



Supplier Code of Conduct

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StanleyBlack&Decker

For those who make the world.™

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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.

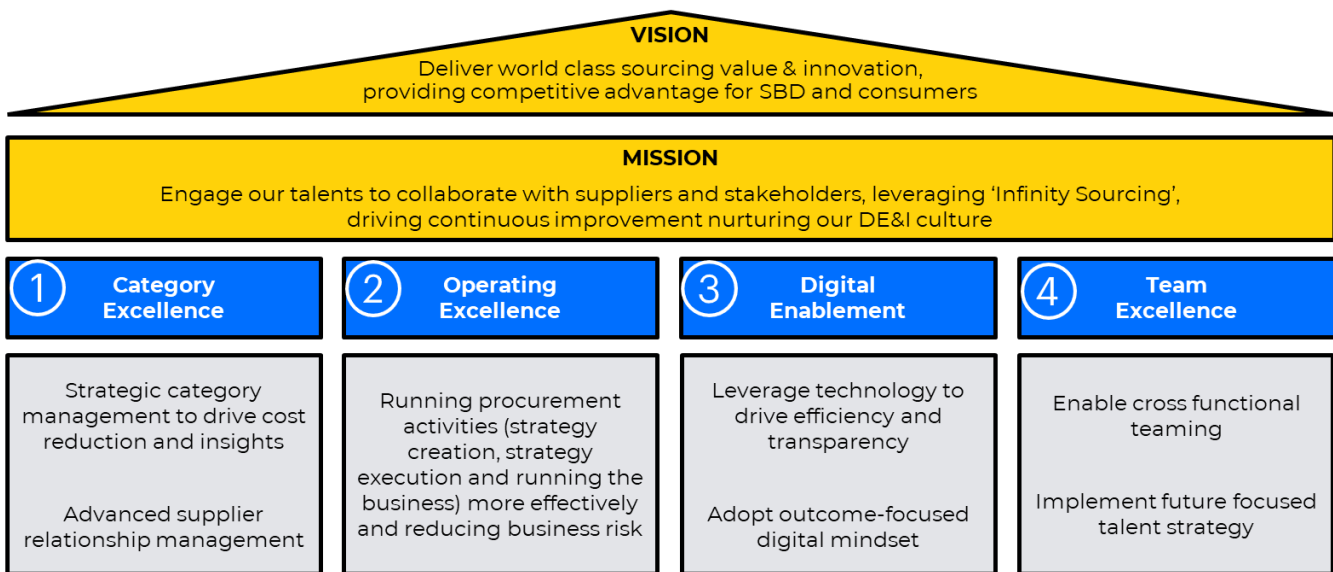
We thank you in advance for your support and collaboration and look forward to a future of continued growth and success together, as we strengthen our partnership to build a world-class supply chain for our mutual benefit.

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 and its referenced documents such as the Human Rights Policy Statement, legal obligations, and industry standards and establish a sustainable procurement policy (addressing regulations such as the UK Modern Slavery Act, Guiding Principles on Business and Human Rights etc.) 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.

I. Human Rights

CHILD LABOR

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

- The term "child" refers to a person younger than 16, unless there is a local law specifying an older legal minimum age in which case the local legal minimum age for employment shall apply. Exception: if a person is between 14 and 16 years old and employed on a recognized scheme in partnership with an educational institution
- Suppliers must validate proper identification ("ID") of potential employees and keep copies as proof of legitimacy
- 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

- Employment must be voluntary; employees shall be free to leave employment and premises at will
- Applicable to all labor throughout the supply chain (e.g., contracting, subcontracting, and other manufacturing relationships)
- Suppliers shall not perform any unreasonable wage deductions/deposits, and shall not hold on to workers' IDs
- Prohibition of all forms of slavery and other forms of oppression

EQUAL OPPORTUNITIES AND FREEDOM OF ASSOCIATION

- Workers are employed and promoted based on their ability to perform the job
- Suppliers must not discriminate against workers in hiring practices or promotions based on race, color, national origin, gender, religion, disability, sexual orientation, affiliation to unions / collective bargaining associations or political belief, etc.
- 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

- Minimum requirements - fair compensation, in accordance with local legal minimum wage/benefits, meeting local manufacturing standards
- Prohibition of withholding a reasonable wage (at least minimum wage according to the applicable law)
- Maintain reasonable employee work hours (standard of daily 8 working hours and weekly of 40 working hours)
- Maintain overtime regulations (overtime must be agreed upon by employer and employee)
- Compliant with local standards, laws, and local legislation, in which the suppliers operate
- Overtime with normal work hours should NOT exceed 12 hours a day (*)
- Suppliers shall fully comply with the wage and hour provisions of the U.S. Fair Labor Standards Act if applicable and shall use only subcontractors who comply with this law if applicable.

(*) Per local law, total overtime should NOT exceed 46 hours a month for suppliers in Taiwan (36 hours a month for suppliers in China).

II. Workplace Conditions

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

PROTECTIVE EQUIPMENT

- Provide safe and healthy working conditions
- Provide and enforce the use of necessary personal protection equipment, e.g. eyewear, hearing protection, respirators, protective clothing, and safety shoes (appropriate to the work environment and requirements)

SAFE WORKING EQUIPMENT/ENVIRONMENT

- Manufacturing facilities must meet 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 approval (fire protection system meets local regulatory requirements)
- Adequate employee WHS facilities i.e. drinking water, rest and break areas, sanitary and storage/locker facilities for personal belongings, readily accessible to each employee

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 over their safe working load
- Vehicles are inspected in line with local requirements, and the inspection results are

documented and recorded

EMERGENCY EXITS

- Emergency exit doors open freely, at all times, without any special knowledge to open
- Clear route to the emergency
- Emergency exit doors should not be blocked at any time

DORMITORY SAFETY & LOCATION

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

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)
- 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 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 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 access the Stanley Black & Decker Gensuite System to complete an online declaration for confirming the products and materials supplied to SBD meet all regulatory requirements applicable to SBD (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 make required disclosures 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. Supply chain due diligence legislation (UK, Germany 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 (confirming i.e. BSCI, SMETA, WCA standards etc.), 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.

Supplier Diversity

Stanley Black & Decker is committed to developing a diverse supply chain that contributes to successful and sustainable businesses. Through inclusive procurement practices we can create long-term value for our clients, while helping us remain agile and ahead of the market. Stanley Black & Decker's Supplier Diversity Program promotes collaboration, fosters strategic partnerships, and introduces competitive sourcing opportunities that will enhance our mutual growth. The program is designed to ensure Small, Minority, Women, Disabled-owned, LGBTQ,

Veteran and Disabled Veteran owned enterprises are provided the opportunity to participate in contract opportunities for products and services required by Stanley Black & Decker and its affiliates. The primary objective is to increase participation by these diverse enterprises while continuing to purchase based on quality, service, and total cost of ownership. Supplier Diversity will help make a positive impact on the communities we, our suppliers and our customers represent.

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

As a responsible corporate citizen, sustainability is an integral aspect of our continued growth and business success philosophy that allows us to minimize waste and create a positive impact in our environment and within our communities.

Depending on the Supplier risk profile we request suppliers join the SEDEX Sustainability Web platform and complete the SEDEX SAQ self-assessment questionnaire (or similar). Based on necessity this will be followed up with an ethical compliance audit (e.g.: SMETA, BSCI, WCA etc.). Predominantly in Asia we may accept audits actioned directly by Stanley Black & Decker's GSQ/GSD team, wherein supplier will be provided with SBD's Social Accountability and Sustainability (SAS) Supplier Handbook that provides insight of the assessment process. These audits are to ensure the ethical compliance with internationally recognized standards, guidelines and Stanley Black & Decker's supplier Code of Conduct. With our longstanding commitment to "Create a More Sustainable World" by staying ahead of climate-, waste- and water-related influences, Stanley Black & Decker SD team engages suppliers in CDP surveys to report companywide emissions.

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.

GLOSSARY

BOM - Bill of Material	NPD - New Product Development
CAP - Corrective Action Plan	PIAP - Price Increase Approval Process
CAPA - Compliance and Process Audit	PPS - Product Performance Specification
CIF - Cost Insurance & Freight	PPT - Purchased Product Tools
CIP - Carriage and Insurance Paid	QPC - Quality Control Program
CBP - Customs & Border Protection Agency	REA - Request for Engineering Action
CoC - Code of Conduct	REACH - Registration, Evaluation, Authorization and Restriction of Chemical Substances
CSA - Canadian Standards Association	RFI - Request for Information
CMA - Contract Manufacturing Agreement	RFQ - Request for Quote
C-TPAT - Customs-Trade Partnership Against Terrorism	RoHS - Restriction on Hazardous Substances
D&B - Dunst & Bradstreet	SAS - Social Accountability and Sustainability
DMR - Deviant Material Report	S/A - Social Accountability
DOA - Delegation of Authority	Schedule Att - Schedule Attainment
DPMO - Defects per million opportunities	SFS - Stanley Fulfillment Systems
EC - Engineering Change	SPPAP - Supplier Product Part Approval Process
ECN - Engineering Change Notification	SQA - Supplier Quality Audit
EN - Engineering Notification	TA - Technical Assessment/Technical Audits
FMEA - Failure Modes Effects and Analysis	UL - Underwriter's Laboratory
GTS - Global Tools & Storage	YoY - Year over Year
Incoterms - International Commercial Terms	VMI - Vendor Managed Inventory
Inv Prog - Inventory progress	WHS - Workplace Health and Safety
MPA - Master Purchasing Agreement	

Revision Number	Date	Description of Change	Name
00	2015	Initial Release	Priscilla Burke
01	5/1/2019	Content & formatting update	John Schwager
02	2/26/2020	Content & contacts update	Theresa Trommer
03	4/20/2021	Review & contact update	Theresa Trommer
04	6/16/2022	Review & contact update	Theresa Trommer & Kristen Xu
05	07/28/2023	Content, Contact and Format Updates	N. JaganMohan, Chris Ren, Sarah Morfoot, Maria Victoria Wise
06	01/05/2024	QAA added to appendix	Sarah Morfoot
07	01/05/2024	Content updated for Payment terms, New Supplier Selection process and contractual agreement	Sarah Morfoot
08	02/01/2024	Removed operational section and changed to supplier code of conduct manual	Sarah morfoot
09	06/20/2024	Run at Rate Audit is added under scope of Supplier Audits	N.JaganMohan, Chris Ren