



Supplier Handbook

Last Updated 1st July 2024

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 Handbook.

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. The supplier handbook represents a comprehensive guide to working with Stanley Black & Decker and describes not only best practices but expectations of our suppliers with whom we choose to develop long-term business and strategic partnerships.

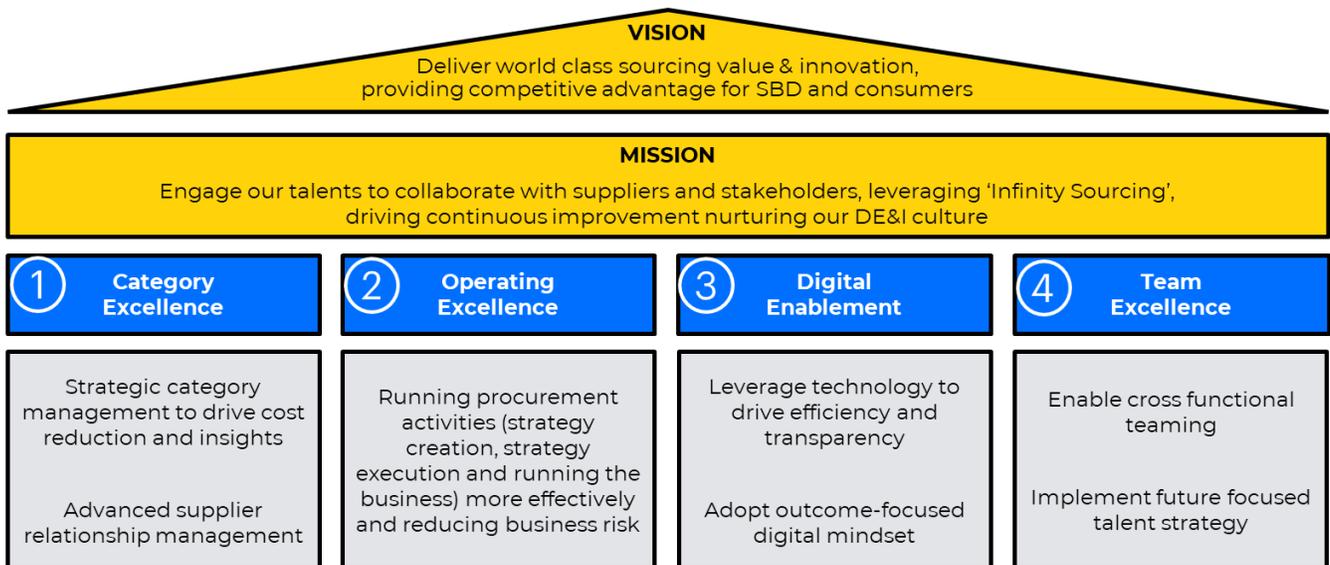
We thank you in advance for your support and collaboration and look forward to a future of continued growth and success together, as we strengthen our partnership to build a world-class supply chain for our mutual benefit.

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



Supplier Relationship Management

Stanley Black & Decker relationship owners (Global Category Manager, Regional Category Manager, Buyer/ Planner) work closely with suppliers to implement contracts establishing the terms and conditions of our business relationship including payment terms, non-disclosure clauses, quality and delivery obligations, and stocking agreements.

A subset of the SBD supply base will be considered “critical suppliers” and will fall into a risk assessment and monitoring process managed by Supplier Risk Manager and Supplier Quality Manager. The criticality of a supplier is based upon several factors including overall spend level, gross sales value tied to the material supplied, ease of switching supply (i.e., single- and sole-sourced suppliers are classified as critical), business impact and strategic partnerships.

Expectations of Suppliers

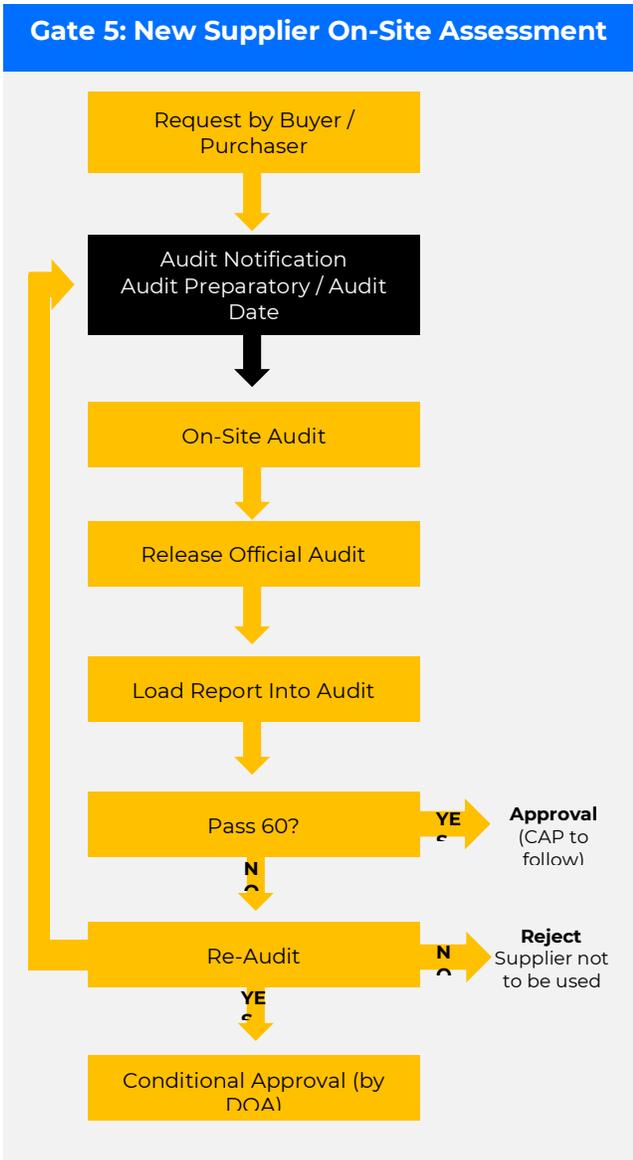
Stanley Black & Decker seeks suppliers who possess our same deep desire to delight the customer, sharing our values and sense of global responsibility. To facilitate our shared goals, a clear understanding of our needs and expectations must link our relationship. We seek to develop and strengthen relationships with suppliers who have the capability to provide high-quality, reliable supply and services to Stanley Black & Decker, collaborating with us to drive product performance through innovation and responsible sourcing in accordance with our code of conduct and social accountability.

		Expectation
Cost	Productivity	5%
Delivery	OTIF	+/- 5 days
Quality		"A" Quality
Innovation		Consistent & Exclusive
Compliance		Compliant with Code of Conduct & Social Accountability

New Supplier Selection Process

Based on supplier categorization (Major Supplier or as per Supplier Annual Spend), the selection process will be executed by Stanley Black & Decker. New Supplier Selection process follows six gates.

Each gate is evaluated based on the information provided from suppliers, self- assessments, or on-site visits. If a site needs to access supplier approval records quality function personnel of the site should contact CM (RCM / LCM). Specific statutory and regulatory requirements of the purchased components, commodities, subassemblies, finished goods, and special process that will be supplied by the new supplier must be evaluated according with the Supplier PPAP process.



Gate 1 is evaluating the suppliers to see if they can accommodate into overall strategic fit, by understanding supplier Revenues, Manufacturing Capabilities, Engineering Capabilities, Quality Management Systems, SAS and other compliance, Export experience, Response and flexibility.

Gate 2 captures criteria with respect to Direct cost of competitiveness, Payment terms, Inco terms, Tooling terms (Capex)

Gate 3 is about brief assessment on Supplier Quality Management Systems, Technical Capability, Communication and Program Management, Financial and Employee Strength

Gate 4 All new suppliers require a Supplier Risk Assessment prior to being considered for business. Only new suppliers that pass Gate 3 and that have completed a Supplier Risk Management (SRM) assessment before they can proceed to gate 5.

Gate 5 New suppliers with an overall score of >60% in the Gate 1-3 and approval from the SRM (Gate 4) may proceed with a request to the SQE team to complete an on-site evaluation. If new suppliers score <60% in the Gate 1-3 then the supplier cannot be recommended to the SQE Quality Team for their audit (referred to as Gate 5), nor may this supplier be considered for an award.

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.

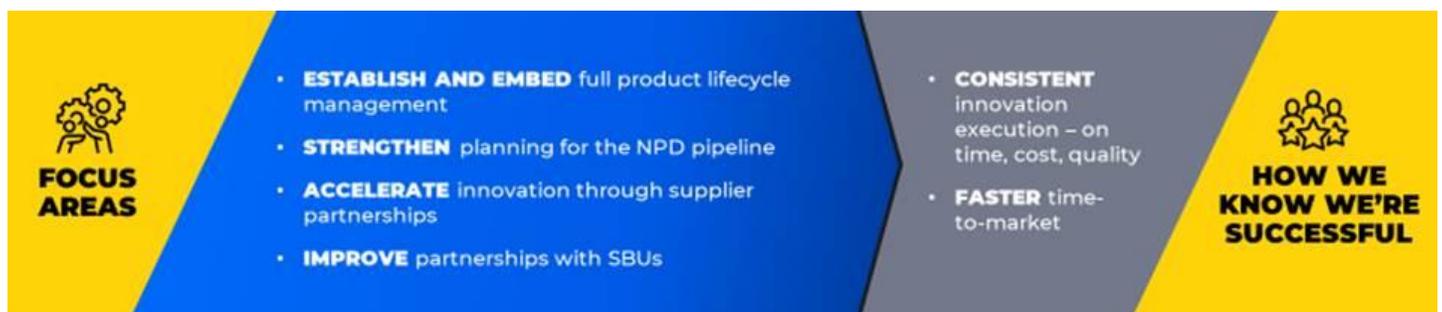
Social Accountability and Sustainability Audit

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.

New Product Development

Stanley Black & Decker has a rich legacy of innovation and continues to drive organic growth through faultless new product launches. 35% of yearly sales are generated by new product developed using multi-step milestone processes which include Early Supplier Involvement (ESI) to ensure we are building a robust supply chain. The key metrics which need to be addressed when launching these programs are outlined below.



Business award and supplier strategy is aligned between the Advanced Sourcing Team (ASE) and the Commodity Management Team – only suppliers achieving SBD Goals will be engaged in New Product quotations to ensure we are partnered with the correct suppliers to deliver cost, quality, launch schedule and growth.

Transportation

Suppliers to Stanley Black & Decker should work closely with their relationship owner(s) to ensure that approved and agreed upon shipping modes, freight forwarders, carriers, and Incoterms 2020 (International Commercial terms) are used for sample and production shipments to ensure the most cost competitive and efficient transportation solutions are made, particularly whenever SBD is paying for or controlling the freight. For international shipments, please refer to the Incoterms [2020 Matrix Quick Reference Guide](#) for Incoterm definitions and details behind who is responsible for items like freight costs, transfer of risk, loading charges, terminal charges, import duty, taxes, and Customs Clearance. In addition, it is our Supplier's responsibility to comply with the [Commercial Invoice Requirements](#) as presented in the attached document. If there are any questions or concerns about Incoterms or Commercial Invoices, please contact the Stanley Black & Decker Global Trade Compliance Team.

Operating & Design Guidelines

Quality Policy

Quality is integral to creating an **exceptional customer experience** and vital to the success of Stanley Black & Decker.

We will:

- Operate with the highest standards of ethics and integrity
- Delight our customers with outstanding products, services and innovation
- Ensure excellence in product safety
- Partner with our suppliers to deliver differentiated value to our stakeholders
- Continually improve our processes and quality management system

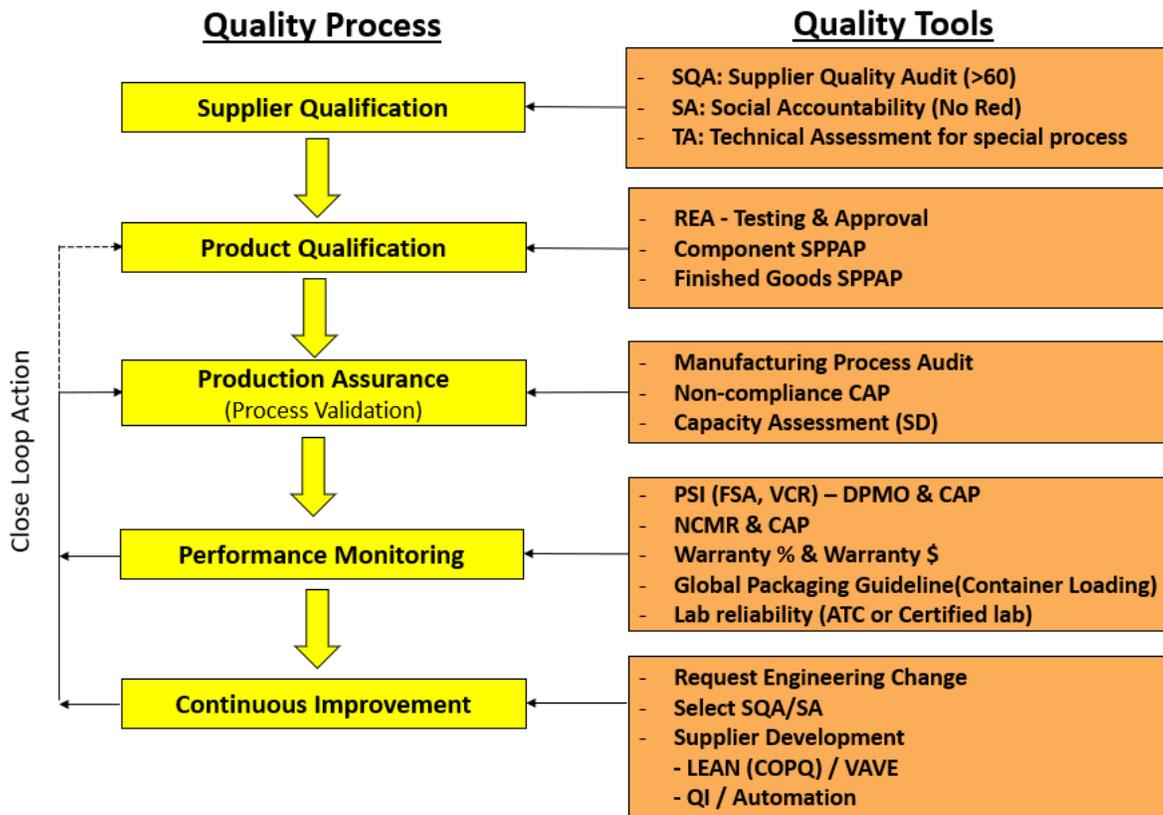
We are committed to Delivering Quality Always.

Safety is of the highest priority for Stanley Black & Decker. Everyone at any level of our organization at Stanley Black & Decker strives to ensure that our users, customers, and employees are safeguarded within our products and processes. Furthermore, legal requirements and industry standards are enforced throughout our supply chain.

If the supplier causes a quality issue either in our facilities or in the marketplace, then they will be responsible for the cost that this issue has caused and the cost of correcting the issue. This could include, but is not limited to rework, scrap, recall, shipping (including air freight), warranty, Government or Compliance authority fines, and re-auditing costs. Cost recoveries with no supplier response can be debited through the financial organization to the supplier after 14 calendar days from the issuance of cost recovery request.

Quality Road Map

The Quality Road Map below presents the overview of Quality Assurance milestones from development to mass production and the various tools we use to build in quality to our products and services.



VCR – Vendor Control Report
 FSA – Final Stock Audit
 PSI – Pre-shipment Inspection

Quality Requirements

Stanley Black & Decker GSC identifies the key strategic suppliers and such strategic business partners shall get aligned with SBD GSQ on the annual Key Performance Indicators and have a mutual sign-off at start of every calendar year. Accordingly, identified Suppliers are expected to share their monthly performance results against the agreed Plan with respective SQE leaders.

The supplier is responsible for retaining and maintaining all records relating to part qualification and quality control in the “Supplier Quality Book,” for review by our Supplier Quality Engineer or Commodity Manager during periodic audits. NPI records/approved SPPAP package shall be retained until the end of life of the product. The project’s mass production records/ inspection

records – Shall be retained for minimum 3 years unless notified with specific requirements. Suppliers are expected to define a proper method on storage and easy retrieval of records, besides the above retention requirement.

Component Qualification

All Strategic Business units of Stanley Black & Decker require different levels of a Production Part Approval Process (SPPAP), level 3 is by default and will be detailed by your relationship manager if other specific levels apply. These requirements ensure that production parts are in full compliance with Stanley Black & Decker specifications, and supplier process capabilities and controls provide consistent conformance to specifications over future production runs.

The supplier shall adhere to the requirements outlined in this procedure when:

- Developing new components for new Stanley Black & Decker products
- Engineering changes occur before a new product launch
- Engineering changes are implemented post product launch

Components SPPAP						
Elements		Submission Level				
		Level 1	Level 2	Level 3	Level 4	Level 5
1	Design Records (prints, specifications)	R	S	S	*	R
2	Authorized Engg. Change Documents	R	R	S	*	R
3	Customer Engineering Approval (Approved Deviation Form, if any)	R	R	S	*	R
4	DFMEA	R	R	S	*	R
5	Process Flow Diagram	R	R	S	*	R
6	PFMEA	R	R	S	*	R
7	Control Plan	R	R	S	*	R
8	Measurement System Analysis (GRRV, GRR)	R	R	S	*	R
9	Dimensional Results	R	S	S	*	R
10	Records of Materials/Performance	R	S	S	*	R
11	Initial Process Studies (SPC)	R	R	S	*	R
12	Qualified Laboratory Documentations	R	S	S	*	R
13	Appearance Approval Report (AAR)	S	S	S	*	R
14	Sample Production Parts	R	S	S	*	R
15	Master Samples	R	R	R	*	R
16	Checking Aids	R	R	R	*	R
17	Customer Specific Requirements (ex: Traceability, Critical Process Operator Skill level, etc.)	R	R	S	*	R
18	Cover Sheet	S	S	S	*	R
Additional	Regulatory Requirements (REACH, RoHS, IMDS, Prop65)	S	S	S	*	R
Additional	Packaging Requirements	S	S	S	*	R
Additional	Final Stock Audit Plan	S	S	S	*	R

S - Shall be submitted to Stanley Black & Decker

R - Shall be retained at supplier location and available to Stanley Black & Decker upon request

* - Optional

Finished Product Qualification

Finished Products qualification follows a milestone process through which the product is tested and approved in accordance with requirements by applicable Compliance Agencies (example UL, CSA) and Stanley Black & Decker specifications. Product labels and manuals will be provided by Stanley Black & Decker, and unless explicitly requested to do so, the supplier must reproduce these labels and manuals exactly as specified. During the Product Development Process, the supplier will work with Stanley Black & Decker to develop a detailed Quality Plan outlining incoming component inspection, in process inspection, pre-shipment inspection and

conformance test requirements. This Quality Plan should be followed throughout the lifecycle of the product. It is the responsibility of the finished product manufacturer to stay up to date with Compliance Agency standards and ensure that the product sold complies in full with the regions to which they are selling.

FG SPPAP		
Elements		Submission
1	Design Records (prints, specifications)	S
2	Authorized Engg. Change Documents	S
3	Customer Engineering Approval (Approved Deviation Form, if any)	S
4	DFMEA (if supplier is responsible for design)	O
5	Process Flow Diagram	S
6	PFMEA	S
7	Control Plan	S
8	Measurement System Analysis (GRRV, GRR)	S
9	Dimensional Results / Test Record	S
10	Records of Materials/Performance	S
11	Initial Process Studies (SPC) - Assy & FC, if any	S
12	Qualified Laboratory Documentations	O
13	Appearance Approval Report (AAR)	S
14	Sample Production Parts (ESL, MSL)	S
15	Master Samples (Golden Sample)	R
16	Checking Aids	S
17	Records of compliance with Customer Specific Requirements:	S
17.1	BOM, PBOM, EEBOM, Circuit Diagram	S
17.2	Key Component CTQ Scorecard, if any	S
17.3	Key Component SPPAP (FPI, Cpk, GRR), if any	S
17.4	Marketing Comparison List	S
17.5	Regulatory & Compliance documents (RoHS, REACH, CE, UL, CS4402, etc.,)	S
17.6	FRACA (Failure Report Analysis Corrective Action)	S
18	Part Submission Warrant (PSW)	S

- S - Shall be submitted to Stanley Black & Decker
- R - Shall be retained at supplier location and available to Stanley Black & Decker upon request
- O - Optional

Global Packaging Guideline

Suppliers are expected to package components or finished products according to packaging instructions that are agreed to and approved between SBD, Packaging Engineering Team and the Supplier before shipment to SBD Plants. Suppliers are required to provide appropriate storage and protection to the products during shipment. Palletization requirements and Container Inspection & Loading guidelines, as shared by SBD Supplier Quality Engineer to Suppliers, shall be strictly adhered to by Suppliers for each and every sea shipment. In addition, Supplier shall keep and maintain all necessary records, for reference. Such requirements shall be incorporated into the Supplier QMS and the control plan must include the inspection method to verify the packaging, palletization process and container loading.

Continued Production

It is expected that production of components or finished products will continue in the same manner as they have been initially approved, within the terms and conditions that have been laid out within the Supplier Quality Book.

Based on the product criticality and with discretion of SBD SQE, shipments shall undergo dock audit (or Pre-Shipment Inspection) with AQL of 1.0 (C=0) and the DPMO report shall be submitted to SBD SQE.

For the Critical to Quality characteristics as indicated in the engineering part drawings or assembly drawings, and for the critical features with respect to the process, suppliers should conduct capability studies to continually evaluate and refine their processes. For such part/ process CTQs, Supplier Quality Control Plan should clearly describe the gauge used, frequency and control method (like SPC control charting) and reaction plan to process trends.

Data records resulting from Statistical Process Control (SPC), automated checking, and inspection results must be available for download upon request by the SBD SQE. The data must include identification of the production lot or serial number information.

Safety Management

Suppliers are required to conduct a criticality analysis for features of the product design and production process that could potentially result in a safety effect. For Suppliers having design responsibility, special characteristics related to safety must be clearly identified within their design specifications, verification/validation plans, drawings, and technical documentation. Such potential safety risk features shall be set forth in the Supplier's Quality Control Plan, where Design and Process Failure Modes Effects Analysis will assist in the analysis.

Non-Conformance Management and Corrective Action

Non-Conforming Material

Any purchased good (including, without limitation, raw materials, component parts and/or finished goods) that does not comply with SBD drawings and/or other specification documents is defined as Non-conforming Material (NCM). Suppliers shall immediately notify SBD upon discovery of any NCM or quality issue associated with a product that has shipped to SBD or directly to SBD's customers. It is unacceptable to ship any NCM to SBD without prior authorization through a Deviation Request approved by SBD.

Supplier Reimbursement

In the event that a Supplier ships NCM to SBD that results in a Quality issue, the Supplier shall be accountable for all costs incurred by SBD resulting from the NCM. SBD will provide the supplier

with a documented record of the NCM, including a summary of the costs incurred. In response, the Supplier shall provide SBD with an acknowledgement of responsibility and authorization for

the requested cost reimbursement. Applicable Labor and transport cost will be calculated using a fully burdened rate and may vary depending on the region in which it is incurred.

Major Quality Concern

Major Quality Concern (MQC) is defined by Stanley Black & Decker Global Quality as,

- Any safety issue, regardless of financial impact
- Any external compliance or regulatory issue that interrupts SBD’s production, sales, customer shipments, or consumers, regardless of financial impact.
- Any quality event that exceeds the applicable Cost of Poor Quality (COPQ) dollar threshold:

Category	CoPQ	BU
Finished Goods	\$50,000 USD	Outdoor (Ride-on);
	\$25,000 USD	CAM; SEF Automotive; Industrial (Smart Storage / CribMaster); Outdoor (Walk-Behind); Outdoor (Robotics)
	\$10,000 USD	SEF Industrial; Outdoor (Hand-Held); PTG; HTAS; Outdoor (Hand Tools)
Unfinished	\$10,000 USD	Raw Materials, Components, or Sub-Assemblies, regardless of BU

Corrective Action

Once the Supplier is notified about one or more quality issues, then Supplier shall immediately undertake all appropriate, necessary, and required steps in order to immediately contain the problem either through inspection or other means and evaluate what the process or material failure is to determine the root cause. The Supplier is expected by SBD to initiate a Corrective Action within their own Quality System to address the NCM and may be requested by SBD to formally submit the documented summary of the Corrective Action to SBD for review and approval. Once the issue is corrected, Stanley Black & Decker shall be promptly notified in writing from Supplier that the corrective action is complete, and the process has been updated (including Process Flow Diagram, FMEA, QPCP, etc.). Depending on the requirements of the receiving Stanley Black & Decker plant, this may include resubmitting all or part of the original approval data package. The Supplier shall monitor Supplier’s processes internally to continuously improve the product and reduce variation.

Performance Monitoring and Reporting

Once the mass production orders start with supplier, the Quality Performance of the supplier gets rated as per the below criteria. Assessment frequency is Monthly.

Zero MQC in last 6 months	Zero Lot Rejection in last 6 Months	Good SQA & Effective Problem Solving	=	A
Supplier Quality Score Criteria				ABC Criteria
Zero MQC in last 6 months = 1				A=3
Zero Lot Rejection in last 6 Months =1				B=2
Good SQA & Effective Problem Solving =1				C=1 or 0

	Zero MQC in last 6 months	Zero Lot Rejection in last 6 Months	Good SQA & Effective Problem Solving	Sum	ABC Class
Supplier 1	1	1	1	3	A
Supplier 2	1	1	0	2	B
Supplier 3	1	0	1	2	B
Supplier 4	0	1	1	2	B
Supplier 5	0	0	1	1	C
Supplier 6	1	0	0	1	C
Supplier 7	0	1	0	1	C
Supplier 8	0	0	0	0	C

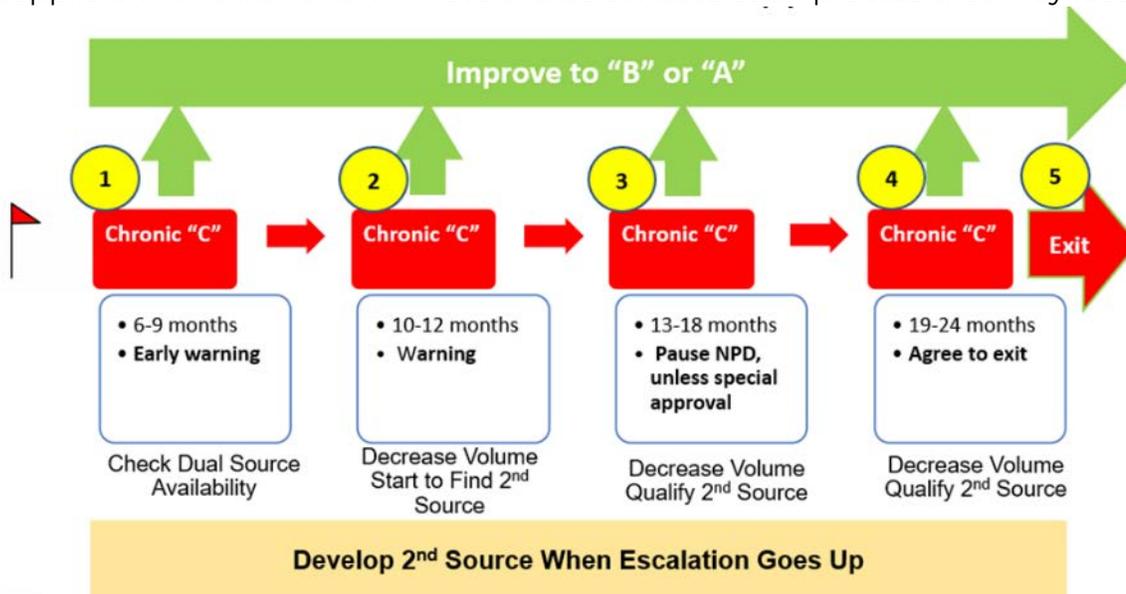
Good SQA & Effective Problem Solving :

- Very few problems and 8D/5Y < 48 hrs (1st Time Response) and Effective Improvement Trend in 6 months = 1
- Multiple problems, 8D/5Y > 48 hrs (1st Time Response) or Negative Improvement Trend in 6 months = 0

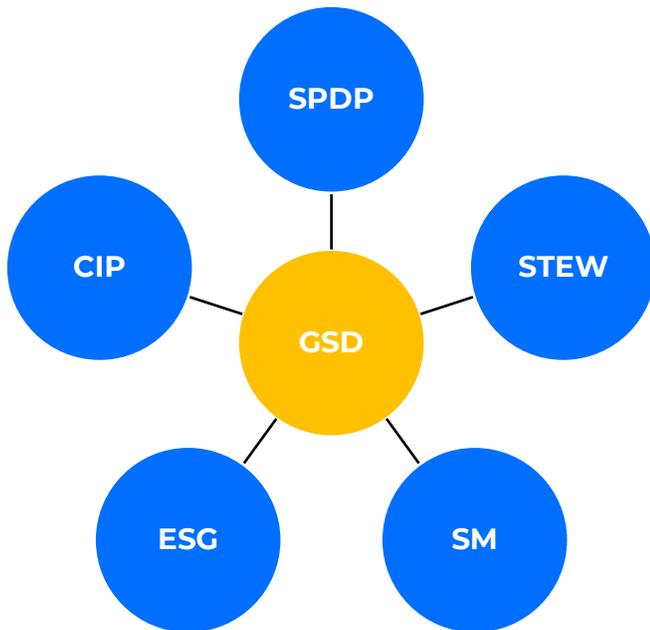
Supplier Escalation Process

When any of the monitored measurement parameters indicate negative performance with rating of B or C, then the Supplier is considered for elevation into a supplier improvement program. The goal of all SBD supplier improvement programs is to initiate and drive improvement activities with Suppliers who are performing below expectations.

Suppliers with chronic 'C' will have the below escalation process that may lead to exit phase.



For Chronic 'C' grade suppliers, GSD team will drive the improvement actions at suppliers to upgrade Quality Performance ABC for the Selected suppliers suggested by Supplier Quality.



Supplier Development

SBD has a dedicated Global Supplier Development (GSD) team which is a strategic function that focuses on developing the suppliers in Supply Continuity, Supplier ESG and Suppliers Training which results in 3C (Capability, Capacity, Cost). The team works for Key Projects with Long term Strategic Supplier Partners to create values additions, improve overall Operational Excellence to supply Consistent Quality & Competitive Products to Stanley Black & Decker. GSD engagement may fall within below type of projects,

SPDP (Supplier Partner Development Program): Comprehensive development with selected strategic Suppliers.

STEW (Supplier Trainings Engagement Workshop): Enhancement of Supplier team technical skills in key process.

SM (Supplier Moves in Global/Domestic): Lead with team to enable & establish the new plant to meet Quality Delivery.

ESG (ESG & Supplier Diversity): Supplier ESG as part of new supplier selection criteria and implement a targeted supplier engagement (CDP and SBTi (Science-Based Targets initiative)) promoting continual sustainability improvement.

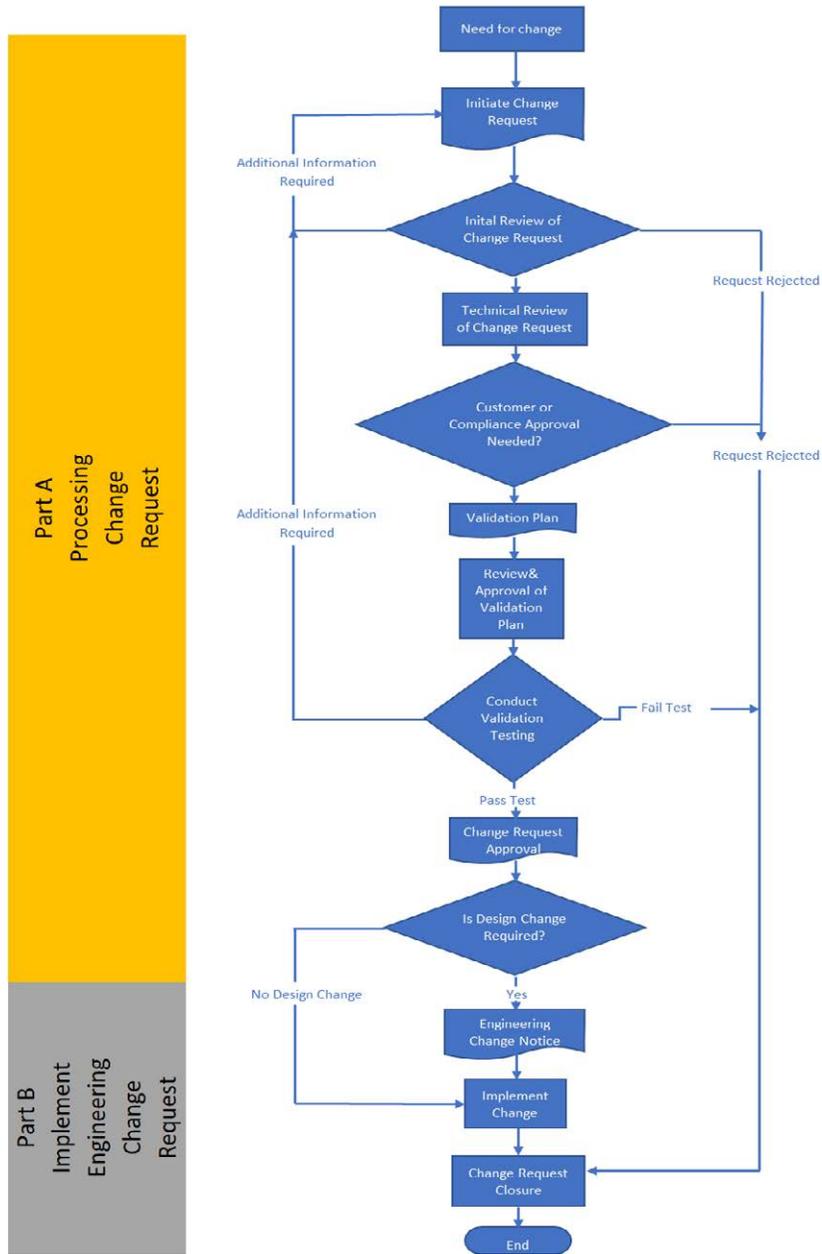
CIP (Continuous Improvement Project): Collaborative work with Suppliers partners to Build Supplier capability building, Capacity & Supply chain OTD, FTR Improvement, Quality ABC improvement, Productivity& working capital Improvement.

We expect suppliers to participate and support SBD in activities engaged by the GSD team.

Change Control Process

Suppliers, Subcontractors and SBD Manufacturing Locations are required to notify and obtain acceptance of the Change in accordance with SBD's Change Control Process before it's implementation into goods and/or services. Suppliers shall comply with SBD's Global Procedure on Change Control Management (Document# PR-00817-DOC) and Suppliers must strictly comply with Document# PR-00817-DOC. SPPAP process should be followed for any change request after the part is in production.

The flow chart shows the steps of the Change Request Process:



The matrix below defines the approvals required for a change request.

	Approval Matrix for Change Request									
A = Approver C = Consult I = Inform	Resident Engineer	Packaging Engineer	SQE	Plant Quality	Product Manager	Legal Compliance	Engineering Manager/Lead Engineer	Manufacturing Engineer	Sourcing	SBU Quality Director
Supplier Change Request Finished Goods	A	A	A	C	A	A	A	I	A	I
Supplier Change Request Components	A	C	A	C	I	I	A	C	A	I
Supplier Change Request -Process Related	A	C	A	C	I	I	A	I	I	I
SBD Internal Change Request - Finished Goods	A	A	I	A	A	A	A	A	I	I
SBD Internal Change Request - Components	A	I	I	A	I	I	A	A	I	I
SBD Internal Change Request Process Related	A	C	I	A	I	I	A	A	I	I
Compliance or Regulatory Change Request	A	A	A	I	A	A	A	C	A	A
Change Request Affecting Multiple Plants	A	I	I	A	C	C	A	A	I	A

Sub-Tier Supplier Controls

Suppliers are responsible to manage their sub-tier suppliers and supply chains to ensure that raw materials and components used in the manufacture of SBD products, parts or provision of services meet SBD specifications and comply with the requirements in the applicable agreement in relation to these sub-tier suppliers. As such, suppliers shall apply appropriate controls to ensure that their suppliers comply and are capable of meeting specified requirements.

The SPPAP process is required for products or child parts from sub-tier suppliers. Suppliers are responsible for the planning, follow-up and retention of SPPAPs submitted by sub-suppliers and sub-contractors. Once a part is approved by SBD, changes at sub-tier suppliers with respect to material or process or drawing print must be approved by SBD through the change control process per applicability.

Suppliers have full responsibility for the quality assurance and corrective action of products delivered from sub-tier suppliers. SBD reserves the right to have access to sub-tier suppliers and processes that could have significant impact on final product quality. Access to sub-tier suppliers or approval of sub-tier suppliers by SBD, does not change or reduce the supplier's responsibility for quality of products supplied by those sub-tier suppliers.

Business Contingency Planning

Supplier shall have contingency plan by identifying all potential business risks for all types of disruptive events. This approach should include mitigation actions, communication plans, escalation methods, and roles and responsibilities. The plan shall address the recovery time needed for a variety of business interruptions, contact information for key locations, supply chain risk assessment for equipment, material, supplied components and labor, etc. This shall be specific to Stanley Black & Decker products and/or services provided.

Teardowns - Returned Product Analysis

Stanley Black & Decker is continuously driving initiatives to reduce warranty related costs as well as improve customer satisfaction. A critical aspect of these initiatives is to perform product teardowns to identify and resolve factors contributing to warranty returns. We encourage our suppliers to participate in these events to go back and review any manufacturing related issues. While our main objective is improving the quality performance of our products, the contributing factors to the returns are reviewed and agreed upon, to define if any warranty reimbursement cost is required from our suppliers.

In instances where the supplier has been found to be negligent in any of the Quality systems defined above, then the supplier may be liable for those costs that Stanley Black & Decker would otherwise not have incurred as detailed with the Supplier contract.

Appendix

SUPPLIER HANDBOOK 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 above said SBD Quality requirements in this handbook are completely understood 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.

2020 Matrix Quick Reference Guide

Incoterms® 2020 Rules Responsibility Quick Reference Guide											
IncoDocs 											
Freight Collect Terms						Freight Prepaid Terms					
Groups	Any Mode or Modes of Transport		Sea and Inland Waterway Transport				Any Mode or Modes of Transport				
Incoterm®	EXW Ex Works (Place)	FCA Free Carrier (Place)	FAS Free Alongside Ship (Port)	FOB Free On Board (Port)	CFR Cost and Freight (Port)	CIF Cost Insurance & Freight (Port)	CPT Carriage Paid To (Place)	CIP Carriage & Insurance Paid to (Place)	DAP Delivered at Place (Place)	DPU Delivered at Place Unloaded (Place)	DDP Delivered Duty Paid (Place)
Transfer of Risk	At Buyer's Disposal	On Buyer's Transport	Alongside Ship	On Board Vessel	On Board Vessel	On Board Vessel	At Carrier	At Carrier	At Named Place	At Named Place Unloaded	At Named Place
Obligations & Charges:											
Export Packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty, Taxes & Customs Clearance	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	*Seller	Negotiable	**Seller	Negotiable	Negotiable	Negotiable
Destination Terminal Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Unloading at Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer
Import Duty, Taxes & Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller

*CIF requires at least an insurance with the minimum cover of the Institute Cargo Clause (C) (Number of listed risks, subject to itemized exclusions)
 **CIP now requires at least an insurance with the minimum cover of the Institute Cargo Clause (A) (All risk, subject to itemized exclusions)
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Commercial Invoice Requirements

February 16, 2023

U.S. Commercial Invoice Requirements

Pursuant to Title 19, U.S. Code of Federal Regulations, Part 142.6, the following information must appear on all commercial invoices concerning product sold to Stanley Black & Decker:

- (1) An adequate description of the merchandise
 - a. The Stanley Black & Decker Part Number as identified on the purchase order
 - b. A clear description that identifies what is in the shipment. The description should be concise but sufficiently detailed so that United States Customs and Border Protection (US CBP) can confirm the Harmonized Tariff classification used. For example, "spare parts" is not an adequate description.
 - c. Marks and Numbers visible on packages
 - d. Country of Origin: This is the country of manufacturer and not necessarily where the goods were sent from.
 - e. Certain products may require additional information including textiles, wood products, liquids, items with lasers, bearings, nails and items of iron/steel
- (2) The quantities of the merchandise
 - a. Quantities with the unit of measurement stated
 - b. Net weights (in Kilograms)
- (3) The values of the merchandise.
 - a. Unit Price and Total Cost
 - b. Currency Agreed upon
 - i. Please note that stating the dollar sign does not clearly state the currency agreed upon on the commercial invoice. The reason being is that there are different countries that also utilize the dollar sign such as Canada, Mexico, Australia, etc. If the currency agreed upon is USD there are a couple of ways this can be stated:
 1. The currency abbreviation can be stated in front of the dollar sign
 - a. Such as: "USD\$"
 - OR**
 2. A currency agreed upon statement can be stated on the invoice
 - a. Such as "Currency Agreed Upon: U.S. Dollars"
 - c. Charges not included in the price (Example: Inland Transportation fees, storage fees)
 - d. If there is no sale, a fair market value of the item(s) must be stated. This includes values of samples, gifts and replacement parts. Amounts for freight, and insurance. Values of selling commissions, packing for retail sale, rebates, and ASSISTS, must be itemized, and included if they are not already included in the price actually paid for the merchandise.
- (4) The name and complete address of the foreign individual or firm who is responsible for invoicing the merchandise, ordinarily the manufacturer/seller but where the manufacturer is not the seller, the party who sold the merchandise for export to the USA or made the merchandise available for sale.
 - a. The Buyer's legal name and legal address. If this differs from the importer of record, the importer's name and address should be identified
 - b. The Ultimate Consignee's legal name and address (if different from the buyer)
 - c. The Seller's legal name and address. The actual manufacturer is required when different from the seller
 - d. If the supplier or manufacturer is located within China they must state their zip code on the commercial invoice as this is required by U.S. Customs.

Additionally, Stanley Black & Decker has the following invoice requirements:

- Terms of sale (INCOTERMS) the place to where the seller must transport the goods
- Purchase order number & date
- Place of Export and the US port of entry
- The date of shipment
- The invoice must be typed, not handwritten. Do not mark the invoice with highlighters, black markers, whiteout, etc.
- The Invoice must be in English or have an English translation attachment

Stanley Black & Decker Global Trade Compliance Team

QUALITY ASSURANCE AGREEMENT (QAA) for automotive suppliers (IATF 16949)

Quality is the critical key contributing to a company's business success, so it is becoming increasingly important throughout the supply chain.

As a supplier to the automotive industry, the PURCHASER manufactures high-quality products. The purpose of this QAA is to ensure supply and production of high-quality, defect-free products through suitable, technically accepted and economically sensible means.

This QAA is intended to specify the minimum requirements for the SUPPLIER's quality management system to prevent quality problems. It is intended to ensure smooth processes between the PURCHASER and SUPPLIER and to minimize cost.

The QAA explains the technical and organizational framework and processes necessary to achieve the intended quality objective. All processes must be aimed at "continuous improvement" and "zero defects". The quality of the SUPPLIER has a significant impact on the PURCHASER's internal processes and therefore on the quality of the finished product. It is the SUPPLIER's responsibility to adhere strictly to this QAA and to product liability and warranty obligations.

This quality assurance agreement (QAA) applies to all suppliers of production materials and to suppliers of raw materials and external services used in our products. Moreover, the requirements of this QAA apply to third-party services for our products and suppliers of production and operating resources, and testing and laboratory equipment.

Link to the Quality Assurance Agreement (QAA) for Automotive can be found below;

[Automotive Quality Agreement_09112023](#)

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	

