORATORY												
Participants by Year and Program												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total per series	Hours per series	Total Person hrs invested
Leadership Lab 1.0	65	80	45	22	22	26	15	22	29	326	50	16,300
Leadership Lab 2.0		20	25	82	21	30	13	10	16	217	32	6,944
Leadership Lab 3.0			12	17	10	30	5	6	11	91	20	1,820
Labs for Distributors		20	13	169	30	15	35	-	-	282	6	1,692
Competency Labs					25	55	150	265	100	595	4	2,380
Faculty Labs							7	7	22	36	12	432
Donated Labs					55	31	5	6	50	147	15	2,205
<b>TOTAL PARTICIPANTS/YEAR</b>	<b>65</b>	<b>120</b>	<b>95</b>	<b>290</b>	<b>163</b>	<b>187</b>	<b>230</b>	<b>316</b>	<b>228</b>	<b>1,694</b>	<b>139</b>	<b>31,773</b>

We have not formally tracked the attendance in our Commercial Academy or Tribology University programs. However, we believe a conservative estimate would be that these two programs would at least equal the time invested in Learning Laboratories over the same time period shown.

### Talent Acquisition

Critical ingredients of our not-so-secret formula are the skills, engagement, and commitment to excellence of our tribe: the people who bring our brands to life. Our competitive advantage and financial success in the global marketplace are dependent on the passion and discretionary effort of our tribe members along with their willingness to consistently live our values.

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*WD-40 Company has best-in-class products and we seek best-in-class talent who live our values and strive to leave positive lasting memories in all their interactions.*

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The importance of our tribe to our sustained success cannot be overstated. The fourth of our [five strategic initiatives](#) is to attract, develop, and retain outstanding and talented tribe members. To this end, every hire is a key hire because our people are innovators of our future and stewards of our brands and culture. We don't have a lot of people. We're spread thin and wide around the world. We leverage our internal capabilities across a wide variety and number of external partners. There are no "extra" roles in our company; several career fields have only one or two representative incumbents. Therefore, every tribe member has an immediate, measurable, and visible impact on the entire organization.

Before submitting an [employment application](#), potential applicants are asked to consider if our values resonate with them *before* moving forward with the application process. We want people to join our tribe who believe in what we collectively believe.

### Compensation and Benefits

#### Compensation

We consistently recognize and applaud effort. We base compensation on the results of our efforts. We are a meritocracy that is blind to all other factors not related to the work, the goals, the functions, and the competencies required to achieve our vision, within the framework of our values.

Our global compensation strategy is based on:

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1. Market-based assessment of compensation ranges and practices; “market” is defined as the country within which the tribe member resides.
2. Compensating according to demonstrated competencies and contributions. Everyone can determine their pay advancement according to their demonstrated abilities. This is what we mean by a “meritocracy”. This methodology is a key contributor to ensuring that non-job-related discriminatory decisions are eliminated.
3. Moderation of base salaries in aggregate to the median of market ranges, coupled with universally applied performance-based cash incentives that allow tribe members the opportunity to earn total compensation at or above the top of market ranges when performance is strong. All job levels and roles are eligible for incentive compensation, unlike many companies who segregate such cash incentives to upper tiers of the organizational hierarchy.
4. Maintaining fixed labor costs at a level that can be sustained even in market contractions or economic disruption. This allows our tribe to feel safe in hard times, and therefore able to think long-term, apply discretionary effort and commit their careers to the organization.
5. Consistent application of job valuation and compensation range methodologies with scrutiny across career fields, geographic regions, and progression relativity. We apply the Korn Ferry point-factor system (previously known as the Hay method) of job evaluation globally.

### *Benefits*

The company’s comprehensive total rewards approach provides tribe members and their families with peace of mind knowing that their health, wellness, and financial security is a key concern. If people don’t feel safe, they cannot think long-term about their contributions. In addition, tribe members are encouraged to explore opportunities to find a healthy integration of work and life because the notion of “balancing” the two is both impossible and not preferable. We don’t believe that there is a contest between “work” and “life”. There is just “life”. Ensuring that life is integrated, with proper attention to priorities as they change, is achievable, with the result that stress goes down and joy in one’s work goes up.



Most of the countries where our tribe members live have nationalized health care. For those countries that do not, like the United States, we provide life and health programs that include insurances, at a high level of available coverage, and above-market employer contribution levels.

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We provide competitive time-off programs and allow flexibility in work scheduling wherever regulatory guidelines allow.

In the United States, we are particularly proud of our vacation donation program for tribe members who experience extenuating personal or family-related emergencies that require them to be away from work for extended periods of time, and they have depleted their earned time off. When the call goes out to the tribe for vacation donations, the request is often filled within minutes. That is how a tribe of people with shared beliefs and genuine care for one another respond to instances of need.

### *Diversity and Gender Equality*

Findings from a detailed gender and pay study we conducted in 2020 indicates that no systemic relationship exists in WD-40 Company between gender and pay, as measured by position in salary ranges—either globally or within our larger population countries. We did find that there is a correlation between tenure in the company and pay, which is as predicted, given our strategy of compensating for competency and contributions (results). Over time, tribe members who are successful in advancing their abilities with the associated improved results, will earn pay adjustments to recognize their value in the market.

We also studied a six-year history of pay changes to assess whether gender was related to rate of pay increases (2014-2020). Our results showed that in the Americas (which includes our corporate tribe members), women received higher cumulative pay adjustments over the period of time we studied. In Asia-Pacific and EMEA, males received higher cumulative pay increases. While the differences exist, they are not statistically significant given the small populations represented.

Beyond statistical analyses, and because our population size is not great, we completed further study, person-by-person, to examine pay differences to determine if there were occasions of compensation decisions not being based on job-related criteria. This qualitative study identified no biased decision-making, as the differences were explainable by job-related criteria. We will continue to conduct equitable pay studies and include results in future ESG reports.

### **Workplace Well-Being**

**We prioritize the well-being, health, safety, and productivity of our tribe.** In the wake of the global COVID-19 pandemic, the health, safety, and well-being of our tribe has never been more important. Around the world our tribe's ability to navigate our business from the comfort of their homes while staying healthy, connected, agile, and productive has been truly remarkable.

Tribe members working in our offices enjoy renovated, efficient, collaborative, down-to-earth, minimalistic, high-tech offices. We have invested in recent years to renovate nearly all our locations. We have purchased and redesigned our headquarters building location in San Diego, California as well as our European subsidiary headquarters located in Milton Keynes, United Kingdom.



*Tribe members in our Technical Center initiated the donation of 3,000 nitrile gloves to local hospitals*

## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

With tribe member involvement in all aspects of the design, our spaces are designed with the following intent:

1. We are compliant with all the local health standards in our offices and home offices. We proactively complete an annual review of occupational health and safety practices, policies, and emergency preparedness.
2. Minimize our environmental footprint: car charging stations, recycling, solar panels, motion sensor handwashing and lighting, efficient heating/cooling, and welcoming workspaces.
3. Connection: video conference technology with interactive screens and associated software that allows collaboration without travel while in an office or anywhere a tribe member has internet connectivity. We have implemented the WD-40 Company Tribal News Network on TV screens that globally share highlights, celebrations, news and much more. These tools became essential during the current pandemic, allowing us to stay productive, connected, and engaged, even though we worked from home for months at a time.
4. Health and wellness: our [Fortress of Health](#) and wellness programs provide massage, nutritional advice, exercise kits, meditation instruction, “Tribe Alive Health and Wellness – Home Edition” and much more in select offices. Our offices have “wellness rooms” for specific health purposes including lactation, private administration of personal medications, and other health purposes.
5. Enhance our culture: we have intentionally designed our spaces to provide informal and spontaneous interactions, with ergonomic, comfortable and configurable workspaces. Our internal office design brings our tribe together and ignites connection, collaboration and community.

The global COVID-19 pandemic has tested our resolve in prioritizing our tribe’s health and safety, and we have continually placed that objective as our top priority.

This means doing everything we can to keep our tribe safe from the virus, such as ceasing office operations and business travel early in March 2020. But it also has meant making sure our tribe members take care of themselves while working remotely. At WD-40 Company offices all around the world, tribe members, who were able to perform their jobs remotely, were given the option to do so early on. Soon it became mandatory. By supporting our employees’ ability to work from home we are doing our part to flatten the curve. Nearly all our tribe members were able to work from home throughout the tenure of the global pandemic.

We also looked out for others’ health and safety. WD-40 Company was able to divert capacity at one of our manufacturing partners to help make components required for medical devices needed to treat COVID-19 patients (the Comfort Halo by TZ Medical.) The plant, in Terryville, CT is normally used to manufacture WD-40 Multi-Use Product straws. Also supporting our communities in this time of need, The WD-40 Company Memory Making Fund donated to the San Diego COVID-19 Community Response Fund to rapidly deploy flexible resources to community-based organizations at the frontlines of the coronavirus outbreak in San Diego County. Finally, in response to a request for personal protective equipment, WD-40 Company donated [3,000 nitrile gloves](#) from our Pine Brook, New Jersey Technical Center, when the pandemic was severely affecting communities on the eastern seaboard of the United States.

### Diversity, Equality and Inclusion

**We thrive through a culture of inclusion.** We are a self-sustaining collection of diverse, passionate, and values-aligned individuals from all corners of the world. Throughout the organization, tribe members promote a culture of inclusion in all our interactions because quite simply, it is living our value of “doing the right thing.”

We focus our approach to diversity, equality and inclusion on what unites rather than what separates us:

- Everybody in our company is included in our tribe, without exception
- We focus on similarities and common ground, not differences
- We maximize the unique value of each tribe member, and the tribe as a whole, through respectful and supportive interactions
- We consciously acknowledge, identify and address our unconscious biases
- We conduct formal educational workshops on “The Psychology of Inclusion,” helping us all identify our unconscious biases and how to eliminate them
- As stated earlier in this section, we are a meritocracy, focused on observable, job-related behavior as a basis for employment-related decisions
- We celebrate and share our tribe’s many cultures, languages, traditions, sports, holidays, and so much more

To us, inclusion is an organization-wide opportunity because all human beings need to feel included to truly engage. Living our purpose of creating positive lasting memories in everything we do is built on, and nurtured through, a strong sense of belonging that is authentically inclusive. Here again, we have not “arrived.” While we’ve made progress, we have a long way to go to be satisfied that our company truly represents the diversity of the communities in which we operate.

We believe that most people do their best work when they are on diverse teams. When diversity of thought is absent, there is a lower rate of creativity which can, at times, result in a self-validating echo-chamber. This causes reduction in critical thinking, creativity, innovation, and problem solving. Yet another reason for inclusivity.

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*“Varied perspectives result in creative solutions, solutions that might not otherwise emerge when disparate views are suppressed. Varied cultural exchanges enrich the lives of all concerned, which makes the time we spend at work that much more rewarding and enjoyable. That causes engagement, which means the application of each person’s discretionary efforts to the highest degree.”*

*- Garry Ridge, CEO and Chairman*

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## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

### *Diversity represented in the numbers*

1. The percentage of individuals in the company's governance bodies (Board of Directors and Global Leadership Council) by categories:
  - Gender:
    - Female: 6 or 24%
    - Male: 19 or 76%
  - Age group:
    - Under 30 years old: 0
    - 30-50 years old: 3
    - Over 50 years old: 22
2. Tribe gender number and percentages:
  - 241 female tribe members represent 46% of total employee population
  - 279 male tribe members represent 54% of the total employee population
  - 2 tribe members did not declare gender representing 0.4% of our total employee population
3. Tribe age group representation:
  - under 25 years old: 12
  - 26 – 35 years old: 129
  - 36 - 45 years old: 161
  - 46 – 54 years old: 142
  - 55 and over: 78
4. Other indicators of diversity where relevant, such as minority or vulnerable groups. The below assessment discusses this item.

With only 522 employees in 16 countries, our statistical analyses demonstrated no systemic adverse impact or disparate treatment of minorities or women. At the time of reporting, we do not collect employee ethnicity data outside the U.S. and are therefore unable to provide ethnicity data. However, we are not satisfied with the degree of representation of minorities and women within our company and leadership roles. While we have made progress over the years through the efforts cited in this report, we acknowledge we have more work to do to ensure proper gender and minority representation throughout the company.

While we are a U.S.-based public company, most of our employees are located outside the U.S. Within the U.S. we have 38% of the global tribe, or just under 200 people. We have an Affirmative Action Plan and program (AAP), since we provide products as a vendor to government contractors. Since inception of our AAP, our required statistical analyses have resulted in findings of no under-representation of minorities or women in the U.S., in any of the five worker categories applicable to our company. Due to our small population and small sample sizes in each of the five categories, however, even no representation of minorities or women can fall within the sampling margin of error.

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We don't want to hide behind statistics. We acknowledge that we have much work to do, over a long period into the future, to steadily increase our diversity through application of our objective, job-related candidate evaluation and selection methods, while broadening our outreach to the widest possible demographics of qualified applicants. Progress is slow, because of our small size, low turnover and modest hiring rate, when compared to organizations who have similar global brand identities but much larger populations and higher hiring rates. But we have achieved improved diversity in the U.S. and throughout our global sites and will continue to strive for the most diverse range of tribe members throughout the organization and at all levels.

In China, Canada, the United States, and the United Kingdom, we are proud of our female leaders who have progressed from individual contributor roles to country, trading bloc, and functional leadership roles. We are proud to have promoted female leaders to country manager positions and as heads of major functional groups. We are particularly proud of our China Country General Manager, who was the first employee we ever hired when we opened our Chinese subsidiary in 2006. She began as an administrative assistant and has transitioned from a support role to a supply chain management role to sales director and is now the Country General Manager of China where she is leading our highest growth opportunity market. It must be emphasized here that we established no quotas for gender balance representation, instead focusing on the person's competencies, behaviors and contributions.

While we are proud of our progress enhancing diversity throughout the company, in every career field and in leadership roles, our progress has been slow. There are factors that contribute to the pace. One is that we have a relatively small employee population, given our revenue, global footprint and brand awareness. Also, we do not hire a lot of people each year. Our net population increase over the last nine years averages about 19 new positions per year.

Another factor is that because of our commitment to create opportunities for development and advancement for our tribe members, we promote from within about 70 percent of the time, when openings occur.

Finally, we have very low turnover. In recent years, about 40 to 50 percent of our voluntary separations in the United States, our most mature market, have been due to retirement. Our average tenure is about 8 years, down from 14 in 2012, due to retirements and adding people to the tribe. Once someone has been with the company for a few years, the odds of them wanting to stay are very high.

For these positive reasons, which contribute to the strength and resilience of our company, it takes us longer to make progress in recruiting a wider range of people within the local labor markets of the countries we operate in, developing them internally and offering growth opportunities for advancement.

This is why, since 2012, we have implemented a concerted, global program of evolving our talent acquisition methods and our candidate evaluation processes to ensure that 1) we generate a broad spectrum of candidates from all backgrounds available, and 2) we remove unconscious bias from our candidate selection process through behaviorally-based evaluation methods tied to job-related competencies. We have formal courses educating our tribe members in how to identify and eliminate unconscious biases that might retard our progress in making the right decisions about

## WD-40 COMPANY ESG REPORT: LIVING OUR VALUES

candidates, both internal and external, through our Learning Laboratories. To learn more about these programs, click [here](#).

We believe that management and board-level diversity is very important. Our Board currently has three female directors and one female director nominee, out of eleven Board members. Our Board currently has one minority representative who is Latinx. Our Global Leadership Council currently has three female members, out of nine management members. Our Global Leadership Council currently has one minority representative who is Asian. We currently have two women who are country managers, whereas a few years ago we had none. We now have many women in regional senior leadership and middle-management positions who will be eligible for consideration for executive roles as succession opportunities arise.

Over the reporting period for this report, there have been no incidents of discrimination reported within the WD-40 Company, which we believe to be a testament to both the strength of our values and our success in hiring people who are values aligned with our company's culture. We annually conduct a "values" assessment to determine the incidence rate of behaviors which are contrary to our values, which is reviewed by our Ethics and Compliance Committee, comprised of senior executive leaders including HR, legal, and commercial trading bloc leadership.



*WD-40 Company tribe members accept W Award from Woman on Boards 2020*



### Global HR Philosophies

We established our Global HR Philosophies in 2015. These philosophies are the guiding principles that we follow in every location where we employ tribe members. Each country adapts those philosophies by creating locally compliant and relevant policies and practices which align with the global philosophies. Our Global HR Philosophies most directly related to promotion of a meritocracy that is supportive of diversity and inclusion are:

#### 1. Anti-Harassment and Anti-Discrimination

WD-40 Company is committed to providing a work environment that is free from any unlawful harassment or discrimination and concurrently recognizes that different country customs and cultural norms exist.

#### 2. Anti-Violence

WD-40 Company is committed to providing a workplace that is free of violence. Consistent with that policy, acts or threats of physical violence, including intimidation, harassment, and/or coercion, which involve or affect the company, or which occur on WD-40 Company's property, will not be tolerated.

#### 3. Performance Counseling

WD-40 Company aims to ensure that employees can succeed and get an "A." We recognize that on occasions we may need to coach an individual to improve their performance in the short or long-term.

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Sometimes performances can be improved easily through an early intervention or counseling process. At other times, individuals may require a more formal approach of sustained intervention where their performance or conduct requires a longer-term improvement. Corrective action may be necessary ranging from verbal or written warnings to (in serious cases) termination of employment. We will be guided by the legal and good proactive framework specific to each country where we have employees.

### **4. Performance Reviews**

WD-40 Company promotes a culture where employees can achieve high performance. All employees, with the support and guidance of their coach manage performance goals, progress, and their ongoing development. The role of the leader is to help the employee get an “A,” which means that the goal is to guide people to success, not sit back and wait for them to fail.

This is encouraged through ongoing dialogue between individuals and their leaders and by providing good quality coaching and support.

The aim of the Performance Review Program is to facilitate dialogue that will help to identify how each employee can achieve both optimal performance in their current role and professional growth/development through learning and work-related experiences. Employees are ultimately responsible for their longer-term career development and their leaders support them as a career development coach.

### **5. Resolution Policy**

WD-40 Company endeavors to promote an open and supportive work environment where concerns can be raised by individuals or groups and resolved effectively. Concerns arising in the workplace can vary from interpersonal conflicts to formal complaints of policy or regulatory matters. The company will ensure that appropriate procedures are in place, aligned with country specific legislation, to handle and resolve concerns, according to the nature of the issue.

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### Community Involvement and Giving Back

Our historical philosophy of giving back to our communities has been to do it and not talk much about it. Apart from cause-based product promotions and marketing, which combine philanthropic efforts with sales and marketing of our products, we have always been active in the communities within which we live and work. Our support of non-profit entities has been focused on applying our funds and time to make a material difference, without advertising to the public that we are doing those things. We don't sponsor fund-raisers where our brands and company name would be displayed, for example.

Therefore, talking about the good work that our tribe members do is somewhat uncomfortable for us. This report is the first time we have publicly communicated our range of activities in philanthropy.



*WD-40 Company tribe member volunteers at Habitat for Humanity event*

### WD-40 Company Community Involvement Committee

**A legacy of giving and service.** Creating positive lasting memories in our communities is part of our cultural bedrock. Our employees volunteer in many ways. In the Americas, we have an employee-led committee that formed a strategic vision for promoting self-reliance in at-risk populations. The WD-40 Company Memory Making Fund was established as a means for WD-40 Company's tribe member-led Community Involvement Committee to fulfill its corporate giving mission.

### Corporate Giving Mission

*Create positive lasting memories by empowering people to become self-reliant using our time, talent and treasure to help put charities out of business.*



Every charity needs a mission. Ours is simple. We want to put charities out of business. Why? Because we believe that a world without charities is a world where no one is hungry. No one is poor. No one is uneducated. No one is disenfranchised. It is a world where no one needs help because everyone is empowered to be self-reliant.

Is that ambitious? Yes. Will our work ever be done? Probably not. But we will never stop trying.

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### Charitable Priorities

For more than four decades, the company and its employees have given back to their communities and invested in nonprofit organizations and programs. In 2016 we launched our current grantmaking program designed to build self-reliance among San Diego County residents, promote a thriving and prosperous community, and create an environment where people can flourish and reach their full potential. We are committed to transformational philanthropy, which means we take a systematic, collaborative approach to grantmaking with an eye toward long-term change.



### Charitable Giving

Most recently, the WD-40 Company Memory Making Fund granted funds to several programs that we believe will positively change lives. The programs supported by the WD-40 Company Memory Making Fund in 2019 - 2020 include:

- [Alpha Project for the Homeless](#): Grant funding supports the Cortez Hill Family Center, which offers a safe place for homeless families with children to receive stabilizing shelter and supportive services needed to prepare for longer-term or permanent housing, as well as successfully promote self-sufficiency, wellness, and recovery.
- [Casa de Amparo](#): Grant funding supports the Residential Services and New Directions programs that serve at-risk female foster and former foster youth by providing individualized case management and individual and group activities that increase youths' capabilities to achieve self-sufficiency.
- [Dreams for Change](#): Grant funding supports the Eat Better Today Project, which is an integrated program that combines job training and healthy food security to prevent or end homeless episodes and move families towards financial stability.
- [Father Joe's Village](#): Grant funding supports the Employment and Education Services program and Skills and Training Enhancement Program to provide career-readiness training and job placement assistance for individuals and families experiencing homelessness.
- [Kitchens for Good](#): Grant funding supports Project Launch, a free, certified culinary apprenticeship program for individuals with significant barriers to employment, such as formerly incarcerated adults, foster youth transitioning out of the system, survivors of domestic violence, individuals with mental health disorders, and individuals with histories of substance abuse.
- [National Black Child Development Institute](#): Grant funding supports programs focused on health and wellness, literacy, family engagement, and preparation for college to improve and advance the quality of life for Black children and their families.
- [San Diego COVID-19 Community Response Fund](#): Grant funding supports food security, financial assistance, emergency supplies and more, to help the people and organizations in the San Diego community most affected by the virus.
- [Second Chance](#): Grant funding supports the Youth Garden Program, a six-week job training program for young people that combines classroom and experiential learning to increase youth awareness of urban agriculture and food justice and help move them towards successful high school graduation or employment.

## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

- [Solutions for Change](#): Grant funding support Solutions University, a comprehensive set of critical services for families who are housed in supportive communities. The program provides critical workforce development services, help with basic needs like food and childcare, as well as financial literacy courses for families.
- [Southern Poverty Law Center](#): Grant funding supports fighting hate and bigotry and assists in seeking justice for the most vulnerable members of our society. Using litigation, education, and other forms of advocacy, the Southern Poverty Law Center works toward the day when the ideals of equal justice and equal opportunity will be a reality.

### Volunteering in our Communities

Though the majority of our charitable giving is managed out of our San Diego corporate location, tribe members around the world volunteer their time to give back to the communities where they live and work. Some of the volunteer programs supported by WD-40 Company tribe members in 2019 - 2020 include:



#### *Padres Peddle for the Cause*

Fifty San Diego tribe members ran, pedaled, walked and volunteered at the [Padres Pedal for the Cause](#) raising \$30,500 in support of one of our youngest tribe members, 5-year old Savvy, whose parents both work at WD-40 Company. Savvy is battling brain and spinal cancer.

#### *Helping Hands*

Our Australia tribe joined forces with [Helping Hands](#) to make prosthetic hands. Participants in the program helped to build prosthetic hands that are then donated to amputee landmine victims throughout the developing world.



#### *Breast Cancer Awareness Month*

Our Milton Keynes tribe members partnered with the [National Breast Cancer Foundation](#) and “painted the office pink” in order to raise awareness and support for everyone touched by breast cancer.

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### *Junior Achievement*

Our San Diego tribe members partnered with [Junior Achievement](#) to facilitate a high school edition of our Learning Laboratory in order to teach leadership concepts to local San Diego high school students. As part of the event tribe members volunteered to be on a career panel and discuss with the students how they can create their own paths to success.



### *I Love a Clean San Diego*

Members of our San Diego tribe volunteered with [I Love a Clean San Diego](#) to clean up a local beach. I Love a Clean San Diego promotes a zero waste, litter-free, and environmentally engaged San Diego region.

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## WD-40 COMPANY ESG REPORT: LIVING OUR VALUES

### Employee Engagement

**We are passionately engaged.** Every two years we conduct a confidential global employee opinion survey administered by an impartial third-party in five languages. When last measured in January 2020, our level of employee engagement worldwide was 92.5 percent—nearly triple the United States company average of 33-37 percent (as per Gallup employee surveys). Our stated goal is to reach the very high rating of 95 percent overall employee engagement. We will do this through making further progress on our engagement opportunities, identifying gaps in specific locations and forming action plans to address areas needing improvement, across the five key factors of engagement.

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*Our January 2020 employee engagement feedback revealed that 95.8 percent of our global tribe believe that we consistently live our values.*

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We believe the fact that 98.3 percent of our global tribe report that they “love to tell people they work at WD-40 Company” speaks volumes about our positive and embracing culture. Other results of the 2020 survey illustrate what it means to create an environment where people thrive and want to work:

WD-40 Company 2020 Engagement Survey Results	Result
<b>Average of all questions</b>	<b>92.5</b>
I love to tell people that I work for WD-40 Company.	98.3
I am clear on the company's goals.	98.0
I understand how my job contributes to achieving WD-40 Company's goals.	97.9
I feel my opinions and values are a good fit with the WD-40 Company culture.	97.5
I respect my coach.	97.1
WD-40 Company's vision and mission motivates me to help the company succeed.	95.9
People in our company are committed to "doing the right thing."	95.8
I know what results are expected of me.	95.3
I feel like I am a valued member of my functional team.	94.8
People in our company create positive, lasting memories in all business relationships.	94.1
I am excited about WD-40 Company's future direction.	93.9
WD-40 Company encourages employees to continually improve in their job.	93.8
WD-40 Company's "Why," "How," and "What" motivates me to help the company succeed.	93.7
WD-40 Company has a good plan in place to achieve growth and profitability goals.	93.6
I feel free to respectfully disagree with my coach.	92.8
My coach encourages me to find innovative solutions for new and better ways of doing things.	91.5
I have the freedom to decide how to accomplish my objectives.	91.2
I trust my coach.	90.8
The work I do at WD-40 Company gives me a sense of personal accomplishment.	90.2
I am given the opportunity to participate in the decision making related to my responsibilities.	89.3
At WD-40 Company, I experience a strong tribe environment, as our culture defines it.	89.1
My coach keeps me informed about decisions and events that affect my job.	89.1
WD-40 Company recognizes employees for their innovative ideas.	88.6
My coach encourages me and supports me to achieve my career objectives.	88.4
I consider my coach a mentor, which means he/she actively supports my professional development.	87.5
At WD-40 Company, the trading blocs and corporate groups collaborate well together.	86.6
I believe working at WD-40 Company will allow me to achieve my personal career objectives.	85.8

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While these levels of response are a point of pride for us, we weren't always getting these ratings. It has taken many years to make progress. It would take far too much space to list all the material activities and leadership initiatives that were necessary to create engagement of this level. The point is that it doesn't happen overnight. There's no software application for creating an engaged group of people. It's day by day, every person working hard to behave in a manner consistent with our values and our stated cultural qualities. And we're not done. Like a nice big round of cheese, our engagement scores are satisfyingly full. But we focus on the holes in the cheese, which we do have. Not every person, department or region is above 90 percent engagement.

**Engagement sustainability and transparency.** To ensure we continue to focus on where we are not yet achieving our goals in engagement, we distribute the results of the biennial engagement survey to every tribe member, showing global results, their regional and functional results relevant to their geography, and the comments provided. Meetings are held between tribe members, functional departments and coaches, to discuss the results and identify possible actions to take to further improve, or to correct conditions that are not meeting our vision of engagement. This is an ongoing process with attention at the highest levels of the company to promote continuous improvements in employee engagement as a key strategic initiative. Transparency is critical in the application of such surveys and actions are the measure of how authentic we are in our stated goals for engagement.

Board level awareness and participation is equally important. We believe that boards need to adequately ensure that an organization's corporate culture aligns with its corporate strategy. The results of our biennial employee engagement survey are shared with our Board of Directors to assure that directors are aware of workforce concerns and the actions being taken in response to our biennial surveys. Other key elements of our people-centered programs are part of regular tribe update presentations to the board. Other board sessions include relevant information for the board regarding compensation programs, our ongoing compensation equality analyses, succession planning progress, and initiatives for the sustainability of our corporate culture. The board provides oversight and critical thinking in assessing our progress. We engage our directors in events where tribe members are invited to interact personally with our board, at our periodic global tribal learning conferences and ad hoc events specific to key elements of our engagement and inclusion efforts.

**Our tribe is passionate about ESG.** As one of our most important stakeholder groups, we turned to our tribe for their perspectives when we conducted our first [ESG Materiality Assessment](#) in 2019. We invited tribe members to identify what environmental and social issues, aspects, and impacts they feel are most important to our business, to society, and to them personally.

Tribe members voluntarily participated in a global ESG survey conducted in seven languages. In addition to the survey, an [independent third-party](#) conducted in-depth interviews with every member of our Board of Directors and 17 company leaders across all our trading blocs. More than 340 tribe members from around the world (70 percent of the total employee population at that time) and from every level of the organization provided their points of view. The majority indicated that ESG issues are important to them personally, and that they feel the company should take responsibility and be accountable for its ESG impacts. 86 percent of tribe members globally indicated that they think ESG issues are important to the company's overall success in the future.

When sharing perspectives about which ESG issues they feel are most important for the company to address, the following issue areas rose to the top:

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Most important issues expressed by the tribe (in rank order)	%
Ensure that our culture endures and that our work environment is safe, inclusive, healthy and productive where all employees are valued regardless of differences	96%
Ensure that our products do not use dangerous chemicals like benzene and those listed on dangerous chemical lists like California's Prop 65	94%
Ensure the health and safety of people throughout the life cycle of our products	94%
Minimize or eliminate hazard waste	93%
Ensure that our products are safe to use as directed	93%
Reduce waste (includes recycling, repurposing, etc.)	93%
Develop more sustainable packaging	92%
Ensure the health and protection of the natural environment throughout the life cycle of our products	91%
Focus on the health and well-being of our tribe	91%

We address some of these issue areas in other parts of this report. For example, in the report section on [our products](#) and the one on [sourcing and supply chain relations](#) we address the safety and life cycle aspects of our products, including achieving one of our three core ESG goals for fiscal year 2020: conducting and completing a formal [Life Cycle Assessment](#) screening of our flagship WD-40 Multi-Use Product, which represents the largest portion of our total global revenue.

From the perspective of our tribe, we learned that many tribe members feel that we have so many good stories to tell, yet it has not been a priority for us to tell them. As a culture, we focus quietly and purposefully on doing the right thing, and we haven't made a conscious effort to share our stories to our wider circles of stakeholders. Yet it is increasingly clear that both internal and external stakeholders want to know more. Toward that end, two of the three goals we set out for fiscal year 2020 address the subject of making our ability to share our ESG approaches, practices, and performance better than it is today by:

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*"Imagine if people went home happy. Happy people create happy families, happy families create happy communities, happy communities create happy countries and happy countries create a happy world. And, my gosh, don't we need that?"*

*- Garry Ridge, CEO and Chairman*

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1. Creating an efficient ESG reporting capability including a system to gather data and stories to share with our stakeholders
2. Publishing our first ESG report

We learned through the survey input provided by tribe members that many of them take environmentally and socially conscious actions in their personal lives. We also learned that, not unexpectedly, changing one's own behavior is more difficult and less attractive than advocating for change in general. It was heartening to receive the honesty of the tribe, when they said the topic is important to them, but their personal habits were not as much aligned. This is true of all of us perhaps—we want to make progress, but it's hard to change our habits.

Given the very high level of tribe member interest in ESG, high engagement, and the best-in-class industry practices that currently exist within the WD-40 Company, we are committed to increasing

## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

our focus and investment to continually refine our environmental, social, and governance practices as a responsible and accountable tribe of passionate and dedicated people. Ongoing updates to the tribe on our ESG efforts will continue in our leadership communications, our Tribal News Network broadcasts, and updates at the grassroots team level.

### Employee Celebration

A big part of our tribal culture is the abundance of storytelling and celebration. Our leaders acknowledge tribe member contributions during their weekly updates and the tribe nominates peers from across the organization for our annual Americas/HQ People’s Choice Awards in the following categories:

<b>COMMUNICATOR</b>	This category is for the person who demonstrates the highest skill in communicating effectively, which includes listening, understanding, information sharing, educating, explaining, writing (emails and other documents) and all other forms of communicating in the course of performing their daily responsibilities.
<b>STARK RAVING FAN</b>	This award was developed in honor of Diane Gazzola, the leader of the Canadian tribe for many years. Diane retired, but her example lives on. Diane was the consummate advocate for our company, our products and our people. This award goes to the person who demonstrates that spirit continually.
<b>DREAM TEAM</b>	This award goes to the functional group who work together seamlessly to deliver great results. The Dream Team is the team whose members help each other without being asked, think about each other and how to help, work together to achieve goals and celebrate as a team. This team continually looks for ways to give others credit while accepting accountability when things don’t go as planned.
<b>ENERGIZER</b>	This person is a constant source of inspiration and motivation. Their energy raises others up when they are down, gives encouragement when challenges are great, and demonstrates the ability to bring a positive attitude to every situation. The Energizer creates an environment of achievement by what they do and say.
<b>INNOVATOR</b>	This person is resourceful, creative and tenacious in the pursuit of problem-solving. The Innovator offers ideas to others, jumps in to solve challenges. This person finds ways to get things done and make improvements rather than only identifying what is not working well. And while doing so, the Innovator knows how to respect others’ roles, supporting them rather than doing it for them.
<b>MENTOR-COACH</b>	This person demonstrates the ability to both coach someone in improving their performance, and helping that person fulfill their personal goals. The Mentor-Coach combines great educator skills with the caring of a friend, offering experienced wisdom and advice to help someone grow along their professional life path.

## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

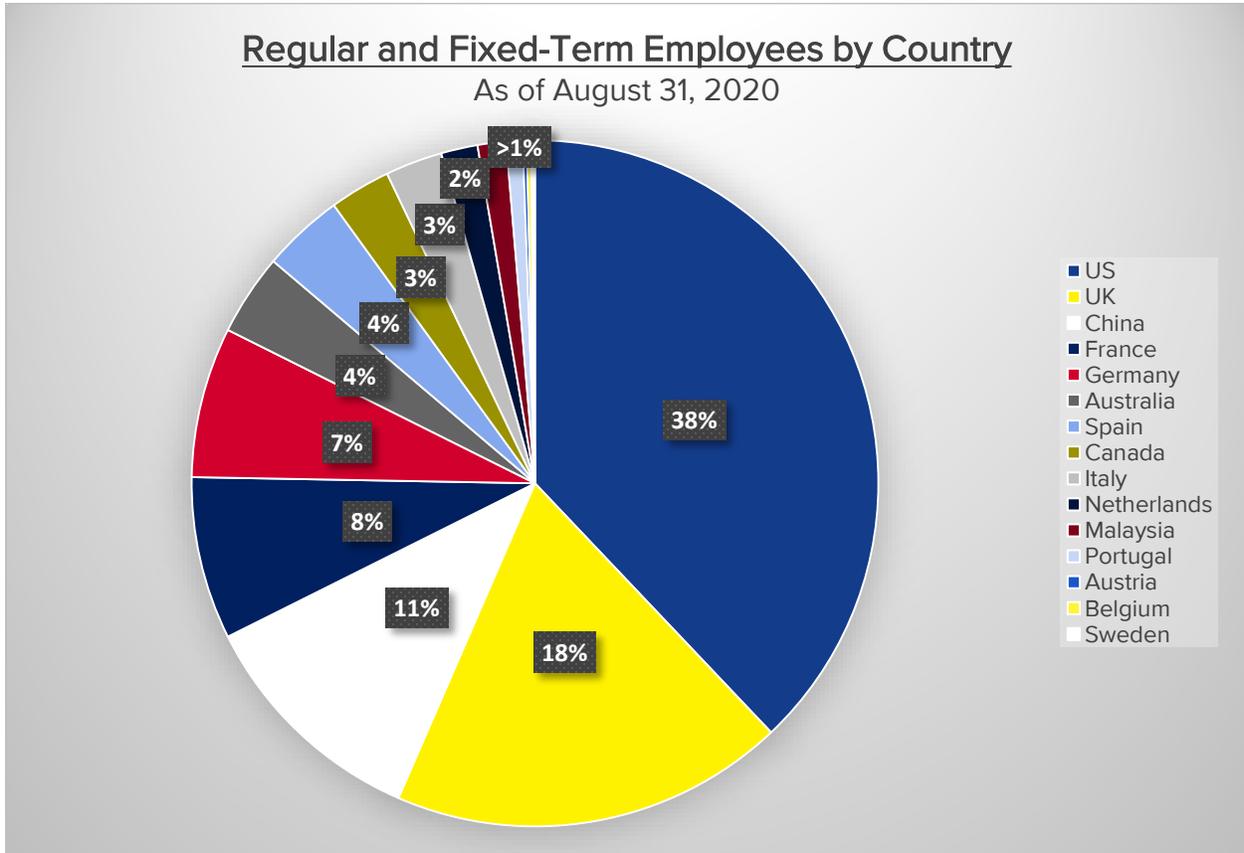
	This person is sought out for advice and guidance, recognized as a source of honest feedback.
<b>MVP</b>	This person is the individual who contributed the most to a particular effort during the year and reached or exceeded difficult objectives in the process. The Most Valuable Person is the person whom you think of as the critical contributor to a team effort, without whom success would not have been possible.
<b>ROOKIE OF THE YEAR</b>	This person is the employee who has been with the tribe a short time, perhaps a year or two, but who has already made significant contributions to the company. The Rookie of the Year learns fast and made a clearly noticeable positive impact to the organization and the tribe. The Rookie is someone who also immediately demonstrated the values of WD-40 Company in the process of contributing so quickly.
<b>TEAM PLAYER</b>	This person is the living example of what it means to be a team member: contributing selflessly to the success of the team without thought to advancing one’s own goals in the process. The Team Player feels successful if the team wins, no matter what his/her own statistics might show and doesn’t feel successful if the team isn’t. The Team Player knows how to contribute to others’ efforts and when. The Team Player also knows how to “play their position”, always ensuring their own responsibilities are taken care of as well.
<b>UNSUNG HERO</b>	This person is the hard-working, goal-achieving tribe member who doesn’t seek out the limelight, performs without fanfare or self-promotion, and quietly accomplishes goals that others rely upon to be able to achieve their objectives. Without the Unsung Hero, many other tribe members would find it very difficult to get their work done and done well. Without a mention or need for recognition, the Unsung Hero steps up to fill the gap when a fellow tribe member is experiencing difficulties.

In our other trading blocs, similar recognition programs are applied appropriate for the size of the local office population and the culture unique to those countries. One size does not fit all, in a global, multinational tribe like ours.

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**Our Tribe in Numbers (as of August 31, 2020)**

In 2011 our population was approximately 350 people globally. At the close of fiscal year August 31, 2020, our global tribe population was 522 people. This headcount total includes all regular employees and fixed-term employees but excludes contingent workers as described below.



**Headcount Definitions**

**Regular employees** - are full-time and part-time tribe members on the company payroll who are eligible for benefits, earned incentives, and are in an ongoing employment status.

**Fixed-term employees** - are on the company payroll and entitled to all eligible benefits and earned incentives for a defined fixed employment contract period. For the purpose of reporting, they are included as regular employees.

**Contingent workers** - have a temporary employment status for a fixed period of time, may be paid on contract through company payroll processes or through temporary agencies, are typically not entitled to company benefits or earned incentives, and are not included in reported headcount numbers.

### OUR PRODUCTS

#### Our Flagship Product - WD-40 Multi-Use Product

**Our products create positive lasting memories by solving problems and making things work smoothly.** Chances are that when you hear the brand name WD-40, you picture the iconic blue and yellow can with the little red top that you reach for to help you maintain your tools and equipment, lubricate squeaky anything, loosen things shut tight, and in general make your projects easier and keep your world running smoothly. Our [WD-40 Multi-Use Product](#) was initially developed in 1953 as a moisture displacement, rust-prevention and lubricating solvent for the aerospace industry. The very name represents the dedication and persistence of the inventors to get it right. After 39 attempts to get the water displacement formula to work, the 40<sup>th</sup> time hit the mark and became the now iconic name: Water Displacement-40<sup>th</sup> time, or WD-40.

Today, WD-40 Multi-Use Product represents the largest portion of our total global sales. It can be found in eight out of 10 American households and a rapidly growing number of households, factories, and workshops globally. Its uses are almost legendary. Our end users have shared more than [2,000 uses](#) for our WD-40 Multi-Use Product to solve a diverse array of challenges for lubrication, rust penetration, corrosion resistance and protection, moisture displacement, and the removal of all manner of stubborn materials from compatible surfaces.

Although WD-40 Multi-Use Product is our core product, we are always looking for ways to solve problems and to help make life run more smoothly for end users. We offer various multi-purpose maintenance products under the WD-40 Brand that solve problems for household, marine, automotive, construction, repair, sporting goods, biking, gardening, and various industrial applications. These are comprised of penetrants, water resistant silicone sprays, corrosion inhibitors, rust removers, degreasers and greases and are branded under the [WD-40 Specialist](#) product line. We offer multi-purpose drip oil and spray lubricant products, and other specialty maintenance products under the [3-IN-ONE](#) and [GT85](#) brands for household, locksmithing, HVAC, biking, marine, recreational vehicle care, farming, construction, and specialty problem solving products.

We offer homecare and cleaning products, such as liquid mildew stain removers and automatic toilet bowl cleaners, under the [X-14](#) brand; and automatic toilet bowl cleaners under the [2000 Flushes](#) brand. The following three products are EPA Registered toilet bowl sanitizers and deodorizers in the United States: 2000 Flushes Bleach, 2000 Flushes Blue + Bleach, and X-14 The Bathroom X-Pert Antibacterial Toilet Bowl Cleaner.

We provide aerosol carpet stain removers and liquid trigger carpet stain and odor eliminators under the [Spot Shot](#) brand in the US, as well as heavy-duty hand cleaner products in bar soap under the [Lava](#) and [Solvol](#) brands in the US and Australia, respectively. We sell room and rug deodorizers, directly or through licensing agreements, in the form of powder, aerosol foam, and trigger spray under the [Carpet Fresh](#), [1001](#) and [no vac](#) brands in the US, UK and Australia.

From the perspective of our business success as a company and a brand, our products—particularly our core WD-40 Multi-Use Product—are the heart of our value proposition and our identity. The effectiveness and promise of our products constitute the foundation for our continuing growth and profitability, and our connection with satisfied, enthusiastic, and loyal end users.

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In addition, we work hard to make it easy for end users to find our products by selling them through multiple channels, including mass retail and home center stores, warehouse club stores, grocery stores, hardware stores, automotive parts outlets, online retailers, and industrial distributors and suppliers.

In managing ESG aspects related to our products, we focus on four primary pathways:

- Understanding the environmental impacts of our products across their life cycle through rigorous assessment, enabling us to better maintain current product quality as we improve the environmental performance of our existing products. As WD-40 Multi-Use Product represents the largest portion of our total global sales, the current focus of our Life Cycle Assessment research centers on our core product. We will then apply what we learn to our other product lines.
- Developing innovative product and packaging solutions that continually seek to better serve the needs of our end users while at the same time continually enhancing their life cycle environmental and social impacts and reducing any negative impacts. Our innovation approach is holistic in that, being true to our values, we focus on making our products, packaging, and processes better than they are today while we consistently seek to develop and offer new and better solutions for our end users.
- Strict adherence to internally-required safety guidelines of what we will and won't include in our product development, formulation, packaging and manufacturing and implementation of quality control standards to assure that dangerous chemical contaminants are not found in our raw materials.
- Providing our customers with the best label information for maximum performance, safest usage, ingredient information, as well as health and safety and poison center contact information as primary pathways.

Whether considering existing product solutions or innovating new ones, our objectives are always to:

- Ensure the safety of our products for their intended uses
- Provide products that work, solve problems, and make life smoother for end users, thus creating positive lasting memories for them
- Understand and manage the life cycle environmental, social, health, and safety aspects and impacts of our products and packaging
- Design products to meet or exceed existing federal, state, and local regulations as well as to anticipate emerging ones
- Innovate to create new value and win-win-win solutions, which means a win for an enhanced product providing benefits to end users, a win for the natural environment, and a win for the company

### **Product Safety is our Enduring Promise**

At WD-40 Company, the safety of our end users is our primary goal in developing products and sourcing materials. We abide by a [rigorous set of rules](#) that we have developed over decades as we assemble, develop, or license materials for products around the world. Each formulation considered for our products is reviewed by industry hygiene and toxicology experts for product safety. Regional health, safety, and compliance experts review the formulation and its usage to

## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

develop label language that teaches our end users the safest way to use the product with appropriate antidotes for misuse or accidental use. This label language is reviewed and approved internally by our Research & Development (“R&D”), Legal, and Marketing departments.

We have meticulous Standard Operating Procedures (“SOPs”) in place that all R&D personnel responsible for the maintenance of current products or the development of new products are required to follow. These strict and detailed SOPs provide a format and guidelines for determining the health and safety profile of each product, and include the development and use of:

- A health and safety profile that provides information concerning any, and all effects that a formulation can have on its user. This includes individual ingredient contribution, combination ingredient contributions, proper use, packaging and all necessary actions and information to maximize our end user’s safety while using the product.
- A Safety Data Sheet (“SDS”) that provides comprehensive information about a substance or mixture for use in workplace chemical management. In the United States, the Occupational Safety and Health Administration (“OSHA”) has adopted the new Globally Harmonized System of Classification and Labeling of Chemicals (“GHS”). Each SDS that we prepare integrates the GHS and includes information such as the properties of each chemical; the physical, health, and environmental health hazards; protective measures; and safety precautions for handling, storing, and transporting the chemical. SDS information for WD-40 Company products sold around the world can be found via the links on our [website](#).
- A Technical Data Sheet (“TDS”) that summarizes the performance, compliance, usage, and other technical characteristics of a product, machine, component or material. Typically, a TDS is created by the component manufacturer and begins with an introductory page describing the rest of the document, followed by listings of specific characteristics.

The environmental aspects listed on our Technical Data Sheet for WD-40 Multi-Use Product are:

- WD-40 Multi-Use Product does not contain chlorofluorocarbons (CFCs) or hydrochlorofluorocarbons (HCFCs)
- WD-40 Multi-Use Product does not contain Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent Chromium (Cr6), Polybrominated biphenyls (PBBs), or Polybrominated diphenylether (PBDEs) complying with the restricted substances listed in Article 4(1) of the RoHS Directive
- WD-40 Multi-Use Product contains no ingredients at levels requiring California Prop 65 listing or warnings
- WD-40 Company will not intentionally formulate with benzene. More than that, we have developed formulation mandates, we require internal and external consultant review of suppliers, and we require quality control testing to assure that benzene does not contaminate our formula
- WD-40 Multi-Use Product complies with volatile organic compound (“VOC”) regulations for all 50 United States

We have a zero tolerance for benzene contamination in our formulations. To achieve this goal, all raw materials with the potential for benzene contamination are reviewed and tested through common analytical practices. We do not consider formulations for sale that require warnings against carcinogenicity, reproductive toxins or germ cell mutagenicity.

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For products where normal anticipated use would result in probable release into the aquatic environment (e.g., via storm drains), we exclude environmentally hazardous chemicals in our formulations that are above the concentrations that would result in the product being classified as Acute Aquatic Toxicity Category 1 and Chronic Aquatic Toxicity Category 1 or 2. Under the heading of surface safety, each product is tested for its compatibility on surfaces most commonly encountered in anticipated product uses.

Because product safety is our enduring promise, in fiscal year 2020 we executed a voluntary recall of a limited number of lots of our X-14 Mildew Stain Remover in cooperation with the U.S. Consumer Product Safety Commission. We opted to voluntarily recall the affected product after quality assurance measures discovered pressure could accumulate inside the bottle which may cause the bottle to fall over and leak, posing a chemical irritation hazard. No consumer complaints were ever identified but we want our customers and end users to feel secure that our products are safe and felt that voluntarily recalling this product was the right thing to do.



*The company had its first **U.S. EPA's Safer Choice** Product in WD-40 Specialist Industrial Strength Cleaner and Degreaser. The **U.S. EPA's Safer Choice** label helps consumers and commercial buyers identify and select products with safer chemical ingredients, without sacrificing quality or performance.*

***Safer Choice** products are drawn from a specific list of EPA chemical ingredients. Most of these ingredients currently reside around cleaning function. When a product has the **Safer Choice** label, it means that every intentionally-added ingredient in the product has been evaluated by EPA scientists. Only the safest possible functional ingredients are allowed in products with the Safer Choice label.*

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## WD-40 COMPANY ESG REPORT: *LIVING OUR VALUES*

### R&D and Innovation

#### Doing the right thing and making it better than it is today

The WD-40 Company applies science-based rigor to all our formulations, packaging, and in choosing where to focus our ESG priorities. This is coupled with transparency in all communications with our end users. We have spent decades cultivating and engaging external consultants and testing facilities to ensure that all our values are expressed by our products. In February of 2019 we made a dramatic change in our methods of scientific research. We shifted from a primary R&D reliance on outside laboratory services to significant internal capabilities upon completing the construction of our own state-of-the-art Technical Center facility in Pine Brook, New Jersey. Not only does this new facility provide our R&D staff with a modern and functional work environment, it provides a hub to connect the key consultants who help guide us and the scientists we now employ around the world. Our scientists and technical tribe members ensure that the company uses the right chemicals, analytical methods, test methods, proper packaging, manufacturing methods and quality control testing methodology to ensure the stability of any packaging that comes in contact with the chemicals.



*WD-40 Company tribe members gather in front of our Technical Center in Pine Brook, NJ while attending our global R&D Summit in 2019*



*WD-40 Company tribe members conduct experiment in Technical Center*

The history of our R&D tribe and our technology capabilities mirror the growth of our company. As more and more products were needed, as more regulations and compliance laws became part of our business, as our need to improve our products, assure our products' safety and distribute our products around the world grew, so did our R&D tribe. From 2001, with two scientists in America working out of an office running what we called virtual R&D, the function has now grown to 18 scientists around the world with a presence in every trading bloc and coordinating together to deliver the

finest products in each market area. In each market, these scientists have cultivated their own cadre of regulatory and health and safety consultants to support our brands in the regions where we sell them. With our Technical Center headquarters in Pine Brook, NJ, we can now easily trade technology and learning with our tribe members around the world to fuel our future product development and product safety and compliance needs.

What you see on the outside of our packaging is as important as what is contained inside. Our global R&D department is responsible for the label on each product, which tells the end user what the product is, what the best and safest way is to use it, and critically: what to do if something goes wrong through misuse or accidental use. The label includes a phone number to a poison center where trained medical and veterinary staff on call 24 hours/day can answer health and safety questions. These medical professionals have access to our Safety Data Sheets with general information about all the raw materials we use in each product. They have full information about

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product safety toxicology, a history of product usage, and any health and safety items that have occurred in relation to a product.

We require that all our product labels comply with our procedures to provide information on hazardous materials, the safe use of our products, and safe disposal of our product and packaging. This information is also provided on our websites.

Today, more than ever, we apply scientific and technical rigor to how we approach the environmental impacts of our products, packaging, and processes beyond the environmental impacts we already consider and have listed in our Technical Data Sheets. To advance our understanding of our impacts, in fiscal year 2020 we conducted a formal, screening-level Life Cycle Assessment of our dominant product, WD-40 Multi-Use Product, to identify and understand environmental impact hotspots across the product's life cycle. This assessment enabled us to better identify where we can most effectively apply innovative thinking to reduce the negative and enhance the positive impacts of WD-40 Multi-Use Product. We will apply what we learn from this LCA to our other products and their respective supply chains. You can learn more about the LCA for our WD-40 Multi-Use Product here: [Life Cycle Assessment \("LCA"\)](#).

We apply sustainability factors in our product design on an ongoing basis. The economic benefits of material reduction without affecting product performance ensures that we continually look for ways to minimize our resource extraction contribution, our transportation impact (favorably influenced by weight reduction), and our raw material inputs. Beyond this, however, we have introduced products in refillable containers, lessening the rate of aerosol cans going into landfills. Our professional and industrial users routinely buy our flagship product in bulk, decanting required quantities in non-aerosol "trigger" packaging. We have been conducting research for several years to identify potential non-aerosol, reusable packaging for a broader range of our end users. That effort is ongoing.

Our scientific and technical staff ensure that we stay abreast of and meet all governmental regulations. We believe that regulation plays an important role in safeguarding health and safety for people and the natural environment. We also believe that a science-based approach is fundamental to ensure that regulation achieves its intended objectives. Through rigorous internal R&D, we ensure that our formulations fully comply with all federal, state, local and/or regional regulations and laws in the markets into which they are sold. We do not limit compliance with all laws and regulations that apply just to chemistry, but also comply with all those that govern production, label design, packaging, distribution, and storage. We are also proactive in assessing the fit between meeting all the laws and regulations that apply to our products on the one hand and contributing to the achievement of the intended outcomes of those laws and regulations on the other.

Often the law lags behind technology and science, so we are proactive with regulators to help ensure that the laws and regulations affecting our company, our products, and our operations are appropriate to advances in both technology and scientific understanding. For example, in 2017 our WD-40 Company scientists determined that calculating formula reactivity could be beneficial in understanding the production of ground level ozone ("GLO") that is attributed to the use of multi-use lubricants. Since 2000, we had lowered the volatile organic compounds ("VOCs") in WD-40 Multi-Use Product from 67 percent to 25 percent to comply with regulations set out by the [California Air Resources Board](#) ("CARB"). CARB is charged with protecting the public from the

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harmful effects of air pollution (e.g., production of GLO, smog, etc.) and developing programs and actions to fight climate change. They have pioneered a range of solutions from clean cars and fuels to adopting innovative solutions to reduce greenhouse gas emissions. CARB has set the standard for effective air and climate programs for the nation, as well as for many parts of the world. CARB has worked to remove VOCs, a component in the atmospheric reactions that cause GLO, from consumer products.

In the case under discussion, in 1980 CARB adopted the science of computing atmospheric reactivity for the paint and coating industry to both understand and reduce the generation of GLO and support the paint industry's goal to maintain quality formulas. This meant that CARB would consider a chemical's potential to react in the atmosphere and generate GLO and not just reduce the volume of that chemical.

Using the science of reactivity, our scientists set out to better understand the contribution to GLO by our flagship brand. Reactivity is a true science-based method to more accurately assess ozone reductions. The reactivity properties of volatile organic compounds determine their contribution to atmospheric ozone. The more reactive they are, the more ozone they can potentially contribute to in the atmosphere. A reduction in reactivity of a product always reduces ozone production from that product, whereas mass-based reduction regulations do not always reduce ozone production from a specific product. Our reactivity research demonstrated that altering our formula to further reduce the VOC volume contributed only minimally to the reduction of GLO and thus smog in California. Over the course of 18 months, we presented our findings to CARB, which in May 2018 approved reactivity calculations/measurements as an alternative compliance option for the future effective VOC limits for all multi-purpose lubricants like WD-40 Multi-Use Product. This adoption, based on WD-40 Company research, helped the entire industry while supporting CARB's goal of reducing the production of ground level ozone.

*Through continual, ongoing testing and staying abreast of changing regulations, our global R&D team ensures that **no WD-40 Company product contain any ingredients at levels requiring California Proposition 65 listing or labeling.***

*Proposition 65 was enacted in 1986 to protect the state of California's drinking water sources from being contaminated with chemicals known to cause cancer, birth defects or other reproductive harm and to require businesses to inform Californians about exposures to such chemicals.*

*Proposition 65 requires the state to maintain and update a list of chemicals known to the state to cause cancer or reproductive toxicity. It also prohibits California businesses from knowingly discharging significant amounts of listed chemicals into sources of drinking water. This list, which is updated at least once a year, has grown to include approximately 900 chemicals since it was first published in 1987. The list contains a wide range of naturally occurring and synthetic chemicals that include additives or ingredients in pesticides, common household products, food, drugs, dyes, or solvents. Listed chemicals may also be used in manufacturing and construction, or they may be by products of chemical processes, such as motor vehicle exhaust.*

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**Smart Straw Next Generation: Innovation benefiting people, planet and profits** Our company was founded on patient, persistent innovation, and we continue to invest heavily on innovating product, packaging, and processes to make things better than they are today. We approach innovation holistically. That means that we continuously invest in creating new product solutions to address end user needs, yet our innovation approach goes beyond coming up with new products. We look at innovation as any new initiative that can create new value. Using this lens, our Smart Straw Next Generation creates new value across multiple areas: it is a packaging innovation, a supply chain innovation, an ESG innovation, and it demonstrates how we continue to apply innovative thinking to achieve win-win-win solutions.

**The Challenge:** We listen to our end users. People in focus groups and ethnographies told us that losing the straw that comes with each can of WD-40 Multi-Use Product was a major pain point for them.

**The Solution:** To address this challenge our innovation tribe members developed WD-40 Smart Straw® a new delivery system that we launched in 2005 on a single size can of WD-40 Multi-Use Product. It solved a pain point our end users were experiencing by permanently attaching the red straw to the can and allowing people to flip it up and down depending upon how they wanted to apply the formula. This innovation solved the problem, people fell in love with it, and demand grew. When we first introduced Smart Straw, we thought it offered a 1-2 million unit/year opportunity. It grew to more than a 60 million unit/year and continues to grow. What started as a little dream turned into one of our highest volume delivery systems that we use and sell globally.



*First generation WD-40 Smart Straw® introduced in 2005*

As the demand for the delivery system grew we recognized that there was the need for an improved delivery system design and that we needed to rethink and optimize both the supply chain associated with it to make both the delivery system and its supply chain as effective and efficient as possible. We put together a global cross-functional effort five years ago to determine how to proceed. Rather than building incrementally on the existing system, we decided that we would wipe the slate clean and ask ourselves how we would design the whole network today if we were starting from scratch. We invested significant time, talent, and treasure to look at every material we use and every part of the process and asked how we could better design everything to increase our material efficiency and optimize our supply chain. For example, instead of making the component in two different locations on the east coast of the US, we decided to place a component kit in the US and one in Europe, so that we could supply this component in a smart efficient manner. We reduced plastic inside of the component itself. Altogether we created a product and process that increases the manufacturing line speed, is closer to our markets, reduces cost and waste, and reduces plastic. Our calculations indicate that this results in approximately 500,000 fewer transportation miles traveled per year. If we proceed in the next reporting period to complete a publishable Life Cycle Assessment, we will report out at that time the positive carbon impact of these actions.



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- Understand the environmental impacts in the life cycle of the product, including supply chain, packaging, use, and disposal; and
- Understand the potential for WD-40 Company to create environmental benefits by improving the performance and extending the service life of other products and equipment.

An LCA is a scientific method for analyzing the environmental impacts associated with a product’s life cycle. It identifies with a reasonable level of certainty where in the product life cycle impacts are occurring (“hotspots”) so that we can determine where we have leverage to make change, including changes to reduce impacts.

The result of the LCA screening study is that we now know the largest environmental impacts of our WD-40 Multi-Use Product flagship product. The results are relevant to other products as we employ similar packaging and petroleum-based chemicals in many of our maintenance products.

The two main environmental impact areas of WD-40 Multi-Use Product are: 1) the primary packaging (tin-coated steel can), and 2) the petroleum-based chemical contents. As noted earlier in this report, aerosol can recycling is an opportunity and a challenge. Seizing the opportunity will require a cooperative effort from all aerosol product manufacturers, distributors, and retail sales channels.

We are considering a full, publishable LCA for the next ESG reporting period, which will help us learn more at the granular level about our life cycle impacts and will also help us understand how our products contribute to lessening environmental impact. A “handprint” study would allow us to quantify the positive impact of our maintenance chemical products in extending the useful lives of equipment and appliances, thereby reducing the need to create replacements and reduce the rate of disposal. In our LCA screening, we learned that with proper “handprint” analysis, we will likely find offsets to the negative environmental impacts of our products.

In the process of completing the screening-level LCA, we examined the mitigation possibilities related to our main environmental impact areas. Specifically, we did research on the state of aerosol product packaging recycling. Once emptied, aerosol products are eminently recyclable. Over 70 percent of people in the US have access to aerosol recycling. Thousands of communities now include aerosol product recycling in both household residential and curbside buy-back and drop-off programs. The United States Environmental Protection Agency (“EPA”) recommends that all aerosol containers be recycled once they are empty.

The best evidence we have to date, however, is that less than 5 percent of aerosol cans are recycled. Most end up in landfills. The key reason is that there is no economically feasible way to safely collect products, evacuate contents and dispose of them, separate components of the primary packaging, and then direct the can back to source material for reuse. This is an area of future study for our company because we have realized we cannot solve the recycling challenge of aerosol products by ourselves. It will take concerted efforts of manufacturers, suppliers, and customers working together.

### Product materials for WD-40 Multi-Use Product

Materials used by weight or volume and recycled input materials used	
Total Production	30 MM lbs.

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Per ingredient		%	Total lbs.	Renewable	Recyclable
Ingredient 1		19.32	5.80 MM	No	Inherently biodegradable
Ingredient 2		5.07	1.52 MM	No	Biodegradable
Ingredient 3		4.78	1.43 MM	No	Biodegradable
Ingredient 4		2.00	0.60 MM	No	Unknown
Ingredient 5		1.06	0.32 MM	No	OECD-301A Readily biodegradable
Ingredient 6		0.08	0.024 MM	No	(11 ingredients, biodegradability unknown but knowable)
D40	7	24.04	7.2 MM	No	Readily to rapidly biodegradable
D95	8	41.65	12.50 MM	No	Readily/rapidly biodegradable
CO <sub>2</sub>	9	2.00	0.60 MM	No	NA
Can	10				Yes 100%
Valve/actuator	11				Yes 100%
shipper	12				Yes 100%
Recycled input materials used in packaging: <ul style="list-style-type: none"> <li>• 25% recycled content in steel cans</li> <li>• 25% recycled content in plastic bottles</li> </ul>					

We also learned that our own facilities do not contribute materially to negative environmental impacts. Even so, we continue to employ a sustainability lens in our office design and improvements. We are installing solar power generation at our San Diego headquarters, which adds to the existing features of motion-sensor light activation, low-flow bathroom fixtures, proximity activated faucets, increased insulation for energy use reduction, charging stations for electric vehicles and the use of recyclable consumables.

Similar design features are employed in our Milton Keynes headquarters in the United Kingdom.

### Policies and Memberships

The following are some key organizational policies that can be found at the following links.

<b>WD-40 COMPANY POLICIES</b>	
<a href="#">Code of Conduct</a>	The Code of Conduct is intended to help employees understand the ethical and legal responsibilities they must uphold and to assist them to make decisions ethically, legally, responsibly and in accordance with the company's values.
<a href="#">California Transparency in Supply Chains Act ("CATSA")</a>	The California Transparency in Supply Chains Act provides consumers with information about the efforts that WD-40 Company is undertaking to prevent human trafficking and slavery in our product supply chain.
<a href="#">UK Modern Slavery Act Statement</a>	The UK Modern Slavery Statement provides consumers with information about the efforts that WD-40 Company is

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	undertaking to prevent human trafficking and slavery in our product supply chain.
<a href="#">Conflict Minerals Policy Statement</a>	Our Conflict Minerals Policy outlines our commitment to responsible sourcing, compliance with applicable legal requirements, and meeting the expectations of our stakeholders.
<a href="#">Consumer Product Safety Improvement Act (“CPSIA”)</a>	The Consumer Product Safety Improvement Act of 2008 became law in August 2008. WD-40 Company has reviewed the requirements of the legislation to ensure our full compliance.
<a href="#">WD-40 Company Product Developmental Non-Negotiables</a>	Our product developmental mandates represent the non-negotiable rules we will abide by as we assemble, develop, or license products around the world.
<a href="#">Global Compliance Policy</a>	Our standard purchase order terms and conditions which required compliance with laws and WD-40 Company global compliance policy and code of conduct.

### Memberships

We participate in a number of industry and issue-based associations in the geographic regions where we operate to ensure that we stay abreast of developments and challenges and to actively engage in advancing improved practices.

<b>WD-40 COMPANY ASSOCIATION MEMBERSHIPS</b>	
Alliance for Consumer Education (“ACE”)	A 501(c)(3) nonprofit organization founded in 2000 dedicated to educating consumers and improving lives. ACE educates consumers on the correct use, storage and disposal of household and commercial products to ensure a safe, healthy and clean environment in homes, businesses and the community.
Aerosol Association of Australia	Represents companies involved in the manufacture and marketing of aerosol products, or the supply of aerosol components, services and ingredients.
Australian Automotive Aftermarket Association	The national industry association representing manufacturers, distributors, wholesalers, importers and retailers of automotive parts and accessories, tools and equipment, as well as providers of vehicle service, repair and modification services in Australia.
Australian Packaging Covenant Organisation Ltd. (“APCO”)	A co-regulatory, not for profit organization partnering with government and industry to reduce the environmental impact of packaging in Australian communities. APCO delivers this model of shared responsibility through the promotion of sustainable packaging activities including sustainable design, recycling initiatives, waste to landfill reduction and circular economy projects.
British Aerosol Manufacturers’ Association (“BAMA”)	A trade association which represents the UK aerosol industry. BAMA’s membership covers every aspect of the aerosol sector ranging from component and ingredient

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	suppliers to fillers, can makers and marketers. The Association offers a range of business support and technical advice as well as lobbying industry views to legislators and regulators.
China Aerosol Committee	The Aerosol Committee of China Packaging Federation promotes national policies, laws and regulations; reflects the views and interests of members and the industry to government and promote communications and coordination between members and government; assists the relevant government departments to formulate relevant policies, regulations and national and industry standards; formulates and implements industry self-regulation; improves product quality and service quality; conducts industry research and information gathering, statistical analysis; organizes exhibitions, academic exchanges, universal education and skills training; and strengthens international cooperation and exchanges.
Chinese Wind Energy Equipment Association	Association representing Chinese wind energy equipment makers, including organizations engaged in wind turbine assembly and component sub-assemblies.
Eastern Aerosol Association (“EAA”)	The EAA delivers high quality programs and communication which expose members to the latest technological and regulatory developments. The EAA is a proactive organization that influences action affecting the aerosol industry within our region.
Household and Commercial Products Association	The premier trade association representing companies that make and sell \$180 billion annually of products used for cleaning, protecting, maintaining, and disinfecting in homes and commercial environments. Their mission is to protect, promote and enhance the household and commercial products industry and the consumers and workers who use our members’ products.
Quality Brands Protection Committee (“QBPC”)	Industry group run by a group of volunteers and supported by the professional staff with the single objective of improving China’s commercial rule of law and intellectual property protection based on the approach of cooperation with the Chinese government and all stakeholders.
Society of Tribologists and Lubrication Engineers	A professional technical society providing a selection of robust resources in technical research, education and professional development delivered through programming, courses, events and periodicals.
TechForce Foundation	A 501(c)(3) nonprofit organization that champions students to and through their education and into careers as professional technicians.

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Western Aerosol Information Bureau	Mission is to provide education to members, consumers and regulatory bodies on the attributes of the aerosol package, opportunities for business networking, a platform to foster innovative ideas for a better consumer product and provide frontline response to issues challenging the aerosol package.
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## OUR SOURCING AND SUPPLY CHAIN RELATIONS

### Our Supply Chain: Global Reach, Local Value

Responsible sourcing and sustainable supply chain management practices are fundamental to both our business success and our ESG success. They help us ensure safer products for end users, reduce business risks, protect and enhance our brand reputation, address stakeholder concerns, reinforce brand loyalty, create efficiencies, deliver more sustainable products, express our brand purpose, and create positive economic, environmental, and social value across our global supply chain. Both our business and our ESG performance depend upon carefully considered and well-managed sourcing decisions and supply chain relations.

### WD-40 Company Value Chain



Our focus on the ESG aspects of this area of our business encompasses where and how we:

- Source raw materials and components
- Assure alignment and compliance with contract manufacturers with WD-40 Company values and specifications
- Manufacture, fill, and assemble products through contract manufacturers
- Move products from production to warehousing
- Warehouse products
- Move products from distribution centers through our multi-channel distribution network

Although the reach of our sourcing, supply chain, and distribution operations is global, the supply chain and distribution networks that are core to the success of our business model enable us to operate with a local focus. To deliver our products in 176 countries and territories worldwide, we use contract manufacturers in the United States, Canada, Mexico, Brazil, Argentina, the United Kingdom, Italy, Australia, China, South Korea, and India. We distribute WD-40 Company products through 62 unique trade channels that include mass merchants, home centers, hardware stores, automotive stores, grocery stores, sporting goods stores, online retailers, drug stores, plumbing supply stores, bike stores and many more. Our United States domestic operations also supply

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products for markets in Latin America, Canada, and certain areas within the Asia-Pacific region. We conduct 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.) Mexico (WD-40 Co. Mexico S. de R.L. de C.V.) and the United Kingdom (WD-40 Company Limited). WD-40 Company manages its supply chain operations through each of these subsidiaries under a common set of standards, policies and procedures.

### Deepening our Understanding of our Supply Chain Impacts

Our overall approach to managing the ESG aspects of our sourcing decisions and supply chain operations focuses on two key areas:

- Understanding, managing, and continuously improving the economic, environmental, and social impacts of our sourcing decisions and supply chain operations; and
- Being transparent about what we require of our suppliers and how we manage our relations with them.

We are committed to rigorously assessing our most important impacts. We know that the sourcing of raw materials and the manufacture, packaging, transport, distribution, use, and ultimate disposal of the products we offer have many economic, environmental, and social impacts. In fiscal year 2020 we conducted a rigorous and methodical screening-level Life Cycle Assessment of our flagship product, WD-40 Multi-Use Product, which represents the largest portion of our total global sales. This detailed examination of the complete life cycle of our largest selling and most important product examined impacts that result from our sourcing decisions to the way we set up and manage the diverse aspects of our supply chain. Moving forward, we will use what we learned from the LCA to identify where to focus our time, talent, and treasure to address our most significant supply chain impacts, starting with our WD-40 Multi-Use Product, and extending to our sourcing and supply chain operations across all our products. You can learn more about the LCA process and results here: [Life Cycle Assessment \(“LCA”\)](#).

The existing structure of our distributed supply chain model already enables us to contribute directly to local economies worldwide. Our procurement budget, covering all costs for components and ingredients that are inputs into the products we sell, is spent throughout our three trading bloc regions: the Americas, EMEA and Asia-Pacific. This translates into supporting local employment and economic health in communities across our global supply chain. From both an environmental and social perspective, our trading bloc approach and distributed supply chain model enable us to better serve our end users by making product relatively near to where they live. This model also increases our operational efficiencies by shortening our supply chains, which also minimizes our carbon footprint through the proximity of production to local markets. In sustainability language, we utilize a “local for local” business model throughout our procurement and supply chain operations.

### How We Manage our Sourcing and Supply Chain Relations

We are guided by our values in everything we do. Our primary value—*we value doing the right thing*—guides how we make our sourcing decisions and how we manage our supply chain relations. And our second value—*we value creating positive lasting memories in all our relationships*—guides how we conduct our interactions throughout the sourcing process and with suppliers over the course of our relationship with them.

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We rely on a small number of third-party contract manufacturers, as well as logistics, raw material, packaging, and product component suppliers within our trading blocs, to manufacture and deliver our products to markets within each trading bloc. As we outsource these activities, the accountability for understanding and managing these impacts lives in our sourcing and supply chain relations functions. Although we share the responsibility of manufacturing our products, our team of highly-skilled sourcing and supply chain professionals maintain a high degree of visibility and quality control over production working closely with our partners, vendors, and suppliers, many of whom have been trusted partners for decades. We consider all of them a part of the WD-40 Company tribe. If technical resources are required, the WD-40 Company sourcing and supply chain team works with our internal quality and R&D professionals to determine the optimal path forward for all parties involved.



*Finished cans of WD-40 Multi-Use Product come off the production line at third-party contract manufacturer facility*

Our suppliers are required to adhere to the company's compliance standards, and they are subject to verification of compliance and audit. Our process is rigorous and is based on developing and nurturing personal, long-term relationships. It is a practice that results in trusted, decades-long relationships with many of our suppliers. In fact, they are less like suppliers and more like tribe members. We invite them to our internal leadership conferences, and they present themselves in third-party business dealings as true representatives of WD-40 Company.

When choosing our strategic suppliers, we conduct an extensive due diligence process governed by our values and years of professional experience to ensure that our actions and interactions with our suppliers meet our high ethical expectations. Throughout all our trading blocs globally, we ensure our strategic suppliers share our values and have experienced management, high levels of quality control, and appropriate processes in place to meet our requirements and expectations.

As with all areas of our business, our sourcing and supply chain decisions are governed by our values, and we seek to work with contractors and suppliers whose values align with ours. For that reason, in performing due diligence to assess the risks of working with a third-party, the first item we look at is whether the third-party has or demonstrates values that are consistent with ours. This includes no questionable or corrupt business practices, no inappropriate sourcing of materials, and no unethical treatment of employees. Even if a vendor offers a better price, if there's a questionable step anywhere along the supply chain, we won't do business with them. We'd rather pay more, make less money, and do the right thing. Under a risk-based approach to diligence, we obtain appropriate reports from respected global investigative firms to support our engagement decisions.

Our Global Quality Assurance department works closely with Sourcing, R&D, and Operations departments in assessing our suppliers. Our Sourcing department is responsible for ensuring that each supplier/subcontractor is approved, product is defined, quality requirements are stated, and packaging and delivery requirements are specified. We maintain methods for identifying raw materials and supplies, component parts, subassemblies, and finished products from applicable drawings, specifications, and other documents throughout all stages of production.

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All WD-40 Company regional groups (Americas, EMEA and Asia-Pacific) are required to create and maintain a supplier scorecard process specific to that region. This process includes all contract manufacturers and WD-40 Multi-Use Product concentrate producers for each region. The scorecard involves rating each entity with at least one criterion in each of the following categories:

- Audit Performance
- Non-conformances
- Response and Effectiveness of Corrective and Preventative Actions
- Ability to Meet Deadlines

Ratings are based upon specific and defined Key Performance Indicators (“KPIs”) and a detailed point system. Scorecards are completed and shared quarterly. The scorecards are not meant to be punitive. They are, instead, used to encourage an open and transparent dialogue based on measurable KPIs.

Long-term supply agreements or purchase order terms and conditions provide for certifications of compliance with anti-corruption laws and anti-slavery and anti-human trafficking laws in the countries in which each supplier does business, as well as compliance with the comprehensive anti-corruption, anti-slavery, and anti-human trafficking standards which we disclose in our [Global Compliance Policy and Code of Conduct](#), our [California Transparency in Supply Chains Act \(“CATSCA”\) Statement](#), and our [UK Modern Slavery Act Statement](#).

Our commitment to ethical business practices extends also to the environmental practices of our suppliers. Although we currently do not screen our suppliers for specific environmental criteria, we require compliance with all applicable laws and regulations, including environmental protection laws. We monitor the activities and processes of our critical contract manufacturers to assure such compliance.

We use a WD-40 Company globalized and standardized checklist to audit all our contract manufacturers and strategic suppliers. Strategic third-party contract manufacturers and suppliers that provide raw materials used in the manufacture of WD-40 Company products must demonstrate that they understand and are willing to comply with our [Conflict Minerals Policy Statement](#) and all applicable current and future, local, country, and international laws regarding the content and origin of such materials supplied to WD-40 Company. In our audit checklist, suppliers must answer whether they have a policy in place that includes Democratic Republic of the Congo (“DRC”) conflict-free sourcing, require direct suppliers to be DRC conflict-free, and have implemented due diligence measures for conflict-free sourcing.

We also consider the social responsibilities and practices of our suppliers in our relationship with them. We are a global buyer/supplier member of SEDEX, one of the world’s leading ethical trade service providers working to improve working conditions in global supply chains and a global clearing house for sharing responsible sourcing information. We use the SEDEX platform to communicate third-party audit results and to receive those results where applicable from



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participating vendors. SEDEX allows the documentation of WD-40 Company's own approach to ethical supply chain practices in a format that can be communicated to customers for their own monitoring activities. It also allows us to review and monitor data on our supplier's practices and manage any risks before they become a critical issue.

Approximately 20 percent of our global contract manufacturers had a SEDEX audit in the last 12 months. New contract manufacturers and suppliers certify that they are compliant with socially-focused regulations by signing our CATSCA Compliance Certification.

### Ensuring Quality Throughout our Global Supply Chain

WD-40 Company strives to maintain a relevant and robust quality auditing program led by WD-40 Company's Global Quality Assurance department. In accordance with the WD-40 Company audit program, audits are required for new filling and packaging partners prior to approval. In addition, strategic WD-40 Multi-Use Product concentrate blenders and WD-40 Multi-Use Product contract manufacturers are subject to annual audit (*at a minimum*). For all other raw material or component suppliers, filling partners, and contract manufacturers, the individual audit schedule is based upon a scoring system completed with an internal, cross-functional team comprised of members from our Global Quality Assurance, R&D, Supply Chain, Sourcing and Operations departments, and our Innovation and Development Group.

Audits are used to measure regulatory compliance and the effectiveness of the quality system. Audits result in an audit summary report, requesting corrective action on deficiencies documented during the audit. This information is presented to the quality representative of the external partner audited and at internal management reviews of the status of our quality system. Audits are scheduled based on the status and the risk of the external partner. When areas for improvement are found, timely corrective action is requested and monitored through follow-up audits.

We make every reasonable effort to schedule audits with sufficient notice and to provide the audit checklist, if requested, beforehand. At the completion of the audit, we provide a summary of the audit results along with any observations and/or opportunities for improvement. Corrective actions are required to address any non-conformances noted during the audit. In appropriate circumstances, the company may terminate a supplier's contract or discontinue orders for goods or services.

We have developed a unique process audit program that is a more intensive, detailed audit focused on a specific aspect of the manufacturing process. Process audits are an extremely impactful tool that allow us to verify that all expectations we have laid out and all contractual requirements stipulated are being met. It also gives us an opportunity to compare actual workflow to the written instructions we have provided. This helps us and our suppliers to eliminate waste and improve effectiveness. A process audit includes a review of component ordering history, identifies signals from WD-40 Company that prompt action, reviews production paperwork, and provides verification of in-process inspections compared to WD-40 Company specifications.

The Quality Assurance representative responsible for audits establishes the audit plan and schedule. The audit schedule can be revised and updated at any time to focus on deficient or important areas. The quality or technical representative from WD-40 Company's manufacturing partner responds to the audit summary report with an audit corrective action report summarizing

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the corrective actions taken. Corrective actions need to be completed in a timely manner. Implementation and effectiveness of the corrective actions are verified by a follow-up audit where necessary.

We pay careful attention to safety and quality throughout our sourcing and supply chain systems. In addition to carefully maintaining and managing our own quality system, we evaluate the capability and quality systems of our suppliers and subcontractors. Our sourcing team assists in the oversight of supplier quality performance.

WD-40 Company manufacturing partners receiving incoming quality assurance functions maintain records identifying incoming materials by lot or part number, and their corresponding purchasing documentation such as specifications, inspection requirements, acceptance criteria, and other pertinent data. They record the receipt of materials and maintain accurate and timely records on inventory location and age. Each manufacturer is responsible for ensuring that in-process materials are clearly identified during the manufacturing process.

All finished products made at WD-40 Company third-party contract manufacturing locations are appropriately packed and identified by means of a part number, assigned lot number, and applicable labeling. Labels are affixed and printed in a manner that allows easy identification of the product. The packaging and identification are done in such a manner as to prevent the alteration of product or the loss of product value. Our contract manufacturers must maintain a product history record for each lot of product manufactured, which includes the component production records and master production records as well as any incoming quality assurance records of materials and supplies used for manufacture. Records of lot numbers sold are kept in the event that a customer notification is required.

WD-40 Company's Global Quality Assurance department verifies that our contract manufacturers maintain facilities, equipment, and designated areas to handle and store material in a manner that prevents product damage, contamination, deterioration or mix-ups. Methods and means appropriate for ensuring proper receipt of material, and proper dispatch to and from all pertinent areas, are required and used. The quality of the final product is protected after final inspection and testing. Where contractually specified, we are responsible for packaging and preservation during transit, including delivery to destination. We maintain records of product distribution to allow for the notification of customers in the case of product updates or recall of product.

Our contract manufacturing facilities are required to identify those employees responsible for ensuring that all inspection, measuring, and test equipment used in any stage of production and testing is controlled, calibrated, and maintained for accuracy and consistently demonstrates the conformance of product to the specified requirements.

In summary, WD-40 Company's sourcing and supply chain management practices represent decades of dedicated effort to ensure high standards of ESG performance, product quality, and ethical sourcing. We carefully foster long-term relationships with our key suppliers around the world, most of whom have been our product manufacturing partners for many years. Our globally distributed supply chain model enables us to contribute to local economies worldwide while at the same time achieving operational efficiencies by shortening our supply chains, which also minimizes our carbon footprint through the proximity of production to local markets. Our active participation in SEDEX enables us to monitor our suppliers' practices and manage any risks before they become

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a critical issue, as well as enabling us to communicate our own supply chain practices to our customers. We are serious and committed to a consistent process of rigorously assessing our most important impacts and continuously improving them. The formal processes of both an ESG Materiality Assessment, as well as the screening-level Life Cycle Assessment of our core product, WD-40 Multi-Use Product, that we undertook in the past year with independent third-party experts further exemplifies our ongoing commitment to continuously achieving better performance, focusing on our first value: *Do the right thing.*

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### GRI CONTENT INDEX

#### General Disclosures

<b>GRI CONTENT INDEX</b>	
<b>GENERAL DISCLOSURES</b>	
<b>GRI 102: General Disclosures</b>	Data location/direct answers/notes
<b>Organizational Profile</b>	
102-1 Name of the organization	WD-40 Company
102-2 Activities, brands, products and services	2019 Annual Report (Annual Report-Form 10-K 2019, pg. 1-3)  About Our Company in this report, see pg. 3
102-3 Location of headquarters	9715 Businesspark Avenue San Diego, California 92131
102-4 Location of operations	We currently market and sell our products in more than 176 countries and territories worldwide. Maintenance products are sold worldwide in markets throughout North, Central and South America, Asia, Australia, Europe, the Middle East and Africa. Homecare and cleaning products are sold primarily in North America, the United Kingdom and Australia. See: 2019 Annual Report (Annual Report-Form 10-K 2019, pg. 1-3)  About Our Company in this report, see pg. 3
102-5 Ownership and legal form	WD-40 Company is publicly traded, NASDAQ listed, WDFC (trading symbol)
102-6 Markets served	2019 Annual Report (Annual Report-Form 10-K 2019, pg. 1-3)
102-7 Scale of the organization	2019 Annual Report (Annual Report-Form 10-K 2019, pg. 1-3) About Our Company in this report, see pg. 3-4
102-8 Information on employees and other workers	2019 Annual Report (Annual Report-Form 10-K 2019, pg. 1-3)  About Our Company in this report, pg. 3  Our Tribe in this report, see pg. 16, 27, and 39
102-9 Supply chain	2019 Annual Report (Annual Report-Form 10-K 2019, pg. 1-3) Our Sourcing and Supply Chain Relations in this report, see pg. 53
102-10 Significant changes to the organization and its supply chain	N/A: this is our first report

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102-11 Precautionary Principle or approach	R&D, as a matter of good developmental practices, will research the health and safety of a formula's ingredients. We research the health and safety of the final formula, as is and in usage (required gloves, well ventilated area, etc.). We also investigate all environmental fate that is dictated by the regulatory laws of the region where we sell the product (VOCs, Prop 65, SVHC, ground water contamination, product disclosure, etc.) or our own compliance mandates (zero tolerance for benzene).
102-12 External initiatives	WD-40 Company participates in Safer Choice an EPA initiative that helps consumers, businesses, and purchasers find products that perform and contain ingredients that are safer for human health and the environment.
102-13 Membership of associations	Policies and Memberships in this report, see pg. 51
<b>Strategy</b>	
102-14 Statement from senior decision-maker	CEO Message in this report, see pg. 2
<b>Ethics and Integrity</b>	
102-15 Key impacts, risks, and opportunities	2019 Annual Report (Annual Report-Form 10-K 2019, pg. 5-13)  Life Cycle Assessment in this report, see pg. 48
102-16 Values, principles, standards and norms of behavior	About Our Company in this report, pg. 3 Our Tribe in this report, pg. 16 WD-40 Company Code of Conduct, pg. 6
<b>Governance</b>	
102-18 Governance structure	Governance section of our website 2019 Annual Report (Annual Report-Form 10-K 2019, pg. 14-15) ESG Governance Structure in this report, see pg. 8
102-21 Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement and Materiality Assessment in this report, see pg. 9
102-22 Composition of the highest governance body and its committees	The company is guided by the board of directors, and by the Global Leadership Council ("GLC"). The GLC is comprised of the commercial leaders of our three trading blocs, their senior-most finance leader, the CEO, the COO, the CFO and the global leaders of R&D, legal and HR.
102-23 Chair of the highest governance body	The Chair of the Board is Garry Ridge, who serves as CEO also. The Global Leadership Council is jointly accountable for its contributions and has no "chair". Each member of the GLC, when engaged in global leadership work together, is required to think globally.

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<p>102-25 Conflicts of interest</p>	<p>The company employs the highest public company standards of ensuring decisions and actions are taken according to regulatory requirements, ethics and our values. We have a formal Enterprise Risk Management program that identifies and assesses risks on an ongoing basis and made a regular agenda item for the GLC in its annual calendar. The company additionally educates its population on the proper practices of a public company, with internal controls in place, internal audit staff engaged and external, independent oversight by our public auditor. We also have an Ethics and Compliance Committee, comprised of many of the senior leaders from the GLC, including the trading bloc leaders, the COO, the General Counsel and the global leader of HR. Organizational design projects and assessments are an ongoing part of the evolution of the company, with each design project inclusive of proper functional design, oversight, decision-making authority and reporting structures. These projects and organizational design decisions always include an analysis of potential conflicts of interest or improper controls over financial aspects of the business. We also require independence certifications from our senior officers, our directors and our external advisors.</p>
<p>102-26 Role of highest governance body in setting purpose, values, and strategy</p>	<p>The GLC engaged the entire tribe, along with external guidance, to design and define the organization’s values. Therefore, the governing body’s role was to guide, not to determine, as the company’s tribe members jointly developed the values that we live by today. This process took years, commencing at the turn of the last century and coming to rest in about 2007. Our values have been unchanged since that time. The vision and strategy of the company are led by the GLC, who is accountable for selecting the right direction of the company. Our GLC does so by engaging tribe members throughout the process to generate ideas, test ideas, determine methods and discover whether the directions are correct or not. The GLC is accountable for making the decisions about what actually gets implemented. Through this two-way communication, our company has pursued many paths, some of which were learning moments that inspired and informed future initiatives. Our current five strategic drivers have not change in a decade and continue to result in market successes around the world, with a decades-long definition of what “success” means.</p>

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102-29 Identifying and managing economic, environmental, and social impacts	Our GLC is the accountable group for our results, in all ways that can be defined, ultimately accountable to the CEO, who is accountable to our Board of Directors, who are accountable to our stockholders.
102-30 Effectiveness of risk management processes	The GLC, which is accountable to the Board, is accountable for our results in all areas, including our efforts related to ESG. The GLC, and the Board, receive ongoing reports and updates on our activities related to ESG, along with our overall performance as a company.
102-31 Review of economic, environmental, and social topics	The GLC and Board each meet three to four times per year, either in person or through video conferencing. The Ethics and Compliance Committee meets at least twice per year. The GLC receives monthly and quarterly business reports of a wide range of types and topics. The GLC and the Board receive at least annual updates on our ESG activities.
102-32 Highest governance body's role in sustainability reporting	The GLC and Board each meet three to four times per year, either in person or through video conferencing. The Ethics and Compliance Committee meets at least twice per year. The GLC receives monthly and quarterly business reports of a wide range of types and topics. The GLC and the Board receive at least annual updates on our ESG activities.
102-35 Remuneration policies	See our most recent Proxy Statement for details of our Named Executive Officers compensation, as well as that of the Board of Directors. Senior executives receive compensation components substantially similar to the Named Executive Officers, adjusted appropriately according to labor market practices as determined by the Compensation Committee of the Board, under advisement of its independent external compensation consulting firm, also described in the annual report.
<b>Stakeholder engagement</b>	
102-40 List of stakeholder groups	Stakeholder Engagement and Materiality Assessment, in this report, see pg. 9
102-41 Collective bargaining agreements	We currently do not have bargained workforces
102-42 Identifying and selecting stakeholders	Stakeholder Engagement and Materiality Assessment, in this report, see pg. 9
102-43 Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment, in this report, see pg. 9
102-44 Key topics and concerns raised	Stakeholder Engagement and Materiality Assessment, in this report, see pg. 12 Material Issues in this report, see pg. 13
<b>Reporting practices</b>	
102-45 Entities included in the consolidated financial statements	2019 Annual Report (Annual Report-Form 10-K 2019, Exhibit 21, pg. 78)

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102-46 Defining report content and topic boundaries	About This Report in this report, see pg. 3
102-47 List of material topics	Material Issues in this report, see pg. 13
102-48 Restatements of information	N/A: this is our first report
102-49 Changes in reporting	N/A: this is our first report
102-51 Date of most recent report	N/A: this is our first report
102-52 Reporting cycle	Biennial
102-53 Contact point for questions regarding the report	Wendy Kelley Director, Investor Relations and Corporate Communications Phone: +1-619-275-9304
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55 GRI content index	This document
102-56 External assurance	In future reports we will determine the appropriate method of assuring from independent sources that our reporting is appropriate.

### Specific Disclosures

<b>GRI CONTENT INDEX</b>	
<b>SPECIFIC DISCLOSURES</b>	
Disclosure	Data location/direct answers/notes

<b>Specific Disclosures: Tribe</b>	
103-1 Explanation of the material topic and its boundary	Our Tribe in this report, see pg. 16
103-2 The management approach and its components	Our Tribe in this report, see pg. 17
103-3 Evaluation of the management approach	Evaluation of progress on our management approach related to our tribe is conducted through oversight by our Ethics and Compliance Committee; our biennial employee engagement survey (global); ESG factors through oversight by our ESG Team and overall by the Global Leadership Council, as tribe factors reported regularly and discussed at least twice per year.
102-7 Total number of employees	Our Tribe in Numbers (as of August 31, 2020) , see pg. 39
102-8 Number of employees by category	Our Tribe in this report, see pg. 27- 28
403-1 Occupational health and safety management system	Workplace Well-Being in this report, see pg. 25
403-6 Promotion of worker health	Workplace Well-Being in this report, see pg. 25

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403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workplace Well-Being in this report, see pg. 25
404-1 Average hours of training/year/employee	Learning and Development in this report, see pg. 22
404-2 Programs for upgrading employee skills and transition programs	Learning and Development in this report, see pg. 18
404-3 Percentage of employees receiving regular performance and career development reviews	100% of our tribe members receive a written Q2 and Q4 performance review. 100% of tribe members receive a Q1 and Q3 written or verbal performance review.
405-1 Diversity of governance bodies and employees	2019 Annual Report (Annual Report-Form 10-K 2019, pg. 14-15)  Our Tribe in this report, see pg. 26
405-2 Ratio of basic salary and remuneration of women to men	Compensation and Benefits in this report, see pg. 22-24
406-1 Incidents of discrimination and corrective action taken	There are no reported incidents of discrimination during the reporting period.
<b>Specific Disclosures: Product</b>	
103-1 Explanation of the material topic and its boundary	Our Products in this report, see pg. 41
103-2 The management approach and its components	Our Products in this report, see pg. 41
103-3 Evaluation of the management approach	Evaluation of our management approach related to Product is conducted through Global Leadership Council oversight at regular meetings. We also have an Issue Response Plan when product (or other) issues require activation of special teams to address high importance events or situations.
301-1 Materials used by weight or volume	Our Products in this report, see pg. 49-50
301-2 Recycled input materials used	Our Products in this report, see pg. 49-50
416-1 Assessment of the health and safety impacts of product and service categories	Product Safety is our Enduring Promise in this report, see pg. 41-43
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We have no reported incidents of non-compliance concerning the health and safety impacts of our products and services during the reporting period.
417-1 Requirements for product and service labelling	Our Products in this report, see pg. 44-45
417-2 Incidents of non-compliance concerning product and service information and labeling	We have no reported incidents of non-compliance concerning product and service information and labeling
417-3 Incidents of non-compliance concerning marketing communications	We have no reported incidents of non-compliance concerning marketing communications
<b>Specific Disclosures: Sourcing &amp; Supply Chain Relations</b>	

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103-1 Explanation of the material topic and its boundary	Our Sourcing and Supply Chain Relations in this report, see pg. 53
103-2 The management approach and its components	Our Sourcing and Supply Chain Relations in this report, see pg. 53
103-3 Evaluation of the management approach	Evaluation of our management approach related to the ESG aspects of our sourcing and supply chain relations is conducted through ongoing oversight of supply chain relations and compliance with regulatory requirements has been continual in our history. We are evaluating how best to set and track specific measurements of sustainability practices going forward.
204-1 Proportion of spending on local suppliers	Nearly 100% of our spend is on local suppliers Our Sourcing and Supply Chain Relations in this report, see pg. 54
306-3 Significant spills	We have had no significant substance releases that have caused environmental harm, in the history of the company.
308-1 New suppliers that were screened using environmental criteria	Our Sourcing and Supply Chain Relations in this report, see pg. 56
408-1 Operations and suppliers are significant risk for incidents of child labor	Our Sourcing and Supply Chain Relations in this report, see pg. 57
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our Sourcing and Supply Chain Relations in this report, see pg. 57
414-1 New suppliers that were screened using social criteria	Our Sourcing and Supply Chain Relations in this report, see pg. 57