

Sustainability & Social Accountability Manual

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Sustainability & Social Accountability Manual

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Sustainability & Social Accountability Program for Suppliers

Introduction

The Social Accountability program at Stanley Black & Decker (SBD) has been in effect for several years and is based on our **Supplier Standards and high standard of business ethics**. These are continually updated to reflect the sensitivities of an ever-closer global community. The program is aimed at ensuring that products, components, packaging and services provided by suppliers are from facilities that comply with these standards.

Stanley Black & Decker's Supplier Standards cover health and safety issues, compensation, working hours, forced labour, child labour, discrimination, compliance with applicable national laws; environmental considerations, sustainability considerations and the right of inspection by SBD or our designated third party representative. The Social Accountability audit program is designed to ensure that manufacturers are producing products in a manner consistent with Stanley Black & Decker's Supplier Standards.

The Social Accountability program for suppliers has three fundamental objectives:

1. To verify current management practices and that conditions in all facilities have met or exceed the standards for suppliers
2. To educate supplier factories regarding domestic legal requirements and the additional requirements embodied in our standards
3. To implement necessary actions that will result in an improved quality of life for the workers who provide our company with products, components, packaging and services

This new manual reflects our current minimum standards, and those of our customers and end users of our products.

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CODE OF CONDUCT

Stanley Black & Decker is committed to dealing with ethical trading partners. Our suppliers must comply with the highest standards of ethical and legal behaviour prevailing in their respective locations as a condition of their continuing business relationship with our company. ◦

It is expected that the management of our suppliers will embrace our values for themselves, their workforce and their suppliers.

The standard covers six key areas:

- 1. Employment Conditions**
- 2. Workplace Condition**
- 3. Environmental Requirements**
- 4. Legal Requirements**
- 5. Right of Inspection**
- 6. Sustainability**

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Sustainability & Social Accountability Standards for Suppliers

1. Employment Conditions

COMPENSATION

As a minimum requirement Suppliers must fairly compensate their employees by paying local legal wages and benefits whilst meeting local manufacturing standards.

WORKING HOURS

Suppliers must maintain reasonable employee work hours in compliance with local standards and applicable laws of the jurisdictions in which the suppliers operate. The suppliers should meet the standard daily working hour of 8 hours and weekly working hour of 40 hours. The over time should be agreed by both employer and employee. The over time with normal work hours should NOT exceed 12 hours a day (*). Stanley Black & Decker will not use suppliers who, on a regularly scheduled basis, require employees to work in excess of the statutory requirements without proper compensation as required by applicable law. Employees should be permitted reasonable days off (at least one day off for every seven-day period) and leave privileges

(*) According to the local law, the total over time should NOT exceed 46 hours a week to the supplier located in Taiwan (36 hours a week to the supplier located in China).

CHILD LABOUR

Suppliers must not use child labour. Using child labour may subject the supplier to immediate termination of the business relationship with Stanley Black & Decker. The term “child” refers to a person younger than 16 unless there is a local law specifying the local legal minimum age for employment. Suppliers must have recruitment policies in place that look to employ workers above these minimums where possible and checks for the validity of the ID of the potential employee.

FORCED AND PRISON LABOUR

Employment must be voluntary. Forced or prison labour will not be tolerated. This applies to labour used in contracting, subcontracting or other manufacturing relationships throughout the Supply Chain used to supply Stanley Black & Decker.

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BASIC WORK RIGHT

Suppliers must not take unreasonable wage deductions or deposits, or hold worker identity papers making it impossible for workers to leave of their own free will.

DISCRIMINATION

Workers must be employed based on their ability to perform the job, not on personal values and benefits. Our suppliers must be committed to basic principles of human rights. Suppliers should not discriminate against workers in hiring practices or during employment on the basis of race, colour, national origin, gender, religion, disability, sexual orientation or political belief.

DISCIPLINARY PRACTICE

Stanley Black & Decker will not do business with a supplier that uses physical or mental punishment in their employment practices.

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Sustainability & Social Accountability Standards for Suppliers

2. Workplace Conditions

Suppliers failing to provide satisfactory working conditions for their employees jeopardise their business relationship with Stanley Black & Decker.

PROTECTIVE EQUIPMENT

Suppliers must provide safe and healthy working conditions. Suppliers should make use of personal protection equipment such as eyewear and hearing protection, respirators and protective clothing and safety shoes as dictated by the working environment and work place requirements.

SAFE WORKING EQUIPMENT/ENVIRONMENT

Manufacturing facilities should meet all legal building code requirements including but not limited to adequate ventilation, well-lit workstations, clean restrooms, an infirmary or other place for medical treatment, fire exits, suitable living quarters when necessary and other safety precautions. The supplier must obtain fire protection system approval to show that their fire protection system meets local regulatory requirements.

MACHINE GUARDING

All machinery must have adequate safety guarding to allow safe operation by any employee and eliminate the potential for equipment misuse. Suppliers should upgrade basic machine manufacturer fitted guarding to follow best practice where more effective systems are available. Details of any 'lock out – tag out' programmes, electrical safety programmes and incident reporting programmes should be available.

EMERGENCY EXITS

The emergency exit doors must be able to open freely at all times without any special knowledge to open. The designated route to the emergency exit must be clear at all times.

DORMITORY SAFETY

Suppliers must provide proper fire prevention and protection equipment in all dormitories according to the local law.

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DORMITORY LOCATION

Dormitories must not be in the same building as production, assembly of products and components or warehouse.

FORKLIFT / HOIST CRANE SAFETY REQUIREMENT

All fork lift trucks should meet local legal requirements for operation. All fork lift truck drivers should be trained and licensed or certified to meet local legal requirements. Hoist lift cranes should never be used to lift loads over their safe working load and these should be inspected in line with local requirements and the inspection result documents and held on record.

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Sustainability & Social Accountability Standards for Suppliers

3. Environmental Requirements

- Stanley Black & Decker will only deal with suppliers that share our commitment to environmental excellence.
- Suppliers must work to applicable local environmental standards as a minimum standard.
- An environmental policy showing the suppliers commitment to sound environmental management must be in. Policies and actions should follow from this.
- Suppliers must ensure that under no circumstance employees are exposed to toxic materials.
- Suppliers must fully understand current global substance restriction legislation such as the EU ROHS/REACH or US Proposition 65 legislation. Non-conforming components must not be used in our products. The requirements of the Stanley Black & Decker Standard ES100118 on restricted and banned substances must be fully met.
- Suppliers must be aware of the current list of “substances of very high concern” as defined by the EU REACH Regulations and the US Proposition 65 chemical list. Suppliers must inform Stanley Black & Decker if such substances are being used or included in products supplied to Stanley Black & Decker.
- Hazardous materials must be safely stored in a separate location and in line with manufacturers’ recommendations and local laws. Incompatible hazardous materials must never be stored together.
- Suppliers are encouraged to reduce excess packaging and to use recycled materials.
- Suppliers are expected to give preference to the purchase of wood and wood products originating from Certified, Well-Managed sources such as those accredited to the rules of the Forest Stewardship Council or other accredited timber management systems.
- Suppliers should provide copies of all relative environmental permits relating to their operations such as but not limited to waste water, air emission, solid waste and noise at boundary.

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- Where applicable Suppliers should provide copies of Environmental Management Programs or Environmentally related projects. Suppliers are encouraged to have an EHS Management system such as ISO 14001 and ISO OHSAS 18001.
- Suppliers will be invited to access the Stanley Black & Decker RSDS (Restricted Substance Declaration System) and asked to complete the on-line declaration process for confirming the products that are supplied to SBD meet the requirements according to the latest version of ES100118
- Supplier shall obtain Environment Impact Analysis final acceptance approval from EPA for their production processes.

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Sustainability & Social Accountability Standards for Suppliers

4. Legal Requirements

- Suppliers are required to comply with all contract provisions and applicable laws, regulations and import requirements of the countries in which they operate and the countries in which the products we purchase from them are to be sold.
- Suppliers must guarantee that all products sold to Stanley Black & Decker do not infringe on any patent, trademark or copyright and will provide upon request all necessary licenses.
- Suppliers must ensure that all products are accurately marked or labelled with its country of origin in compliance with the laws of the country of manufacture and the countries in which the products we purchase from them are intended to be sold.
- Periodically suppliers will be asked to provide information showing their status against section 1502 of the US Dodd Frank Act. This relates to the presence and source of tin, tungsten, tantalum or gold in the components or products supplied to Stanley Black & Decker. If these minerals are present their source must be traceable back to the smelter. Suppliers will be asked to verify their status using a Stanley Black & Decker internal programme.

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Sustainability & Social Accountability Standards for Suppliers

5. Right of Inspection

- To assure proper implementation of and compliance with the standards set out in the Standards for Suppliers, Stanley Black & Decker or a third party designated by Stanley Black & Decker will undertake affirmative measures, such as on-site inspection of production facilities, to monitor these standards and ensure proper implementation.
- Any suppliers that fail or refuse to comply with these standards or do not allow inspection of production facilities is subject to immediate cancellation of any and all outstanding orders, or return of any shipment, and will cease doing business with Stanley Black & Decker.

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Sustainability & Social Accountability Standards for Suppliers

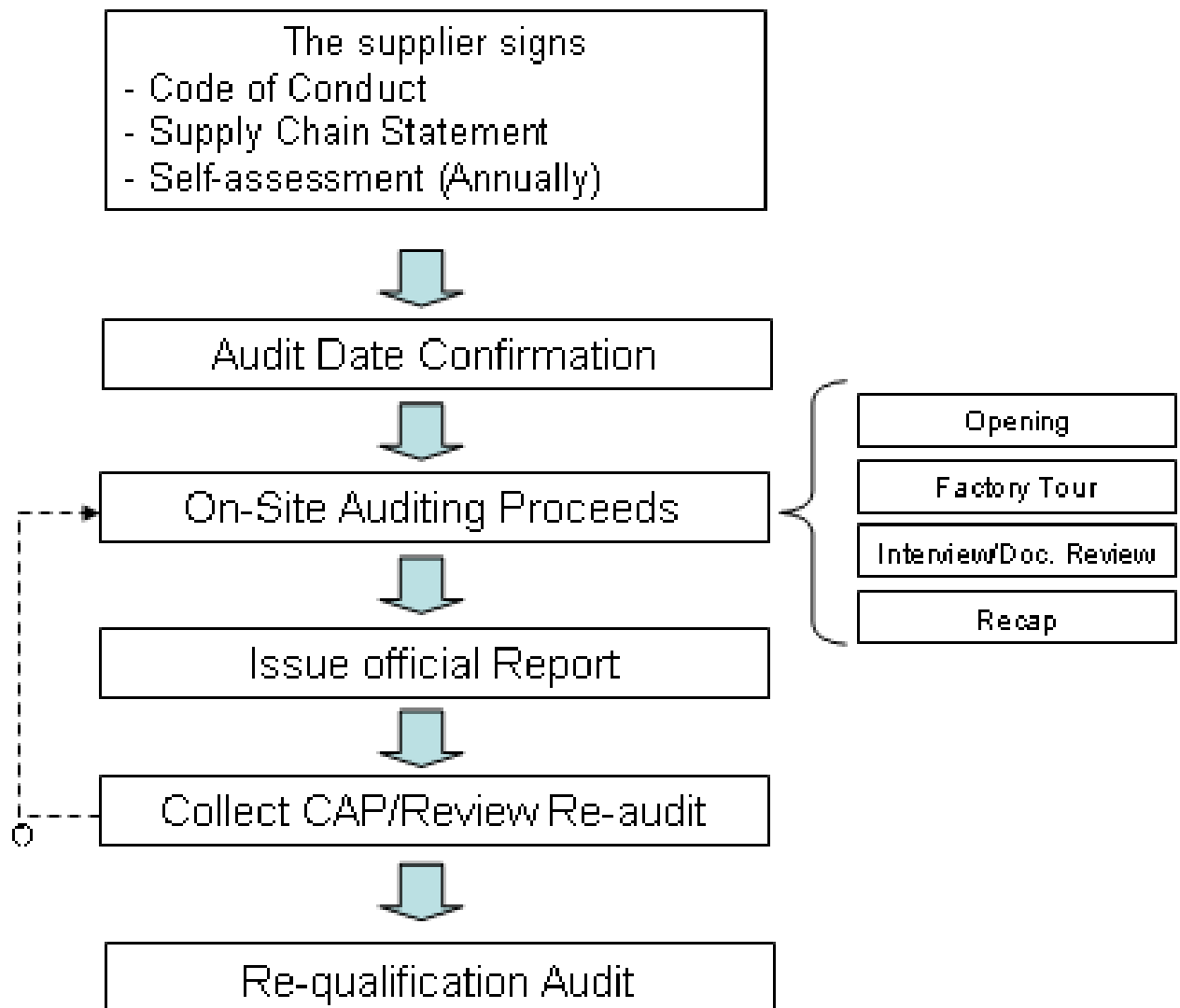
6. Sustainability Requirements

- Suppliers must use their best efforts to minimize waste generation, emissions and energy usage including water.
- Suppliers should provide an official policy for energy usage and emission control.
- Suppliers should train their employees in energy saving and emission control.
- Suppliers should measure and log their energy usage data including water and on an annual basis set energy reduction targets that are reviewed and revised on a regular basis throughout the year being assessed. Should the supplier need assistance in setting up a reporting template Stanley Black & Decker would be happy to assist in helping the supplier set up this database, explaining the database management and operation.
- Suppliers should measure and log their greenhouse gas emission and solid waste generation data and on an annual basis set reduction targets that are reviewed and revised on a regular basis throughout the year being assessed. Should the supplier need assistance in setting up a reporting template Stanley Black & Decker would be happy to assist in helping the supplier set up this database, explaining the database management and operation.
- Suppliers should encourage their sub-contractor suppliers to adopt low energy usage and gas emission control policies.
- Suppliers should have a waste management policy in place and review this on a regular basis.
- Suppliers should only sell their wastes to purchasers who are approved under local government requirements.
- Stanley Black & Decker will be happy to direct its Suppliers to information showing how energy, emission and waste savings may be made.

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Sustainability & Social Accountability Audit Procedure

Procedure Map



(*). If the result is Orange, the re-audit plan will be reviewed urgently with the supplier

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Sustainability & Social Accountability Audit Procedure

I. Audit Type

SELF ASSESSMENT

Before the formal audit, Stanley Black & Decker will provide the self-assessment form to the supplier. The supplier must ensure that the self-assessment report is returned to Stanley Black & Decker in a timely manner prior to the formal audit

The self-assessment is also used to make sure the supplier fully understands Stanley Black & Decker's expectations. **The supplier must provide a self-assessment on an annual basis.** This is to ensure continued recognition of the requirements of the standards and to cover changes in factory management.

INITIAL ON SITE AUDIT

Any new factory planned to produce Stanley Black & Decker components or products is required to be audited **before the start of supply**. The resulting assessment may prompt a follow-up schedule for re-audit.

RE AUDIT (ON SITE)

If a factory requires a re-audit, it should be scheduled once the corrective actions identified in the letter accompanying the audit findings are documented as 'implemented'. Photo evidence will be provided ahead of the audit to help the re-audit process.

During a re-audit, the auditor will be checking on issues that originally caused the factory to receive the initial assessment. If all the issues are corrected, then the factory will be assigned an appropriate new rating. However, occasionally the auditors notice some other non-conformance during the re-audit. In such cases, the auditor will evaluate and document the new violations carefully.

REQUALIFICATION AUDIT (ON SITE)

All Green and Yellow rated factories will be re-audited on regular basis to ensure ongoing compliance with the standards or CAP improvements have been implemented. The auditing timing schedule is between 1 and 3 years outlined in the assessment definitions section of the manual.

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Sustainability & Social Accountability Audit Procedure

II. Audit Process

THE AUDIT

It is preferred that audit teams are conversant in the local language. The audit will be conducted in the local language.

OPENING MEETING

When auditors first arrive at the factory and meet with factory management, factory management should provide the completed factory questionnaire that is included in the factory audit packet forwarded to each supplier. Auditors will confirm all factory information submitted for verification.

FACTORY TOUR

On concluding the opening meeting, the auditor will conduct a factory walk-through. Typically, the auditor conducts the walk-through with minimal assistance from factory management. Minimal oversight allows the auditor to perform the audit in the most efficient way possible. Obviously, time allocated to this portion of the audit varies substantially depending on the size of the factory.

Auditors will speak with factory employees briefly on the production floor, asking questions regarding the operation of machinery as well as other issues impacting Stanley Black & Decker's Supplier Standards. Additionally, auditors may measure spaces, test fire equipment and other equipment under controlled conditions, as well as checking general maintenance records.

Upon completion of the walk-through, auditors will request documentation related to personnel, time, and pay records. Payroll review varies depending on the size of the factory.

EMPLOYEE INTERVIEWS

Employee interviews are accepted as an industry standard in assessing code of conduct (supplier standard) issues. Stanley Black & Decker considers the input of employees an integral component of the audit process. Findings and observations are verified through such interviews.

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Employee interviews are conducted away from the production floor in a private area. Ideally, factory management should provide a private room. Under no circumstances are interviews conducted with factory management or their representatives present. The objective of these interviews is to find out what the worker has to say relevant to the audit.

Interviews typically take between 5 and 15 minutes. **No less than 5 workers and no more than 15**, depending on the size of the factory, are interviewed (take guidance from ECS). Ideally, interviews are representative of the male/female mix in the factory as well as the distribution of the departments present in the factory, although it is preferable to interview workers in key production positions. Typically, auditors will identify individuals for interviewing during the walk-through of the factory. Some workers may, however, be requested for interviewing as a result of observations surfaced in the document review portion of the audit.

FACTORY RECAP VISIT

The audit findings are summarized in a closing meeting with the factory's management.

If there are major violations noted that are out of compliance with Stanley Black & Decker Supplier Standards (Orange issues), immediate corrective action will be discussed with factory management.

This recap is formalized in a corrective action plan. Auditors are required to send a copy of the signed audit findings to the factory management in 5 working days after the audit so that the factory has a record of the deficiencies observed during the audit. This will include photo evidence where applicable.

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Sustainability & Social Accountability Audit Procedure

III. Assessment Definition

All factories are inspected to confirm that components or products being produced are in factory conditions that meet Stanley Black & Decker supplier standards.

Once a factory is inspected and audited for compliance, it is given an audit rating. The rating criteria are discussed below:

- Green
- Yellow
- Orange
- Red

GREEN (FULLY APPROVED)

The following are some of the consequences when a factory receives a 'Green' rating:

- Re-qualification Audit is required
- Current orders can ship
- Future orders can be placed
- New Product can be developed
- No need to provide CAP to Stanley Black & Decker.

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Sustainability & Social Accountability Audit Procedure

III. Assessment Definition

YELLOW (SOME VIOLATIONS NEED CORRECTIVE ACTION)

The following are some of the consequences when a factory receives a 'Yellow' rating:

- The supplier improves in 1 year.
- Re-qualification Audit is required
- Current orders can ship
- Future orders can be placed
- New Product can be developed
- CAP must be received in **30 calendar days** from the initial audit date. Before the CAP closure date the factory should conduct a self-assessment.

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Sustainability & Social Accountability Audit Procedure

Orange (SOME HIGH-RISK VIOLATIONS NEED IMMEDIATE CORRECTIVE ACTION)

The following are some of the consequences when a factory receives an 'Orange' rating:

- The supplier improves in 180 days
- Stanley Black & Decker could conduct a re-audit to the supplier to update assessment result.
- Current orders can ship
- Future orders can be placed
- New Product can be developed
- 3 continue audits have Orange will turn the assessment result to Red
- CAP must be received in **30 calendar days** from the initial audit date. Before the CAP closure date the factory should conduct a self-assessment.

RED (NO BUSINESS DUE TO CRITICAL VIOLATION FOUND)

The following are some of the consequences when a factory receives a 'Red' rating:

- Business termination with the existing supplier for 1 year..
- No business to the new supplier.

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Sustainability & Social Accountability Audit Procedure

III. Assessment Definition

RATING	CONSEQUENCE INTERPERTATION
Green	Full approved, re-qualification audit is necessary
Yellow	1 year for improvement
Orange	180 days for improvement and required re-audit after
	3X continuous Orange audits turns to Red
Red	No business for 1 year

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Sustainability & Social Accountability Audit Procedure

IV. CONTINUOUS IMPROVEMENT

- Stanley Black & Decker is committed to continuous improvement and open communication with its suppliers. This extends to suppliers' employee and their human rights.
- Stanley Black & Decker will not tolerate child labour, forced labour, corporal punishment etc. However, Stanley Black & Decker believes that for the majority of the non-critical violations observed it can work with the supplier to help raise social, ethical and environmental standards and practices.
- There is on-going communication with our shareholders and business partners on the issues of human rights, integrity, and best practices. As industry practices improve Stanley Black & Decker will continue to raise the level of requirements in these areas however we continue to look at standardisation where appropriate to ease duplication and the auditing burden.
- With a positive attitude to improvement from factory management in these areas, Stanley Black & Decker believes suppliers can forge a successful business partnership. through the adoption of best practice

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APPENDICES

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APPENDIX A

DOCUMENT REQUIREMENTS

In preparation for the on-site audit, please provide the following documents for review.

EMPLOYEE DOCUMENTATION

- Employment contracts/ terms & conditions of employment.
- Employee files (including employment application, discipline letters, labour contract, etc.)
- Proof of age documentation (copies of identification cards, birth certificates, etc.)
- Restrictions on workers below the age of unrestricted employment.

FACILITIES POLICIES AND PROCEDURES

- Internal operating policies and procedures (Company Policy).
- Business licenses, maintenance and health licenses.
- Wage and working time policies (Minimum wage, overtime, maximum daily/ weekly hours)
- Annual leave and required holidays
- Non-discrimination/ Harassment
- Other benefits and allowances
- Any other government licenses, certificates of operation, etc.

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APPENDIX A

DOCUMENT REQUIREMENTS

PAYROLL DOCUMENTS (for the current 12 months)

- Payroll records
- Time records
- Piece rate records
- Payroll registers
- Payroll stubs
- Special labour waivers such as temporary overtime extensions

GENERAL ENVIRONMENTAL HEALTH & SAFETY

- Plant layout or facility map
- Environmental Health & Safety manual and/or written programs
- Assessment records (machinery, fire extinguisher, eyewash/shower, etc.)
- Dormitories (government licenses, assessment reports)
- Fire protection system approval

ENVIRONMENTAL

- Hazardous waste manifests or shipping papers
- Waste profiles / test results / waste analyses
- Waste water permits
- Air emission permit
- Waste generation permits
- Noise at boundary permits
- Energy Usage Profiles

APPENDIX A

DOCUMENT REQUIREMENTS

HEALTH AND SAFETY

- Accident or injury reports including near miss and first aid
- Chemical inventory
- Material safety data sheets (MSDS)
- List of required / approved personal protective equipment
- Emergency response plan
- Testing, inspection, and maintenance records for fixed and portable fire equipment
- Evacuation / emergency maps
- Electrical safety inspection reports
- 'Lock out Tag out' programs
- Chemical GHS (Globally Harmonised System) Labels are pasted on the chemical containers.

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APPENDIX B

AREAS OF EMPHASIS DURING AUDIT

COMPENSATION

Stanley Black & Decker encourages factories to employ an electronic time system with punch cards and train employees how to use the system. Where this is not possible, it is required that employees sign their hours daily. It is also recommended employees sign their agreement to work overtime (OT) beyond the daily schedule.

Stanley Black & Decker requires all legally required benefits be paid to employees. Factories should provide supporting documentation (i.e. payroll, notarized insurances, local exemption certificates, etc.). Employees should be educated by the factory regarding their pay and the legal deductions taken.

Factories must comply with legally required benefits and permissible deductions. Factories must provide copies of paid insurance for the auditor's review. Factories must educate workers on the contents of their pay check.

Stanley Black & Decker requires all legally required wages, incentives, premiums and increments be paid to employees in accordance with the law.

Below are some common violations:

- Probation wages are only applicable to new hires with no previous experience for a specific period.
- Non-payment of applicable wages
- Wages cannot be verified / wage system not clear
- Failure to pay minimum wage
- Failure to pay legally required overtime premium
- Legally required benefits not paid
- Illegal deductions including employee deposits
- No pay slips for workers
- Workers unaware of pay rates and deductions
- Delaying payment of any portion of wages
- Unpaid piece work / No payment for rework
- Manipulation of payroll

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WORKING HOURS

Working hours must be posted in the facility. Hours worked in excess of those hours must be compensated accordingly.

Overtime must not exceed the amount permitted by national / local standards, unless the factory possesses a document explicitly granting temporary exemption from this law for a specific period and a specific amount of additional overtime. In general, all-inclusive exemption is unacceptable.

Below are some common violations:

- One day off for every seven-day period not allowed
- OT - Routine coerced overtime
- OT - Excessive overtime
- OT exceeding local law requirement

FORCED LABOUR

Below are some common violations:

- Workers are locked in the factory, unable to gain free access outside
- Use of bonded labourers
- Purchasing supplies from state entities using prison labour
- Unreasonable limits on access to basic needs (i.e. food, water, and toilet.)
- Terminating or disciplining workers who will not work OT hours
- Factory holds government issued identity papers against worker's will
- Excessive restrictions on movement - not allowed to leave at night, can only go out on certain days, etc.
- Illegal / unreasonable terms in contract / factory rules and regulations

CHILD LABOUR

Below are some common violations:

- Minor's age cannot be verified
- Underage workers hired
- During the audit date - If worker is below the legally required working age (based on the western birth date), it is categorized as Child Labour.
- Backdate 6 months from the audit date - if worker is below legal required working age (based on the western birth date), it is categorized as Child Labour. (*)
- Underage workers working "off the books" Incomplete age documentation
- Numerous discrepancies in age verification records
- Workers/children allowed on production floor
- No hiring procedures to ensure compliance

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- Job applicants falsifying age documentation
(* If the suppliers provide CAP and auditor reviewing that can effectively avoid the same issue, Result to Yellow

DISCRIMINATION

Below are **some** common violations:

- Maternity and paternity rights not upheld in accordance with current national legislation.
- Pregnancy testing, for reasons other than verifiable legal requirement verifiable incidents of pregnant women denied jobs or dismissed
- Verifiable incidents of promotions and pay based on personal characteristics

DISCIPLINARY PRACTICE

Below are **some** common violations:

- Abuse - Corporal punishment / Physical abuse
- Body Search - Strip searches
- Harassment - Verbal abuse
- Pat down searches by opposite sex
- Harassment - Sexual harassment

ENVIRONMENTAL CONCERNS

Below are **some** common violations:

- Wilful violation of environmental legal requirements
- Workers exposed to toxic levels of pollutants
- Inappropriate storing / handling of chemicals

WORKPLACE ENVIRONMENT (HEALTH & SAFETY -DORMITORIES)

Below are **some** common violations (*):

- Exits - Locked and / or permanently blocked exits
- Exits - Emergency exit access / passage impeded by stored materials
- Exits - Emergency exits unmarked
- Health & Safety - Restricted access
- Health & Safety - Hazardous chemicals are present
- Health & Safety - Lack of access to potable water
- First Aid - Empty / not present / locked first aid box (kit)
- Fire Safety – No access to fire safety equipment / impeded by stored materials

(* The auditor should base assessment on the local law to judge if there are other serious violations.

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WORKPLACE ENVIRONMENT (HEALTH & SAFETY)

Below are some common violations (*):

- Health - Lack of access to potable water
- Health - Work area poorly ventilated
- First Aid - Empty / No / Locked first aid box (kit)
- Protective Equipment – Appropriate personal protective equipment not provided to worker (i.e. lint masks, eye protection, gloves)
- Protective Equipment - Machinery not fitted with safety features
- Fire Safety – Access to Fire extinguishers is impeded or blocked
- Fire Safety - No fire alarms, emergency lighting, or sprinkler system
- Fire Safety - Fire extinguishers are past their expiry date
- Fire Safety - Storage of finished goods presents fire hazard
- Exits - Locked and / or fully blocked exits
- Toilets - Failure to provide gender segregated bathrooms

(*) The auditor should base assessment on the local law to judge if there are other serious violations.

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APPENDIX C

AUDIT REPORT/CAP

239 SUJING RD., EXPORT PROCESSING ZONE SUZHOU INDUSTRIAL PARK, SUZHOU, JIANGSU, CHINA
 Tel: +86 (0)512 63163011
 Fax: +86 (0)512 63167336

BLACK & DECKER SUPPLIER SOCIAL ACCOUNTABILITY AUDIT REPORT

Audit Type	Report No.	Audit Date	Audit Team	Auditor Signature	Factory Representative			B&D Use Only
					Name	Title	Signature	Assessment Result
<input type="checkbox"/> Initial Audit								<input type="checkbox"/> Green
<input type="checkbox"/> Annual Audit								<input type="checkbox"/> Yellow
<input type="checkbox"/> Re-audit								<input type="checkbox"/> Red <input type="checkbox"/> Failed

Supplier Code:		Factory Business License No.:	
Supplier Name (English):		Factory Name (English):	
Supplier Name (Chinese):		Factory Name (Chinese):	
Supplier E-mail:		Factory Address:	
Supplier Telephone:			
Supplier Fax:			

Example

Note:

1. The assessment result will be received in 2 working days from the audit date.
2. The supplier is required to submit the CAP to B&D in 15 calendar days if the result is RED; if the result is YELLOW, then the supplier is required to submit the CAP to B&D in 30 calendar days. Failure to do so, the factory will be disapproved. If the assessment result is GREEN, then the CAP is not required.
3. B&D will decide if the CAP is acceptable in 2 working days after receiving the CAP.

- The supplier will sign the official report to confirm they agree with the findings.

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APPENDIX C

AUDIT REPORT/CAP

2111 SICHONG RD, EXPORT PROCESSING ZONE, SICHONG INDUSTRIAL PARK, SICHONG 512101, CHINA
 Tel: +86-28-25255113 ext8001
 Fax: +86-28-25257030

BLACK&DECKER. SUPPLIER SOCIAL ACCOUNTABILITY AUDIT REPORT

Findings / Violations	Recommended Corrective Action	1 st Follow-up	2 nd Follow-up
1. Compensation <ul style="list-style-type: none"> Minimum wage is consistent with regional law. The overtime is paid at an additional rate. All workers receive their full legal entitlement of benefits. No any unreasonable deduction made to the basic wage. Factory holds accurate records of payroll. All employees can get the pay slip or sign on the payroll. 	<div style="background-color: yellow; padding: 10px; display: inline-block;">Example</div>		
<input type="checkbox"/> Based on the records and the employee interview, no violation found.		<input type="checkbox"/> Based on the records and the employee interview, no violation found. <input type="checkbox"/> No violation found during last audit, no audit this time.	<input type="checkbox"/> Based on the records and the employee interview, no violation found. <input type="checkbox"/> No violation found during last audit, no audit this time.


- The audit report has a series of questions that will be checked during the audit. The auditor must add his / her findings.

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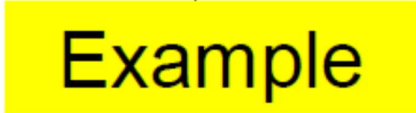
APPENDIX C

AUDIT REPORT/CAP

300 SHIHONG RD, EXPORT PROCESSING ZONE SUZHOU INDUSTRIAL PARK, SUZHOU 215101, CHINA
TEL: +86 5126259111 (ext 6011)
Fax: +86 512 8259736

 **BLACK & DECKER** SUPPLIER SOCIAL ACCOUNTABILITY AUDIT REPORT

Photos:

	
Factory overview	Factory floor

- Photographic evidence is essential and will be added to the report. This serves as a record of the conditions found and a reference for corrective action

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APPENDIX C

AUDIT REPORT/CAP



CORRECTIVE ACTION PLAN

Please only complete section A through E, and email for to Jossy Wu within the required days from audit date.

To: XXXXXXXX		Fax: XXXXXXXX		E-mail: XXXXXXXX		
Supplier Name:		Supplier Fax:				
Supplier Code:		Audit Date:				
Factory Name:		Audit Team:				
Factory Address:		Audit Type:				
Telephone No.:		Report No.:				
Section A	Section B	Section C	Section D	Section E	Section F	Section G
Violation	Severity	Corrective Action Required	Responsible	Target Date	Date Completed	Checked by & Date

Example

- The Corrective Action Plan (CAP) should be completed using use the Stanley Black & Decker standard form.
- Photographic evidence (before and after the change) should be included.
- The CAP should be submitted to the appropriate SA auditor.

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APPENDIX D

CONTACT INFORMATION

If you have any questions regarding the Sustainability and Social Accountability standard for Suppliers, please contact:

GLOBAL

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CODE OF CONDUCT ACKNOWLEDGEMENT PAGE

ACKNOWLEDGEMENT OF TERMS

- As an officer of _____, to 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 further understand that failure to abide by any of the terms and conditions stated herein may result in the immediate cancellation by Stanley Black & Decker of all outstanding orders and refusal by Stanley Black & Decker to continue to do business with my company. 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 audit.

(Version 4.0)

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Sustainability & Social Accountability In the Supply Chain (Annual Statement of intent)

We have been actively working with you to implement the Stanley Black & Decker “**Sustainability & Social Accountability Standards for Suppliers**” into your manufacturing facilities. We expect that as a supplier of Stanley Black & Decker you will implement these same standards into your suppliers and your entire supply chain. To comply we require that your company take responsibility for the environmental and working conditions in your supply chain:

- Review and develop these same standards within your suppliers to ensure the Stanley Black & Decker “**Sustainability & Social Accountability Standards for Suppliers**” are met or exceeded..
- Understand the entire supply chain of components used in your products.
- Visit and assess suppliers in your supply chain to assess the level of ethical practices.
- Develop and follow up corrective action plans where deficiencies are found.
- Keep an up-to-date list of sub-contractors home workers and component suppliers.
- Approve all new suppliers to the standard before using them for component supply.
- On an ongoing basis Stanley Black & Decker will periodically audit your suppliers, which may be unannounced, to determine the SA controls that are in place and that you are actively promoting the Stanley Black & Decker standard.
- As a supplier of Stanley Black & Decker, signing this statement means you fully understand and will work towards the above requirements through a continuous improvement program.

Supplier Name: _____

Address: _____

Signature: _____ Date: _____

Typed Name: _____

Title: _____

Please return this executed signature page to Stanley Black & Decker sourcing representative.

(Version: 4.0)