



Supplier Code of Conduct

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StanleyBlack&Decker

For those who make the world.™

Introduction

Foreword	3
Vision Statement	3
Mission Statement	3

Commercial Guidelines

Supplier Code of Conduct	4
Restricted Substances	10
Conflict Materials	10
Counterfeit Prevention	11
Transaction Requirements	11
CTPAT	11
Supplier Audits	12
Social Accountability and Sustainability	13

Appendix

Code of Conduct Acknowledgement	17
Frequently Asked Questions on Social Accountability Audits	18
Glossary	21
Revision History	22

Introduction

Foreword by Steven Katzfey, Chief Procurement Officer, Global Supply Management:

Welcome to the Stanley Black & Decker Supplier Code of Conduct.

The world has become more challenging, and customers are demanding more from us every day, as a valued supply partner to Stanley Black & Decker including its affiliates and subsidiaries (sometimes referred to herein as “Stanley Black & Decker” and/or “SBD”), we need your support to help us maintain an efficient and compliant supply chain providing the best possible service levels to our customers.

Communication between our supply base and Stanley Black & Decker is vital to building a successful partnership. This supplier code of conduct is our expectations of you, our suppliers, with whom we choose to develop long-term business and strategic partnerships.

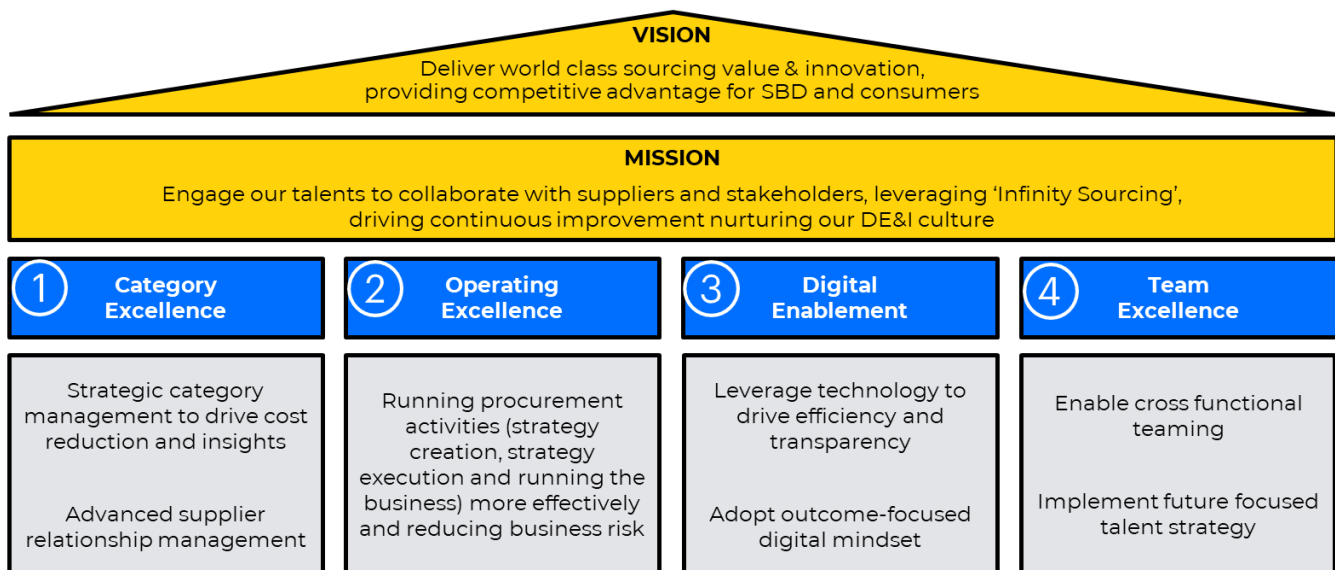
We thank you in advance for your support and collaboration and look forward to a future of continued growth and success together, as we strengthen our partnership to build a world-class supply chain for our mutual benefit.

VISION

Deliver world-class sourcing value & innovation, providing competitive advantage for SBD and consumers

MISSION

Engage our talents to collaborate with suppliers and stakeholders, leveraging ‘Infinity Sourcing’, driving continuous improvement nurturing our DE&I culture



Commercial Guidelines

Supplier Code of Conduct

Stanley Black & Decker is committed to engage in business relationships with partners who share our values. Therefore, our suppliers are required to acknowledge and comply with Stanley Black and Decker's Code of Business Ethics, as well as its referenced documents such as: [UN Guiding Principles on Business and Human Rights \(UNGP\)](#), [International Labour Organization \(ILO\) Conventions and Recommendations](#).

Suppliers should also establish a sustainable procurement policy that addresses regulations such as the EU Corporate Sustainability Due Diligence Directive (CSDDD), Uyghur Forced Labor Prevention Act, and various local and national laws regarding their suppliers' operational practice and supply chain. As part of building a business relationship, we require our suppliers to embrace and implement the below standards below.

I. Human Rights

CHILD LABOR

Suppliers must not use, benefit, or gain in any form from child labor.

- Child labor shall not be used in any stage of work. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime.
- Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations.
- Suppliers shall ensure a child, prison, and forced labor-free production process internally and for outsourced work.

FORCED AND PRISON LABOR

Suppliers must not use, benefit, or tolerate any form of forced or prison labor.

- Forced labor in any form — including but not limited to, bonded labor (such as debt bondage), indentured labor, involuntary or exploitative prison labor, slavery or human trafficking — is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for the purpose of labor or services.
- All work shall be voluntary, and workers shall be free to leave their employment at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in employment contracts and applies to all labor throughout the supply chain (e.g., contracting, subcontracting, and other manufacturing relationships).
- As part of the hiring process, all workers must be provided with a written employment agreement in their native language, or in a language the worker can understand, detailing the terms and conditions of employment. Foreign migrant workers must be provided with this agreement prior to departing from their country of origin. No changes or substitutions to the agreement are permitted upon arrival in the receiving country, unless such changes are required by local law and result in equal or better terms for the worker.

- Suppliers shall not perform any unreasonable wage deductions/deposits, and shall not hold on to workers' IDs.
- No Recruitment Fee - Supplier shall not, at any stage of the recruitment process, directly or indirectly, charge or collect any fee, costs, or other payment from job applicants or employees. This includes, but is not limited to, application fees, placement fees, processing fees, or any other form of payment related to securing employment. All recruitment-related expenses shall be borne solely by the suppliers or their authorized recruitment partners.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

- Workers are employed and promoted based on their ability to perform the job.
- Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.
- Suppliers shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Where the right of freedom of association and collective bargaining is restricted by applicable laws and regulations, workers shall be allowed to elect and join alternate lawful forms of worker representations.
- Our suppliers must be committed to the basic principles of Human Rights UN Global Compact.

DISCIPLINARY PRACTICE

- Suppliers adhere to a fair and ordered disciplinary process to determine penalty or dismissal
- Under no circumstances is any form of physical or mental punishment tolerated

COMPENSATION AND WORKING HOURS

- Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. All workers shall receive equal pay for equal work and qualifications. Working hours shall not exceed the maximum limit set by local law. - All overtime shall be voluntary. Workers shall be allowed at least one day off every seven days. Overtime shall not exceed the maximum limit set by local law.
- Total working hours and overtime (per day, per week, per month) shall not exceed maximum limit set by local law. All overtime shall be voluntary. Where overtime is paid, it shall always be compensated at a premium rate and as per local laws. -

DISCRIMINATION/ NON-HARASSMENT/ HUMANE TREATMENT

- Suppliers shall commit to a workplace free of harassment and unlawful discrimination.
- Suppliers shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

- There shall be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse, as well as threats of such treatment.
- Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers. Workers shall be provided with reasonable accommodation for religious practices and disability. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way (*Reference: Discrimination (Employment and Occupation) Convention, 1958*).

II. Workplace Conditions

Suppliers are required to have adequate EHS management systems appropriate to local work scope, including but not limited to below, failure to provide satisfactory working conditions for their employees may jeopardize their business relationship with Stanley Black & Decker.

OCCUPATIONAL HEALTH AND SAFETY

- Workers' potential exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) shall be identified and assessed, mitigated using the Hierarchy of Controls. Where hazards cannot be adequately controlled by these means, workers shall be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards.
- Gender-responsive measures shall be taken, such as ensuring pregnant women and nursing mothers not exposed to hazardous working conditions and to providing reasonable accommodations for nursing mothers.

SAFE WORKING EQUIPMENT/ENVIRONMENT

- Manufacturing facilities must comply with all local legal building code requirements, i.e. ventilation, well-lit workstations, clean restrooms, First Aid facility, fire exits, and firefighting equipment.
- Fire protection system should meet local regulatory requirements and be approved accordingly.
- Adequate employee WHS facilities i.e. drinking water, rest and break areas, sanitary and storage/locker facilities for personal belongings, should be readily accessible to each employee.
- Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks shall be identified, evaluated, and controlled.

MACHINE GUARDING

- Machinery has adequate safety guarding to allow safe operation by any employee, preventing equipment misuse.
- Details of 'lock out / tag out', electrical safety and incident reporting programs must be available.

FORKLIFT / HOIST / CRANE SAFETY REQUIREMENTS

- Forklift trucks meet local legal requirements for operation

- Forklift truck drivers must be trained/licensed or certified to meet local legal requirements
- Hoist lift cranes are not used to lift loads exceeding their safe working load
- Vehicles are inspected in line with local requirements, and the inspection results are documented and recorded

EMERGENCY PREPAREDNESS

- Potential emergency situations and events shall be identified and assessed, and mitigated through implementation of emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills.
- Emergency drills shall be executed at least annually or as required by local law, whichever is more stringent. Emergency plans shall also include appropriate fire detection and suppression equipment, clear and unobstructed egress routes, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.
- Emergency exit doors open freely at all times, without any special knowledge to open
- Emergency exit routes should remain clear and unobstructed at all times

DORMITORY SAFETY & LOCATION

- Provide proper fire prevention and protection equipment according to the local laws
- Dormitories must be separate from work area, including production, assembly, warehouse etc.
- Adequate arrangements regarding WHS facilities i.e. drinking water, rest, and sanitary areas are readily accessible to each resident

*** Supplier is requested to follow the guidelines in [UN Guiding Principles on Business and Human Rights \(UNGPR\)](#), [International Labour Organization \(ILO\) Conventions and Recommendations](#) and be compliant in all the areas mentioned above.**

III. Sustainability and Environmental Requirements

Stanley Black & Decker will only deal with suppliers that share our commitment to environmental excellence and sustainability.

IMPACT AND STANDARDS

Suppliers must work to a minimum of applicable local environmental regulations and standards, as well as work towards the United Nations Sustainable Development Goals and Science Based Targets Initiative.

- Compliant with local emissions, use of chemicals, pollution, food preservation, water, effluent water, and waste regulations
- Provide a waste management policy, reviewed regularly, waste is sold only to local government-approved purchasers
- Demonstrate best efforts to minimize waste generation, emissions, energy, and water usage
- Provide an environmental policy, demonstrating a commitment to environmental management
- Provide copies of all relative environmental permits relating to operations
- Provide an Environment Impact Analysis (approved by EPA) for production processes

- Measure and record energy/water usage, greenhouse gas emission and solid waste generation to set reduction targets (reviewed/revised regularly)
- Upon measuring greenhouse gas emissions, suppliers are requested to set Scope 1 and Scope 2 emissions reduction targets (ERTs). These targets should cover a 5-15 year time span, with a minimum absolute annual reduction percentage of 2.5% per year, or a minimum 7% compounded annual physical intensity reduction. Reductions should be calculated against the base year or the year 2020, whichever is earlier.
- Suppliers are requested to have an Environmental, Health, and Safety (EHS) Management system i.e. ISO 14001, ISO OHSAS 18001, Environmental Management Programs or similar
- Suppliers are encouraged to reduce excess packaging and to use recycled materials
- Suppliers are expected to eliminate expanded polystyrene (EPS), polystyrene (PS), polyvinyl chloride (PVC), and polyethylene terephthalate (PETG) from packaging materials sold to Stanley Black & Decker
- Suppliers are expected to purchase wood and wood products from Certified, Well-Managed sources (e.g. Forest Stewardship Council or other accredited timber management systems)
- Demonstrate active sub-contractor/ sub-supplier engagement to set goals and action on energy usage, water withdrawal and emission control

Stanley Black & Decker is happy to direct its suppliers to information showing how energy, emission, and waste savings may be made and support them through a supplier dialogue.

RECYCLE MATERIAL REQUIREMENTS

SBD encourages to have Product Development Objectives in evaluating the environmental impact over the total life cycle of a product, taking steps toward more efficient use of materials, including packaging; by contributing to improving recycling and disposal. Suppliers who are able to calculate product-level emissions are encouraged to share the results of these calculation with SBD.

Suppliers are encouraged to reduce excess packaging and to use recycled materials meeting SBD material standard. Packaging design should consider recyclable package that can protect products from production to the customer's hands, include principles of specifying the technical performance of the recycled material and ensure careful assessment of the packaging design with recycled materials as part of qualification of the packaging design.

HAZARDOUS MATERIALS

Suppliers must ensure correct, up-to-date training on storing, handling, and disposing of hazardous classified materials. Suppliers must be:

- Aware and understand the current list of "substances of very high concern" (EU REACH Regulations and the US Proposition 65 chemical list)
- Non-conforming components must not be used in our products
- Hazardous materials must be safely stored, used, and otherwise treated with (in-line with manufacturers' recommendations and local laws)
- Incompatible hazardous materials must never be stored together

As appropriate, suppliers are invited and required to complete an online declaration through compliance software, confirming the products and materials supplied to SBD meet applicable regulatory requirements (for example: Conflict Minerals, Country of Origin, RoHS, REACH, Prop. 65, and Stanley's ES100118 specification) as well as to supply any information needed for SBD to fulfill disclosure obligations to government agencies and customers.

IV. Obey the Law

Stanley Black & Decker requires suppliers to respect and adhere to all applicable laws, contract provisions, regulations, and import requirements of the countries in which they operate, purchase products from and in which they are to be sold. Suppliers must not engage in unethical business practices, gain unfair or improper business advantages or preferential treatment from indirect or direct giving, receiving, or exchanging incentives.

- Adhere to lawful business practices including the prohibition of bribery, offering, or providing directly or indirectly anything of value that would constitute a bribe or a kickback, including but not limited to cash, gifts, entertainment, offers of employment or other types of benefit to any government official in connection with any procurement, transaction or business dealing or any SBD employee, SBD representative, or SBD customer.
- No fraudulent bidding, price fixing, price discrimination or unfair trade practices violating antitrust laws (OECD Guidelines for Multinational Enterprises)
- Stanley Black & Decker policy prohibits Stanley Black & Decker employees from accepting any gifts, gratuities or other benefits that go beyond the common courtesies usually associated with business practices
- Suppliers are required to disclose any possible conflict of interest to Stanley Black & Decker employee(s) with whom they are negotiating or, if the possible conflict involves such persons, to the appropriate general manager or department head
- Ensure products are accurately marked/labeled with country of origin, and compliant with the laws of the country of production and the countries in which the ready products will be sold
- Comply with contract provisions, applicable laws, regulations and import requirements of the countries where the ready product will be sold
- Guarantee products sold to Stanley Black & Decker do not infringe on any patent, trademark or copyright and will provide upon request all necessary licenses.
- All suppliers must keep confidential all trade secrets, designs, data, know-how or other information that the supplier knows or should know is considered confidential by Stanley Black & Decker
- Periodically, suppliers will be asked to provide information showing their status against section 1502 of the US Dodd Frank Act. (Presence and source of tin, tungsten, tantalum, or gold in the components of products)

Stanley Black & Decker is also ensuring to comply with the ESG and human rights due diligence requirements under local laws in those countries and jurisdictions where Stanley Black & Decker is represented. Stanley Black & Decker expects compliance with these laws also from its local suppliers. In order to comply with local ESG and human rights due diligence compliance legislation, Stanley Black & Decker has adopted ESG and human rights compliance as a core element in its internal compliance system, reviews its supply chains continuously for ESG human rights risks, adopts preventive measures and where needed undertakes remedial action where such risks are identified, has implemented a grievance procedure and documents and reports regularly its ESG and human rights due diligence compliance risks and counter-measures in accordance with applicable laws.

V. Transparency - Right of Inspection

In accordance with SBD due diligence responsibility based on SBD specific policies, international initiatives i.e. UN Global Compact, and legislations i.e. EU Corporate Sustainability Due Diligence Directive (CSDDD), UK Modern Slavery Act 2015, US Customs Trade Partnership Against Terrorism (CTPAT), Uyghur Forced Labor Prevention Act, and Various Local/National Laws etc.), SBD requires suppliers to accept, acknowledge and implement these requirements and transparently share and prove as required. Stanley Black & Decker (Audit Procedure explained in the Appendix) or a third-party auditor (Explained in Social Accountability and Sustainability Audit), designated by Stanley Black & Decker will undertake affirmative measures, such as on-site audits, to confirm correct implementation and compliance with relevant internationally recognized standards. Subject to audits may be any supplier, based on internal evaluation with potential or acute risks e.g. local legislation, geographical/environmental (e.g. water risk), demographic risk factors and at random. Refusal to comply with these standards may be subject to immediate cancellation of outstanding orders/return of shipment/ terminate of future business with Stanley Black & Decker. Failure of an audit will require the supplier to develop necessary mitigation actions and provide a timeline in accordance.

Restricted Substances

Suppliers must fully understand current legislation on global material restrictions such as RoHS (Restriction on Hazardous Substances), REACH (registration, evaluation authorization and restriction of chemicals), both on a European Union directive, and United States Proposition 65 legislation. Non-conforming components must not be used in our products. Any changes to the material content of an approved part, sourced product, accessory or packaging must be reported to Stanley Black & Decker ensuring Controlled Substances Standards and/ or Electromagnetic Compatibility (EMC) compliance specifications are fully met. All documentation supporting these policies should be kept with the Supplier Quality Book and must be kept for 10 years by the supplier, even if we cease to have a relationship.

Global Supplier Development (GSD) team launches material compliance survey to selected suppliers every year. Suppliers must response to the survey and provide information as requested.

Conflict Materials

Stanley Black & Decker will not contribute to the financing of conflict we commit to comply with relevant United Nations sanctions and resolutions or, where applicable, domestic laws implementing such resolutions. Stanley Black & Decker will conduct due diligence throughout its supply chain ensuring compliance with the Conflict Minerals requirements of Section 1502 of the Dodd Frank Act. Furthermore, Stanley Black & Decker commits to engage with suppliers, governmental authorities, international organizations, civil society and affected third parties to immediately track and resolve with firm intention to eliminate conflict materials entering the supply chain.

Global Supplier Development (GSD) team launches Conflict Mineral survey to selected suppliers every year. Suppliers must response to the survey and provide information as requested.

For detailed information on requirements, expectations and consequences in the event of noncompliance of our suppliers, please refer to our website's 'Resources and Policies' section at

<https://www.stanleyblackanddecker.com/social-responsibility/resources-policies>.

Counterfeit Parts Prevention

Suppliers are expected to have Counterfeit Prevention Policy to ensure a secured supply chain. Supplier QMS with respect to purchasing & material verification shall clearly define the requirements to purchase authentic and Conforming Material; describe the method in Avoidance, Detection, Mitigation and Disposition of counterfeit parts (standard/non-standard/consumables).

Transaction Requirements

No Transaction(s) without a PO: All purchases of goods and services must be ordered using an SBD form Purchase Order, unless prevented by SBD system constraints. Goods or services must only be supplied when a valid purchase order number has been issued by the business or function to the supplier. SBD reserves the right to return invoices to suppliers (without any liability or responsibility to such suppliers) unless a valid and complete invoice is provided that includes reference to the applicable purchase order. Certain categories of indirect procurement spend may follow an exception process, including the use of credit cards for low value, low risk transactions.

Note after-the-fact purchase orders are in violation of the spirit of this policy. The Accounts Payable department is not authorized to pay invoices where the PO is dated **after** the invoice date without the approval of the SBD CPO and VP Global Shared Services.

Purchase Orders shall not cover more than a consecutive 12-month period, unless otherwise mutually agreed in a signed writing between SBD and the Supplier.

In most cases, a PO Acknowledgement is requested and may be required prior to invoicing, within SBD's commercially reasonable determination. Invoices are to be submitted electronically, refer to the PO number against which they are being submitted, and in some cases must be submitted via a designated invoicing portal. The preferred payment method is ACH.

Further details are in our complete Global Procurement Policy posted in the "Public" section of the Stanley Black & Decker Global Supplier Portal: <https://gsp.sbdinc.com/>.

Customs–Trade Partnership Against Terrorism (C-TPAT)

Suppliers should take necessary steps to create and maintain secure manufacturing processes and facilities in accordance with the directives of Stanley Black & Decker or any applicable governmental agency, including, but not limited to security procedures and processes recommended by the United States Customs Service. In this connection, The Customs and Border Protection Agency (CBP) developed the Customs–Trade Partnership Against Terrorism (C-TPAT) to protect the security of cargo entering the United States without interfering with the flow of trade.

Through C-TPAT, CBP asks businesses to ensure the integrity of their supply chain security practices, and to communicate certain security guidelines to their employees and suppliers throughout the supply chain. All suppliers must comply with CBP's and Stanley Black & Decker, Inc's C-TPAT Program when shipping to Stanley Black & Decker (worldwide) facilities or its receiving agents in the United States.

Supplier Audits

Supplier Quality Audit (SQA)

Global Supplier Quality Audit (SQA) is a system assessment carried out by SQE to evaluate supplier quality systems. With this audit it is expected to cover basic interests of each different business of Stanley Black & Decker as a quality tool for Supplier Qualification.

If the total SQA score result is <60% then the new supplier will go back to Strategic Alignment review. New suppliers can be re-considered for re-audit after the implementation of corrective actions.

Technical Assessment (TA)

A process-specific or category-specific technical assessment carried out by Category Engineer or Special Manufacturing Process Engineer. Example of special processes are Heat-Treatment, Plating, Coating, Welding, Soldering, Plastic IM, Casting, etc.,. The scope of this assessment extends to the sub-supplier as well if the special process is done at the sub-supplier place.

Run at Rate Audit

Supplier should conduct Run at rate audit during the SPPAP to determine and confirm that supplier manufacturing system can meet the capacity demand while maintaining the expected level of quality as per SBD Quality requirements. It enables organizations to identify potential risks and drive continuous improvements to reduce the cost of poor quality (COPQ), enhance overall efficiency, and maintain competitiveness.

During the Run at Rate audit, the production line should be operated at its maximum intended capacity for the specified period. Before Run at Rate assessment, supplier readiness should include, (A) Ensuring that all equipment and machinery are in optimal working condition, (B) Confirming that all required raw materials, tools, and resources are readily available, (C) Ensuring that all operators and personnel are trained and familiar with the processes, (D) Establishing a detailed schedule for the RAR, including the duration and shift patterns.

Process Audits

Based on supplier performance, a part specific process audit may be conducted to confirm that operating procedures, quality, safety and regulatory specifications are aligned with Stanley Black & Decker requirements. The supplier will receive prior audit notice and an outline of the audit requirements.

Customer Audits

If there is a new project that requires suppliers to ship products directly to SBD customer's warehouse, then a customer audit at supplier site is usually required. The audit includes social accountability but may extend to QMS and CTPAT audit. Before SBD's Customer Audit, a pre-audit will be conducted by the SQE team.

Social Accountability and Sustainability Audit

SBD is committed to fostering social accountability and ethical practices across our supply chain. This document outlines the principles and expectations for our suppliers to ensure responsible practices that prioritize fair treatment, worker welfare and environmental responsibility.

To maintain transparency and accountability within our supply chain, suppliers are required to:

- Perform regular social audits (On the Basis of Social Grading and validity criteria) conducted by APSCA-certified third-party auditors (see [APSCA Member List](#)).
- SBD recognizes the audits listed below as valid social audits. Supplier must complete at least one from the mentioned audits. In the future, the audit scope will be limited to 2-3 audits, right reserved with SBD.



- All audits should be semi-announced or unannounced. Announced audits are not accepted by SBD.
- Address any non-compliance findings within an agreed timeframe and work with auditors and risk management team to implement corrective actions where necessary and close all non-compliance findings.
- Suppliers are responsible to cover the cost of audits to ensure ownership and responsibility for maintaining ethical standards.
- Existing SBD SAS audits are valid for the period recommended by SBD quality team. However, all future audits must be scheduled through APSCA-certified auditors.
- The above audit requirement is mandatory only to the sites located in the countries listed below. For all other countries, only completion of the Self-Assessment Questionnaire (SA-SAQ) is sufficient; an in-person audit is not required.

Extreme Risk Countries	High Risk Countries						
Afghanistan	Albania	Cambodia	Gabon	Kuwait	Mozambique	South Africa	Venezuela
Belarus	Algeria	Cameroon	Ghana	Kyrgyzstan	Myanmar	Sri Lanka	Vietnam
Crimea, Luhansk, Donetsk	Angola	Central African Republic	Guatemala	Laos	Nepal	Suriname	Western Sahara
Cuba	Argentina	Chad	Guinea	Lebanon	Niger	Taiwan	Zambia
Democratic Republic of Congo	Armenia	China	Guinea-Bissau	Lesotho	Nigeria	Tajikistan	Zimbabwe
East Jerusalem, Gaza, Golan Heights and West Bank	Azerbaijan	Colombia	Guyana	Liberia	Oman	Tanzania	
Eritrea	Bahrain	Comoros	Haiti	Libya	Pakistan	Thailand	
Iran	Bangladesh	Congo	Honduras	Madagascar	Panama	The Gambia	
North Korea	Belize	Côte d'Ivoire	India	Malawi	Papua New Guinea	Timor-Lest	
Russia	Benin	Djibouti	Indonesia	Malaysia	Paraguay	Togo	
Somalia	Bolivia	Dominican Republic	Iraq	Maldives	Peru	Tunisia	
South Sudan	Bosnia and Herzegovina	Ecuador	Israel	Mali	Philippines	Turkey	
Sudan	Botswana	Egypt	Jamaica	Mauritania	Qatar	Turkmenistan	
Syria	Brazil	El Salvador	Jordan	Mexico	Rwanda	Uganda	
Yemen	Brunei	Equatorial Guinea	Kazakhstan	Mongolia	Saudi Arabia	Ukraine	
	Burkina Faso	Eswatini	Kenya	Montenegro	Senegal	United Arab Emirates	
	Burundi	Ethiopia	Kosovo	Morocco	Sierra Leone	Uzbekistan	
* We currently assess country risk and sector risk using data from Maplecroft, SEDEX and Amfori BSCI. We also retain the right to audit any supplier if we consider they are high risk for other operational reasons.							

If the supplier engages subcontractors to fulfill SBD business, it is the suppliers responsibility to ensure that all the subcontractors adhere to the standards outlined in the Code of Conduct. Suppliers must actively monitor and verify subcontractor compliances and are accountable for any violations by the subcontractors.

I. Social Grading and validity criteria

SBD has specific validity of respective audit.

Audit Type	Overall Audit Grading/Rating	Grading - Detail Description	Audit Validity
SMETA 4 Pillar	Green	1. There are no Non-Compliance issues and no Observations, on this audit. 2. There are no Minor Non-Compliances on this audit. (There is at least one Observation.) 3. There are no Major Non-Compliances on this audit. (There is at least one Minor Non-Compliance.) 4. There are three or fewer (i.e. between one and three) Major non-compliances with this audit.	2 Years
	Orange	1. There are four or more Major Non-Compliances on this audit. 2. There are three or fewer (i.e. between one and three) Critical Non-Compliances on this audit.	1 Years
	Red	If there are 4 or more critical Non-Compliance / 1 or more Major business critical Non-Compliance (For Kingfisher Suppliers)	Not Valid
Amfori BSCI	A	As per Amfori social audit standards	As per Amfori social audit -certificate validity/Expiry date
	B	As per Amfori social audit standards	
	C	As per Amfori social audit standards	
	D	Rating Not Valid	Not Valid
	E	Rating Not Valid	Not Valid
SA8000	As per SA8000 Standards	As per SA8000 Standards	As per SA8000 -certificate validity/Expiry date
RBA (Responsible business Alliance)	Platinum	As per RBA/VAP standards	2 Yrs.
	Gold	As per RBA/VAP standards	1 Yrs.
	Silver	As per RBA/VAP standards	1 Yrs.
WCA (Workplace Condition Assessment)	High / Excellent	As per WCA standards	2 Yrs.
	Medium / Good	As per WCA standards	1Yrs.
	Low / Need Improvement	As per WCA standards	1 Yrs.
	Very Low / Not Acceptable	As per WCA standards	Not Valid

Notes:**1. Non-Compliance:**

Major Non-Compliance: Any serious violation that significantly affects overall elements of social standards.

Minor Non-Compliance: Issues that do not critically endanger social standards but require rectification.

2. Validity:

If the audit certificate clearly states an expiry date, that date will be used; otherwise, the grading-based validity criteria above will apply.

For more details, please refer to Appendix Social Accountability Frequently Asked Questions (FAQ).

II. Social Violations and Non-Compliance

SBD maintain a strict policy regarding social and ethical violations and non-compliances. Failure to adhere to these standards may result in severe actions, up to and including termination of business relationships.

III. Continuous Improvement

We expect suppliers to actively pursue improvement in their social and environmental practices. Suppliers are encouraged to implement sustainable practices and continually strive to meet and exceed the requirements outlined in the Code of Conduct.

Appendix

CODE OF CONDUCT ACKNOWLEDGEMENT PAGE

ACKNOWLEDGEMENT OF TERMS

As an officer of _____, supplier of Stanley Black & Decker, I have read the principles and terms described in this document and understand my company's business relationship with Stanley Black & Decker is based upon said company being in full compliance with these principles and terms.

I am signing this statement to acknowledge, accept and agree to abide by the standards, terms and conditions set forth in this Standard for Suppliers between my company and Stanley Black & Decker. I hereby affirm that all actions, legal and corporate, to make this agreement binding and enforceable have been completed, and that I have authority to sign on behalf of the company.

Supplier Name: _____

Address: _____

Signature: _____ Date: _____

Title: _____

Please return this executed signature page to the Stanley Black & Decker or 3rd party representative who requested the signature.

Frequently Asked Questions (FAQ) on Social Accountability Audits

S. No	Questions	Answers
1.0	Applicability of Social Accountability Audits	
1.1	Whether it is applicable to all its SBD sites, suppliers, sub-suppliers? Why has this initiative been implemented?	Yes, if you are notified by SBD Supplier Risk Team via mail. 1. To ensure ethical behavior at all our own and supplier sites, including fair competition, protection of human rights, and responsible interaction with the environment. 2. To comply with legislation passed by governments in the US, Australia, Canada, Germany, UK and other countries (e.g. CTPAT, FLSA, Modern Slavery Act 2015/2018, Canadian Criminal Code, German Supply Chain Act etc.). 3. In response to our customer requirement.
1.2	Is the initiative applicable to sub-contractors and sub-suppliers?	Yes, the initiative applies to all. It is the responsibility of each supplier to ensure that their sub-contractors and sub-suppliers comply with regional and national laws.
1.3	What happens if a supplier does not follow the guidelines?	If a supplier does not follow the guidelines, their subsequent orders will be put on hold until they become compliant.
1.4	What is the difference between compliant and non-compliant suppliers?	Compliant: The supplier has completed the Self-Assessment – Social Accountability Questionnaire (SA-SAQ) and undergone an in-person audit or has a valid social audit in place. Non-Compliant: The supplier has not completed the SA-SAQ, has not undergone any in-person audit, or does not have a valid social audit in place. If the country is not listed as high-risk, suppliers only need to complete the SA-SAQ, in-person audit is not required.
2.0	Self-Assessment – Social Accountability Questionnaire (SA – SAQ)	
2.1	How long does it take to complete the SA-SAQ via Resilinc?	It usually takes about 30 minutes. There are 9 sections, each with 6-8 questions.
2.2	Is the SAQ evaluated and scored?	Yes, it is evaluated and scored on a scale of 1 to 10, with 1 being excellent and 10 being unacceptable.
2.3	Is the SAQ score shared with suppliers?	Yes, the score is shared with the respective suppliers.
2.4	What is the process for responding to the SAQ?	An initial communication email will be sent to all suppliers, indicating the date/week of the SAQ launch. Suppliers will receive an email from suppliersuccess-sbdinc@resilinc.com to register. After registration, follow Resilinc instructions to access the

		assessment.
2.5	What should suppliers do if encountering issues such as not receiving the registration link, login errors, or other problems?	Please contact: SocialAccountability@sbdinc.com .
3.0	In-Person Social Audit	
3.1	What is an in-person social audit?	An in-person social audit is a process where a factory/site/organization is evaluated by APSCA-certified independent third-party auditors, who verify social and ethical practices through on-site observation and interactions.
3.2	Which audit firms are eligible to conduct the in-person audit?	Audit firms certified by Association of Professional Social Compliance Auditors (APSCA). See the list of APSCA auditors: APSCA Member List .
3.3	Which forms of audits are accepted by SBD and its customers?	SBD accepts 2 forms of audits: • Semi – Announced; • Unannounced. *Announced audits are not recognized by SBD.
3.4	Which specific audits are recognized by SBD and its customers?	The following audits are accepted by SBD. • SEDEX SMETA 4 Pillar • Amfori BSCI • SA8000 (Social Accountability Initiative) • RBA (Responsible Business Alliance) • WCA (Workplace Condition Assessment) Note: <i>If a supplier already has a valid audit from the above list (including SBD SAS audit), it is acceptable. For future audits, only those listed above will be accepted.</i>
3.5	Is there a specific validity period for each audit?	Yes, audits are valid as per SBD- Social Grading and Validity Criteria table.
3.6	Who schedules the audit, the supplier or SBD?	The supplier is responsible for scheduling the audit. SBD will not contact auditors on behalf of suppliers.
3.7	Who will pay for the audit?	Suppliers are responsible for covering the cost of the audit. This allows them to share audit results with multiple customers and avoid repetitive audits. If a company pays for the audit, it retains ownership, and the supplier cannot share the audit details with other customers. To ensure flexibility and reduce repetitive audits, suppliers are advised to pay for and retain ownership of

		the audit. <i><u>*SBD will not pay for any audit. It is the supplier's responsibility to schedule and pay for the audit to ensure compliance with local laws and global legislative requirements.</u></i>
3.8	Dose SBD recommend any of the APSCA certified auditors?	Yes, SBD recommend SGS, Intertek and TÜV Rheinland based on cost, services offered and presence. However, suppliers may choose any APSCA-certified firm.
3.9	Is in-person audit mandatory for all suppliers?	No, an in-person audit is mandatory only for sites located in the table specific high-risk countries (including Israel). If the country is not listed as high-risk, suppliers only need to complete the SA-SAQ, in-person audit is not required.

GLOSSARY

BOM - Bill of Material

CAP - Corrective Action Plan

CAPA - Compliance and Process Audit

CIF - Cost Insurance & Freight

CIP - Carriage and Insurance Paid

CBP - Customs & Border Protection Agency

CoC - Code of Conduct

CSA - Canadian Standards Association

CMA - Contract Manufacturing Agreement

C-TPAT - Customs-Trade Partnership Against Terrorism

D&B - Dunst & Bradstreet

DMR - Deviant Material Report

DOA - Delegation of Authority

DPMO - Defects per million opportunities

EC - Engineering Change

ECN - Engineering Change Notification

EN - Engineering Notification

FMEA - Failure Modes Effects and Analysis

GTS - Global Tools & Storage

Incoterms - International Commercial Terms

Inv Prog - Inventory progress

MPA - Master Purchasing Agreement

NPD - New Product Development

PIAP - Price Increase Approval Process

PPS - Product Performance Specification

PPT - Purchased Product Tools

QPC - Quality Control Program

REA - Request for Engineering Action

REACH - Registration, Evaluation, Authorization and Restriction of Chemical Substances

RFI - Request for Information

RFQ - Request for Quote

RoHS - Restriction on Hazardous Substances

SAS - Social Accountability and Sustainability

S/A - Social Accountability

Schedule Att - Schedule Attainment

SFS - Stanley Fulfillment Systems

SPPAP - Supplier Product Part Approval Process

SQA - Supplier Quality Audit

TA - Technical Assessment/Technical Audits

UL - Underwriter's Laboratory

YoY - Year over Year

VMI - Vendor Managed Inventory

WHS - Workplace Health and Safety

