



WD-40 COMPANY
2025 TCFD REPORT

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EXECUTIVE SUMMARY

The WD-40 Company 2025 TCFD Report represents an evolution in our climate-related financial disclosures, transitioning from an index to our biennial ESG Reports to stand-alone biennial TCFD reports. This document details the climate-related governance framework, strategy, risk management, and metrics and targets that ensure climate considerations are systematically integrated into strategic decision-making and operational processes across WD-40 Company.

To inform our strategy for climate resilience going forward, in 2025 we held our first climate scenario analysis workshop in which all the senior leaders of the company were present, assessing three distinct climate pathways over multiple time horizons through 2050. The scenarios were developed based on the climate scenario work of the Network for Greening the Financial System (NGFS) as our primary resource, supplemented by the scenario work of the International Energy Agency (IEA), and the Intergovernmental Panel on Climate Change (IPCC). Scenarios adapted for the workshop focused on three key pathways: a “Great Acceleration” scenario, which is consistent with a 1.5°C warming trajectory; a “Price of Procrastination” scenario, which illustrates delayed action, yet ultimately limiting warming to below 2.0°C; and “Drifting into Danger”, which models the outcomes of enacting only current policies, projecting an increase in global temperatures of 2.7–3.1°C by 2050.

The workshop analysis suggested that, irrespective of climate scenario, proactive climate action may transform potential climate-related risks into competitive advantages through leadership in innovation, supply chain management, and enhanced market positioning. Conversely, postponing action may result in significantly increased costs and limit strategic opportunities. This analysis supports the direction and resilience of our Four-by-Four Strategic Framework and highlights the importance of cultivating adaptive capacity through sustainable innovation, resilient supply chains, and strategic partnerships to reduce Scope 1, 2, and 3 carbon emissions.

In 2024, we established climate targets, including a 50% reduction in Scope 1 and 2 emissions and a 10-20% reduction in Scope 3 emissions by 2030, with a long-term aspiration to reach Net Zero emissions by 2050. We are implementing these commitments through a “Sustainability Lens” for product development, supplier engagement programs, and the integration of climate resilience considerations into our strategy. We continue to manage climate-related risks through an enterprise risk management framework that tracks ESG-specific risks, each assigned to senior leadership for analysis and mitigation. This systematic approach positions WD-40 Company to maintain strategic flexibility to adapt to various climate futures.

INTRODUCTION

The TCFD Framework is structured around four pillars: Governance, Strategy, Risk Management, and Metrics and Targets, and encompasses 11 recommendations for effective disclosure. Aligned with the TCFD structure, this TCFD Report outlines our approach to each disclosure recommendation within the appropriate pillar. Financial impacts and additional risks and opportunities associated with climate change are also incorporated and monitored through our enterprise risk management risk framework. We use the following time horizons in our physical and transition risk and opportunity assessments and corresponding scenario analyses:

- Short term: to 2030
- Medium term: to 2040
- Long term: to 2050

GOVERNANCE

Disclosure Recommendation 1: Board oversight of climate-related risks and opportunities

WD-40 Company's board of directors oversees the Company's overall strategic direction, including its ESG strategy and management of climate-related risks. The board's composition includes directors with expertise in corporate sustainability and environmental matters, ensuring informed oversight. All directors conduct an annual review of the Company's ESG performance.

In fiscal year (FY) 2024, the board established an ESG Board Advisory Group (Advisory Group), a provisional working group comprised of four directors with diverse ESG backgrounds. The Advisory Group was created to provide guidance to the Company on key ESG-related issues. This includes setting external targets for carbon reduction in collaboration with the Company's Sustainability Committee, shaping our overall strategy for sustainable innovation and strengthening social plans and initiatives of the Company. The Advisory Group meets on an ad-hoc basis as needed. Learn more about the Company's Sustainability Committee in our [2024 ESG Report](#), Environment.

Learn more about our board governance in our [2024 ESG Report](#), Governance, and in our committee charters, which are available on our [website](#).

Disclosure Recommendation 2: Management's role in assessing and managing risks and opportunities

Our Company's management assesses and manages climate-related risks and opportunities. Ten out of fifteen members of our Global Strategic Council (GSC), the Company's senior leadership team, are directly and actively involved in both ESG governance and the functional management of ESG-related matters within the Company. All fifteen GSC members plus key cross-functional subject matter experts were engaged in our climate scenario analysis workshop in 2025. This extensive leadership participation ensures that all ESG aspects of our business, including managing climate-related risks and opportunities, are regularly reviewed and integrated into our strategy, operations, and decisions. For more information on our ESG management see our [2024 ESG Report](#), Governance. For more information on how we manage climate-related strategies, action and performance, see our [2024 ESG Report](#), Environment.

STRATEGY

In 2025, we conducted our first qualitative TCFD-aligned climate scenario analysis workshop to evaluate our strategy and business model against a range of plausible climate futures and to identify material risks and opportunities from both the physical impacts of climate change and the transition to a lower-carbon economy. All members of the GSC and key cross-functional subject matter experts in relevant aspects of our business participated in the workshop. The disclosures related to the TCFD Recommendations in this Strategy section are informed by the analysis conducted during this workshop together with the climate-related topics identified in our ESG risk register.

Workshop participants assessed the strategic business implications of three distinct climate pathways across three timeframes: 2030, 2040 and 2050. The analysis reviewed acute and chronic physical risks, including temperature extremes, water scarcity, drought, wildfires, coastal and inland flooding, and damage from severe weather events. It also considered transition risks associated with moving toward a low-carbon economy, including regulatory and policy changes, market dynamics, technological developments, and reputational factors. The analysis also identified opportunities in each of the climate pathways. The specific climate-related physical and transition risks and opportunities addressed were determined by the scope, boundaries, and areas of focus of the analysis: product strategy, supply chain resilience, costs associated with transitioning to a low-carbon economy, and the robustness of the Company's Four-by-Four Strategic Framework.

The analysis suggested a balance between climate-related risks and associated opportunities. Opportunities identified include implementing short-term measures to reduce Scope 1 and 2 carbon emissions in order to mitigate future carbon costs, enhancing regulatory intelligence systems to manage changing climate-related compliance requirements, collaborating with suppliers to embed climate resilience into procurement and supply chain strategies and decision-making processes, and establishing market leadership in sustainable products through innovation – such as designing and developing new offerings that support the transition to a low-carbon economy or meet emerging consumer demands brought about by climate change impacts.

Three Climate-Pathway Scenarios

1. **“The Great Acceleration”**: based on the latest projections from the NGFS (NGFS_ Net Zero Scenario-Phase V, November 2024), the IEA Net Zero Emissions by 2050 scenario (2024 update), and the IPCC SSP1-1.9 scenario from Sixth Assessment Report (AR6). This climate pathway represents an ambitious but achievable route to limit global warming to 1.5°C above pre-industrial levels, while considering the escalating costs of delayed climate action and the growing physical risks even under rapid decarbonization.
2. **“The Price of Procrastination”**: based on the latest projections from the NGFS Delayed Transition scenario (Phase V, November 2024), the IEA Announced Pledges scenario (2024 update), and the IPCC SSP1-2.6 scenario from AR6. This climate pathway represents a world where climate action is implemented with significant delays, resulting in a more disorderly and costly transition that still achieves meaningful emissions reductions. Warming remains under 2.0°C above pre-industrial levels but falls short of the 1.5°C target.
3. **“Drifting into Danger”**: based on the latest projections from the NGFS Current Policies scenario (Phase V, November 2024), the IEA Stated Policies scenario (2024 update), and the IPCC SSP2-4.5 scenario from AR6. This climate pathway represents a world where only currently implemented policies are maintained without significant new climate action. The long delay in meaningful climate action yields moderate emissions reductions; however, warming exceeds the critical 2.0°C above pre-industrial level threshold. Global society misses the mark for the transition to a low-carbon economy. Warming continues to rise to 2.7-3.1°C by 2050. Substantial, severe long-term physical climate impacts threaten both business and societal resilience.

Disclosure Recommendation 3: Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term

We have identified several climate-related risks and opportunities across different time horizons, aligned with our 2030 targets and 2050 Net Zero aspiration. In the short term, we face potential risks related to regulatory compliance and increases in operational costs due to carbon pricing mechanisms. Using our Sustainability Lens, we systematically identify opportunities to enhance product innovation thereby strengthening the resilience of our portfolio for the medium and long term. In the medium term, we anticipate risks from increased stakeholder, market, and regulatory pressures to reduce our carbon footprint. To mitigate this, we are focusing on opportunities to reduce our Scope 1 and 2 carbon emissions by 50% by 2030.

In the medium- to long-term, we anticipate risks associated with physical climate impacts affecting both our supply chain and growth markets, as well as transition risks related to increased regulatory requirements, carbon pricing pressures, and potential shifts in market demand toward low-carbon products. We are collaborating with our key suppliers to establish robust means of monitoring and measuring their Scope 1 and Scope 2 GHG emissions.

Our long-term objectives to further strengthen our reputation and market position while supporting the aspiration of Net Zero emissions by 2050 include: enhancing supply chain resilience through climate-adaptive strategies while maintaining our asset-light models; proactively navigating regulatory developments to foster innovation; and reinforcing our global innovation ecosystem to strengthen our market leadership position.

Our strategy over the short, medium, and long term is to systematically manage risks and capitalize on opportunities associated with packaging circularity.

Disclosure Recommendation 4: Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Climate-related risks and opportunities will help shape and be shaped by our business model, strategy, and financial planning across all time horizons. In the short term, our focus on applying our Sustainability Lens will drive innovation in our product development process, potentially leading to new market opportunities and increased competitiveness. This strategic shift requires investment that is expected to yield long-term returns through enhanced product differentiation.

Our target of 50% reduction in Scope 1 & 2 emissions by 2030 will accelerate our transition to renewable energy sources and energy-efficient technologies that will potentially reduce operational costs over time and enable us to avoid the increased costs of future increases in carbon pricing mechanisms. The 10-20% Scope 3 emissions reduction target influences our supply chain strategy as we work with supply chain partners to reduce GHG emissions across our value chain. Working with our supply chain partners to reduce their GHG emissions helps us reach our GHG emission targets, which, in turn, helps our customers reach their climate-related targets. We anticipate that the costs devoted to engaging 100% of our key supply chain partners will mitigate supply chain risks and potentially lead to collaborative, more climate-resilient innovations.

Our long-term Net Zero aspiration and strategic climate-resilience analyses will shape our business strategy as we identify opportunities to grow our business. Financially, we expect our investment in innovation and circular economy initiatives will future proof our business against burgeoning regulations and changing end user preferences. Overall, these climate-related factors will continue to be integrated into our business model and drive us towards more sustainable, resilient operations that we believe will enhance our long-term financial

performance and market valuation. For more information see our [2024 ESG Report](#), Environment.

Disclosure Recommendations 5: Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario, demonstrating scenario analysis and strategic flexibility

The scenario analysis conducted in 2025 underscores that regardless of which climate pathway emerges, WD-40 Company must continue to build adaptive capacity to navigate uncertainty while maintaining strategic direction. The “Great Acceleration” (1.5°C) scenario demands immediate innovation capability building and global regulatory compliance leadership, while “The Price of Procrastination” (<2.0°C) scenario highlights the benefits of acting early to avoid sudden regulatory pressures from delayed action. Even the “Drifting into Danger” (~2.7-3.1°C) scenario, while presenting the most challenging long-term conditions, offers near-term opportunities to build resilience before physical impacts intensify.

The multi-scenario perspective emphasizes the importance of “no-regrets” strategies that create value across all potential futures rather than optimizing for a single expected outcome. Delayed action risks increased costs while closing strategic windows of opportunity, particularly as a potential regulatory surge is reached in the medium term, around 2040. Our scenario analysis demonstrated that early comprehensive action could transform climate challenges into competitive advantages through innovation leadership and superior market positioning.

Through the scenario analysis process, we identified several strategic priorities that overarch the specific scenarios, including integrating climate risk factors into supply chain decisions, developing alternative material solutions and chemistry platforms, building more robust regulatory intelligence systems to track changing regulations and establish positions in sustainable product categories before market transformation occurs. These priorities reflect the understanding that climate resilience cannot be achieved through isolated initiatives but must be systematically integrated across business processes, decision-making frameworks, and strategic planning horizons. The emphasis on maintaining flexibility while enhancing specific capabilities reflects the recognition that adaptation must be both comprehensive and agile.

The scenario analysis findings validate and reinforce the strategic direction embedded in the pillars and enablers of WD-40 Company’s Four-by-Four Strategic Framework, while underscoring the ongoing need to integrate climate-resilience into strategic decisions. While the Company faces challenges including regulatory complexity, supply chain concentration risks, and emissions growth tied to business expansion, particularly in emerging markets with limited zero-emission infrastructure, the analysis reveals opportunities through early transition advantages, alternative chemistry adoption, and strategic supply chain innovation that can convert regulatory compliance into competitive advantage.

To strengthen the climate resilience of WD-40 Company’s strategy, our approach is to continue:

- Building sustainable innovation capabilities and a global innovation ecosystem as a cornerstone of the Company’s climate resilience strategy, applying the Sustainability Lens to new and existing products to drive more positive outcomes.
- Strengthening supply chain climate resilience through collaborative regional resilience building and strategic diversification, going beyond traditional supplier selection metrics to incorporate climate resilience as a core selection criterion while maintaining asset-light flexibility.

- Partnering with suppliers to track and reduce Scope 3 emissions, prioritizing strategic partnerships and flexible manufacturing arrangements that enables rapid reallocation of resources in response to changing conditions while minimizing capital exposure to climate-vulnerable regions.
- Capturing low-cost Scope 1 and 2 emission reductions available now to provide competitive advantages through regulatory compliance, cost optimization, and market positioning.

RISK MANAGEMENT

Disclosure Recommendations 6 and 7: Describe the organization’s processes for identifying, assessing, and managing climate-related risks

We consolidate our response to disclosure recommendations 6 and 7 as the process of identifying, assessing, and managing climate-related risks is fully integrated within our governance, leadership, and management frameworks and responsibilities.

WD-40 Company’s board of directors is responsible for the overall stewardship of the strategic direction of the Company. The board provides ultimate oversight of the Company’s ESG strategy, climate-related risks, and performance. See our [2024 ESG Report](#), Governance. Together with the board, the CEO is responsible for overall risk management and provides input to the board about the Company’s enterprise risk management program and is responsive to the board in its risk oversight role. ESG is one of our key risk domains. In FY23-FY24 we identified and tracked 13 potential ESG risks through our enterprise risk management master risk register. Each risk is assigned to a specific GSC member. The inherent risk is identified, described, and fully analyzed, from which mitigating control activities are evaluated, resulting in a residual risk value. The residual risk is ranked across a range of risks and recommendations are made for current and future actions. See our [2024 ESG Report](#), ESG-Related Risk Management.

Starting with our first scenario analysis workshop in 2025, we expect to conduct climate scenario analyses from time to time to guide long-term planning, assess financial risks, meet investor and regulatory expectations, and identify opportunities for innovation and growth in response to climate challenges.

Disclosure Recommendation 8: Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management

Leadership discusses response planning for various business disruptions by type. The CEO is responsible for overall risk management and provides input to the board about the Company’s enterprise risk management program and is responsive to the board in its risk oversight role. In FY23-FY24, we identified and tracked 13 potential ESG risks through our enterprise risk management risk register. Each risk is assigned to a specific GSC member. The risk is described, fully analyzed, and ranked across a range of risk-analysis factors, and recommendations are made for current and future actions. See our [2024 ESG Report](#), ESG-Related Risk Management.

In addition to the ESG risk register, the findings from our 2025 climate scenario workshop were reported to the Sustainability Committee and are being integrated into the business strategy

from leadership and are to be integrated into our overall risk management during the next update.

METRICS AND TARGETS

Disclosure Recommendation 9: Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

We track key indicators including Scope 1 and 2 GHG emissions, energy consumption, and renewable energy in our operations. We are also beginning to measure Scope 3 emissions and are developing metrics to assess the climate resilience of our supply chain. In terms of opportunities, we are investing in innovation, supply chain and research and development to develop climate-resilient solutions.

We expect to provide more detailed metrics and assessments in future ESG and TCFD Reports as our capabilities mature.

Disclosure Recommendation 10: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Although Scope 1 and Scope 2 GHG emissions represent a small proportion of our overall emissions (currently estimated to be less than 5%), these emissions are within our control, and we plan to reduce them.

Scope 1 and 2 emissions present operational and financial risks due to increasing carbon pricing mechanisms globally, energy market volatility, and shifts in grid reliability, particularly in regions transitioning away from fossil fuels where renewable energy integration creates price fluctuations. In addition, potential risks arise from a complex patchwork of regulations across different jurisdictions with varying requirements and timelines. Proactively moving to lower-carbon options will help mitigate these risks.

The following table summarizes Scope 1 and 2 emissions (in tCO₂e) for the calendar years presented:

	2019	2023	2024	2025 †
Scope 1	*	418	543	388
Scope 2	463	275	265	200

* As a result of data integrity issues identified in 2019 Scope 1 emissions, we no longer place reliance on the previously reported data point. Accordingly, our Scope 1 baseline has changed to calendar year 2023.

† At the time of publication of this report, only partial data is available in respect of calendar year 2025.

Scope 1 emissions have changed primarily due to the increase of our internal combustion engine fleet in the EIMEA segment and fuel burned for heating used at our Kiln Farm, U.K. facility, which fluctuates proportionately with production volumes.

Scope 2 emissions have decreased primarily due to the introduction of solar panels at both our San Diego, CA, U.S. and Milton Keynes, U.K. offices, the latter of which took place during the

second half of FY25. These facilities represent our largest and second-largest offices, respectively. This was offset by an increase in headcount and the opening of additional global offices.

The majority of our carbon emissions are Scope 3 emissions (estimated to be more than 95%), representing the most complex risk landscape due to limited direct control and measurement challenges. Supply chain disruption risks cascade through value chain networks as suppliers face their own climate-related operational challenges, regulatory pressures, and financial constraints from decarbonization costs. Data quality and availability issues complicate emissions measurement, target-setting, and progress tracking, which creates liability risks from potentially inaccurate disclosures. Regulatory expansion into Scope 3 reporting and reduction requirements, such as the EU's Corporate Sustainability Reporting Directive (CSRD), creates potential compliance obligations that extend far beyond traditional operational boundaries. To mitigate these risks, we are partnering with key suppliers to:

- (1) Develop robust means of monitoring and measuring emissions;
- (2) Work towards quantifying their Scope 1 and Scope 2 GHG emissions; and
- (3) Consider setting their own targets for reducing GHG emissions.

In addition, we are utilizing our asset-light strategy to increase resource flexibility in response to changing conditions.

Disclosure Recommendation 11: Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

We have established GHG emission reduction targets as part of our commitment to addressing climate-related risks and opportunities.

Our primary target is to reduce our absolute Scope 1 and Scope 2 GHG emissions by 50% by 2030 and we have implemented a data management system to monitor and report on our Scope 1 and Scope 2 emission reductions. We are confident in our Scope 1 and Scope 2 targets as we have already made progress and have changed policies to support further changes.

Our target is to reach a 10-20% reduction in our Scope 3 emissions by 2030 by applying our Sustainability Lens to reduce material usage as well as working with key supply chain partners to reduce CO₂e intensity of the materials used in our products. We are also actively collaborating with our key suppliers to reduce their GHG emissions and integrating GHG performance criteria into our supplier selection and evaluation processes.

We are applying our Sustainability Lens to all new products and product changes. Our target for 2026 is to evaluate existing products to identify opportunities for improvement in products already on the market.

In 2025, we conducted our first climate scenario analysis workshop and are issuing our first standalone TCFD Report. Our target is to undertake a scenario-based climate resilience review from time to time and to communicate the outcomes through a TCFD Report. Our TCFD Reports will be scheduled in alternate years to our biennial ESG Reports.

Through these integrated approaches, we are building a comprehensive system to drive, monitor, and transparently report our progress towards our climate-related risks and opportunities. For more information, see our [2024 ESG Report](#), Environment.