

	System Level Procedure	
	<b>Australian Modern Slavery Statement</b>	<i>As at 30 June 2024</i>
Stanley Black & Decker Australia Pty Ltd.		

# **MODERN SLAVERY STATEMENT**

## **2023 - 2024**

This statement has been published in compliance with requirements under the *Modern Slavery Act 2018* and it summarises steps taken by Stanley Black & Decker, Inc. (NYSE: SWK) and its Australian subsidiary Stanley Black & Decker Australia Pty Ltd. of 810 Whitehorse Road, Box Hill, Victoria 3128 to ensure that modern slavery and human trafficking in any form is not taking place in our commercial organisation, supply chains or in any part of our business.

### **A. Introduction and identification of the reporting entity (Criteria 1)**

Stanley Black & Decker is actively committed to eradicating human trafficking and slavery from its supply chain. Stanley Black & Decker does not and will not permit its employees, subcontractors, subcontractor employees or agents to engage in any form of trafficking in persons, and will take appropriate action, up to and including termination, against employees, agents or subcontractors that violate this policy. Employees, subcontractors and agents who become aware of a potential violation of this policy are expected to report the potential violation through the company's online helpline at <https://integrity.sbdinc.com/>

Stanley Black & Decker takes pride in:

- maintaining a safe and healthy work environment
- providing a secure workplace for its employees
- embracing sustainable practices
- continually improving and learning from each other
- recognizing and rewarding those who exceed expectations
- creating a safe space for expressing individuality and diversity
- advancing Human Rights in the workplace and supply chain
- giving back and sharing with its communities to make a difference

Stanley Black & Decker Australia Pty Ltd and MTD Products Australia Pty Ltd are the only entities that met the reporting threshold requirement under the *Modern Slavery Act 2018 (Cth)* in 2022. MTD Products Australia Pty Ltd was wholly acquired by Stanley Black & Decker Inc in 1 December 2021.

This Modern Slavery Statement has been produced by Stanley Black & Decker Australia Pty Ltd, the Reporting Entity under the *Modern Slavery Act 2018 (Cth)*. This Statement outlines how Stanley Black & Decker Australia Pty Ltd approaches the risks of modern slavery and the steps taken to reduce modern slavery and human trafficking risks in its operations and supply chains from 1 July 2023 to 30 June 2024. Stanley Black & Decker, as a global company, faces increasing legislative demands in relation to modern slavery across many jurisdictions. By way of example, US Customs and Border has introduced a regime that places a greater importance on identifying and eradicating modern slavery practices. Stanley Black & Decker is currently reviewing the recommendations made by US Customs and Border and is in the process of implementing the recommendations of US Customs and Border.

## **B. Organisational structure, activities and supply chain (Criteria 2)**

Stanley Black & Decker is a diversified global provider of hand tools, power tools and related accessories, outdoor garden maintenance equipment, engineered fastening systems and products and services for various industrial applications, as described in more detail in the 2023 Annual Report, which can be found on the Stanley Black & Decker corporate website at:

[https://s29.q4cdn.com/245094436/files/doc\\_financials/2023/AR/aaa99a5a-c7c8-4a5f-babe-3da3f6184a2b.pdf](https://s29.q4cdn.com/245094436/files/doc_financials/2023/AR/aaa99a5a-c7c8-4a5f-babe-3da3f6184a2b.pdf)

Stanley Black & Decker Aust provides these products and services within Australia. Stanley Black & Decker, Inc. is the parent company of Stanley Black & Decker Australia Pty Ltd. References to Stanley Black & Decker should be read as references to both Stanley Black & Decker, Inc. and Stanley Black & Decker Australia Pty Ltd.

Stanley Black & Decker has an extensive network of suppliers of raw materials, component parts and finished goods around the world and is actively committed to eradicating human trafficking and slavery from its supply chain.

Stanley Black & Decker is continuously monitoring its internal resources to ensure that it has the right level of resources and skillsets to meet the increasing demands of monitoring and complying with global modern slavery requirements. Stanley Black & Decker recently employed additional staff to meet the increasing demands which includes hiring a team member with experience in Corporate Social Responsibility. Stanley Black & Decker also has 2 full-time team members managing Supplier Social Accountability.

In January 2024, the management of reviewing supplier risks associated with modern slavery and the assurance of decent working conditions was transferred to the Supplier Risk & Compliance Team. These activities were previously managed by the Supplier Quality Team.

### **C. Risks of modern slavery practices in business operations and supply chains (Criteria 3)**

Stanley Black & Decker has identified the following risk factors may be present in its operations and supply chains:

- Geographical risks – procuring materials or services outside of Australia where there are low governance standards, conflict or poverty;
- Lack of transparency in supply chains – as supply chains can be multi-tiered, multi-jurisdictional and complex there can be a lack of transparency;
- Sourcing raw materials potentially provides exposure to issues associated with Conflict Minerals; and
- Use of low margin products means that suppliers may seek to exploit children, low-skilled or low paid workers.

### **D. Actions taken to assess and address risks including due diligence and remediation processes (Criteria 4)**

#### ***Global Standards***

Stanley Black & Decker implements and enforces global standards. These standards are published on its website at <https://www.stanleyblackanddecker.com/impact/governance/resources-policies>. All suppliers must comply with Stanley Black & Decker's global standards. The Supplier Code of Conduct has been recently updated and other aspects of the Global Standards are currently being reviewed.

#### ***Identification of developed and developing countries and industries***

Stanley Black & Decker has processes and monitoring in place which identifies any changes in the markets which could lead to a country moving from a developed country to a developing country (and vice versa). In addition, ongoing monitoring of industries/sectors in both developed and developing countries helps to identify any increased or changing risks. Currently, Stanley Black & Decker has in excess of 30,000 suppliers.

Stanley Black & Decker has designed a matrix to identify which suppliers require in-person audits. The matrix references Maplecroft risk intelligence principles which reflect geopolitics, climate change, political instability, economic pressures and threats to human rights.

## **Audits**

During the reporting period there were in excess of 150 audits conducted by Stanley Black & Decker or its consultants. These audits identify issues and then categorise them as high, medium or low risk. The categorization of issued identified is further reviewed against the location and industry to ensure that country and industry risks are included within any risk profile. Depending upon the issue and categorization of risk, Stanley Black & Decker will impose the frequency of any further or additional audits.

The nature of audits is reviewed regularly taking into account any previous audit findings, locations, trends, legislative requirements and recommendations provided by authorities and/or regulators. Additional clarity has been provided to suppliers as to the different kinds of in-person audits that are accepted for existing suppliers which includes the acceptance of certain external audits. In relation to new suppliers, the Supplier Quality Team will perform the Social Accountability Audit and take any additional necessary steps to ensure that the new supplier meets the standards and expectations set by Stanley Black & Decker.

Supplier compliance is monitored by requesting supplier self-assessments on both a regular and adhoc basis. The self-assessment requires Stanley Black & Decker suppliers to acknowledge and comply with the terms of the recently updated Stanley Black & Decker Supplier Code of Conduct; these terms address amongst other things, Employment Conditions, such as child labour, forced labour and prison labour etc. The Supplier Code of Conduct can be found at:

[https://www.stanleyblackanddecker.com/sites/default/files/2024-07/sbd-supplier-code-of-conduct\\_0.pdf](https://www.stanleyblackanddecker.com/sites/default/files/2024-07/sbd-supplier-code-of-conduct_0.pdf)

Failure to undertake self-assessments could result in the contract with the supplier being suspended or terminated.

In addition, third party consultants are retained to perform on-site audits in countries that have been identified as being of higher risk of modern slavery practices. Suppliers in countries identified as being of higher risk of modern slavery practices are required to allow onsite audits. The Stanley Black & Decker Supplier Quality Team also performs Social Accountability audits for those suppliers identified as being high risk. Stanley Black & Decker continues to monitor both supplier and country behaviour to ensure that high risk markets and/or suppliers are identified.

New suppliers are audited by the Internal Supplier Quality Team and existing suppliers are audited by independent certification and auditing consultants specialising in identifying modern slavery practices and other risk and compliance issues. All results of audits are carefully reviewed by Stanley Black & Decker's Supplier Risk Team. Audits can include confidential employee interviews of individuals selected by Stanley Black & Decker and/or its consultants. Some audits are unannounced whilst other audits are announced to the suppliers only with as much lead time as minimally necessary to ensure that all

required documentation is available to the auditing team. These on-site audits include verification of time and pay records.

During the reporting period, in excess of 2,000 new suppliers were approved by Stanley Black & Decker in accordance with new supplier onboarding due diligence procedures. 63 new suppliers were audited and approximately 20% of those suppliers audited required further investigation by Stanley Black & Decker due to deficiencies identified during the audit process.

During the reporting period over 150 in-person audits were performed by Stanley Black & Decker. This is in addition to the self assessment audits that are undertaken by suppliers. Stanley Black & Decker also performed web-based audits where follow ups or corrective action required of existing suppliers was required.

### ***Due Diligence***

Stanley Black & Decker has determined that its main exposure to modern slavery may be identified within their supply chains and have measured this risk over several years through proactive steps whereby new third party vendors, suppliers and business partners are subject to due diligence checks founded upon compliance audits and ethical policies of how Stanley Black & Decker conducts business as a global organization. Such assessments and audits are carried out globally and in some cases the Sedex Social Accountability web based platform is used.

### ***Updates to supplier screening process***

Stanley Black & Decker has introduced new screening questions that apply to those suppliers which are direct goods suppliers. These screening questions are targeted at obtaining additional information from suppliers in the following areas:

- a) Forced and child labour;
- b) Fire and hazardous materials;
- c) Labor compensation;
- d) Labor working hours;
- e) Health and safety;
- f) Suppliers and subcontractors;  
and
- g) Discrimination practices.

All completed questionnaires are scrutinised as part of the supplier acceptance process and any inconsistencies or answers that flag concern are followed up by a member of the Supplier Risk & Compliance Team.

## **Supplier Social Accountability Program**

Stanley Black & Decker has created a new program that applies to all suppliers. Stanley Black & Decker has determined audit standards against which it wants all suppliers to be audited. Stanley Black & Decker has also prioritized suppliers for self – assessments and in-person assessments where applicable and it has created awareness of requirements and gaps to closure with internal SBD employees and external SBD stakeholders.

## **Policies**

### ➤ *Code of Business Ethics*

Stanley Black & Decker also has a Code of Business Ethics which applies to employees, officers, directors, contractors, vendors and suppliers. Its managers and board members annually acknowledge their understanding of this Code and its tenets. Stanley Black & Decker's reputation, culture and values are important to its success; any violations of the Code, or the law, will result in disciplinary action, up to and including termination.

The Code of Business Ethics can be found at:

<https://www.stanleyblackanddecker.com/sites/default/files/2025-05/stanley-black-and-decker-cobe-english.pdf>

Stanley Black & Decker's commitment to human rights is reflected in its Code of Business Ethics, which is posted on the Company's websites. As set forth in the Code:

***Doing right by our people is a part of our character, and we actively demonstrate the courage to care, respect and support the fundamental Human Rights of all individuals. As a global business, we are committed to respecting, protecting and supporting the principles included in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and the Rights at Work.***

### ➤ *Global Human Rights Policy Statement*

Stanley Black & Decker has further adopted a global Human Rights Policy Statement, which reinforces its commitment to following applicable laws and its expectations for third parties with whom Stanley Black & Decker does business:

***It is our policy to comply with all applicable laws, rules and available regulations concerning labor practice in all the countries in which we operate. In addition to our own employees, we expect all our partners, distributors, resellers, advisors, consultants, contractors, agents and other intermediaries representing us to adhere to the dictates contained in our Code of Business Ethics and in this Human Rights Policy Statement.***

➤ *Human Rights Due Diligence Framework*

Stanley Black & Decker has established a Human Rights Due Diligence Framework which utilises a unique internal web-based platform for performance monitoring and data storage of its individual sites. This includes specific Human Rights Road Maps, Risk Assessments and Mitigations and is applicable to all sites globally. These Road Maps describe the standards and steps to ensure adequate human rights adherence at individual site level and so combine to form a global due diligence system. The Human Rights Due Diligence Framework can be found at:

[https://www.stanleyblackanddecker.com/sites/stanleyblackanddecker.com/files/human\\_rights\\_due\\_diligence.pdf](https://www.stanleyblackanddecker.com/sites/stanleyblackanddecker.com/files/human_rights_due_diligence.pdf)

The Human Rights Due Diligence Framework is reviewed to ensure that it maintains up to date and captures any evolutions to the exploitation of human rights.

➤ *Sourcing raw materials*

Stanley Black & Decker is committed to conducting its business in an ethical, law abiding manner. Stanley Black & Decker is aware of the issues associated with the mining of Conflict Minerals (such as tin, tungsten, tantalum and gold) which is occurring in the Democratic Republic of Congo and adjoining countries and its obligation under the Dodd-Frank Act (US).

Stanley Black & Decker works with its suppliers to educate them regarding the issues surrounding Conflict Minerals and steps that can be taken to obtain an increased transparency regarding the origin of minerals contained in the products that are supplied to Stanley Black & Decker. Selected suppliers are required to complete a survey which helps identify any risks of Conflict Minerals. Suppliers are selected on the basis of location, contract spend, risk factors identified in the supply chain and to ensure compliance with section 1502 US Dodd Frank Act. In 2024, 690 suppliers completed the survey and in some cases, suppliers were required to provide additional information to Stanley Black & Decker. Stanley Black & Decker sends an annual conflict minerals survey to suppliers that met a prescribed spend threshold and verification is requested of the use of non-responsible mineral smelters by suppliers.

Stanley Black & Decker reserves the right to request additional information from suppliers regarding the origin of Conflict Minerals. If a Supplier fails to cooperate, this could lead to Stanley Black & Decker discontinuing purchases from the Supplier.

If suppliers identified sourcing their materials from high-risk regions such as the Democratic Republic of Congo and adjoining countries, the suppliers were required to:

- (a) Determine if the smelter was “conflict-free;” and
- (b) Require the smelter to participate in an audit program or
- (c) Remove the smelter from the supply chain.

The above action must be taken within 6 months of notification.

Stanley Black & Decker has a Conflict Mineral Policy which can be found at

<https://www.stanleyblackanddecker.com/sites/default/files/2025-05/sbd-conflict-minerals-policy.pdf>

### ***Investigations and reporting***

Stanley Black & Decker requires that employees at all levels promptly report concerns about potential violations of law or Company policy. The Company promotes various reporting channels (managers, HR, Legal Regional Ethics & Compliance leaders) and the Integrity Helpline. The Integrity Helpline is confidential and available 24/7 for employees and third parties to raise concerns related to potential violations of our Code, global policies or the law. Stanley Black & Decker strictly prohibits retaliation against anyone who reports a concern in good faith or participates in an integrity investigation.

### ***Training – internal and external***

Stanley Black & Decker Australia Pty Ltd ensures all senior management are annually trained to aid their understanding with Stanley Black & Decker's Code of Business Ethics which determine how Stanley Black & Decker Australia Pty Ltd conduct its business. Stanley Black & Decker Australia Pty Ltd implements ethical policies founded upon standards for sustainability and social accountability to protect the business.

Stanley Black & Decker is also reviewing its training program with a view to creating virtual/on-demand online training modules which can be accessed by its suppliers. Some topics will be mandatory viewing for suppliers and failure to complete the online training could result in suspension or termination of the supply contract.

Stanley Black & Decker keeps records for both internal and external training sessions. Internal training sessions are done in-person, via Zoom calls, webinars and/or through one of its e-learning courses hosted in learning management systems. External training is done through various delivery mechanisms. SBD is currently training its distributors as part of their onboarding.

### ***Supplier assistance***

Historically, Stanley Black & Decker had a compliance "Hotline" that was used by third parties to report any suspected breaches of Stanley Black & Decker's standards or code of conduct. This Hotline will be replaced by the "Helpline".

Stanley Black & Decker have also added guidance for suppliers in relation to self-assessment surveys and in-person audits. For those suppliers that require in-person audits, Stanley Black & Decker has produced guidelines around acceptable audits and audit validity based on the suppliers score/rating/grading. Stanley Black & Decker has provided prescriptive guidance around the nature of the audit required and the frequency for re-audit.

Stanley Black & Decker is currently implementing a "Helpline" which will provide assistance to all of its suppliers, employees and consultants in managing supply chain risks. This could include, for example, a supplier querying what steps need to be taken in its supply chain to ensure compliance, or querying whether particular conduct falls foul of Stanley Black & Decker's requirements in relation to modern slavery. It is hoped that this helpline will be operational globally in the near future.



**E. Assessment of effectiveness of actions being taken to assess and address modern slavery risks (Criteria 5)**

Stanley Black & Decker has incorporated the assessment and effectiveness of risk and compliance measures (which includes modern slavery considerations) into the Category Manager's business review. Standard team meetings also discuss any identified new areas of risk or changes to the risk profiles of countries, industries or suppliers.

Employees and suppliers are monitored to ensure that they are respecting and adhering to the Code of business Ethics. Assessments and audits of suppliers are conducted globally. Any issues that are identified are corrected using a corrective action plan highlighting the issue, corrective action, responsible party for implementation and timing.

Suppliers are rated for compliance with Stanley Black & Decker practices and standards. Deficiencies found during supplier audits can result in graduated penalties, ranging from requirements for corrective action plans and follow up audits to termination of the business relationship. Any issues that are identified are corrected using a corrective action plan highlighting the issue, corrective action, responsible party for implementation and timing.

Stanley Black & Decker's Supplier Risk Team meets regularly to monitor the effectiveness of its initiatives to identify modern slavery risks. Suppliers must allow Stanley Black & Decker (or its consultants) rights to conduct audits of its suppliers and their personnel to assess compliance with modern slavery provisions. These audits are implemented as part of Stanley Black & Decker's supplier sustainability audit process.

Regular meetings are held with Category managers to track and monitor the completion of supplier self-assessments and the scheduling of follow-ups or in-person audits where applicable.

In addition, Team Members are exploring participating in seminars/webinars/programs developed by the Association of Professional Social Compliance Auditors (APSCA) which is the leading industry association created to support individuals and organisations by promoting the use of independent social audits.

**F. Consultation with any entities Stanley Black & Decker Australia owns or controls (Criteria 6)**

Stanley Black & Decker Australia Pty Ltd does not own or control any entities.

## **Conclusion**

Stanley Black & Decker recognises the importance of a continuous improvement approach to combating modern slavery risks in its operations and supply chains. Stanley Black & Decker's commitment to its current modern slavery initiatives establishes a strong foundation for identifying and managing modern slavery risks.

This statement covers the period from 1 July 2023 to 30 June 2024.

## **Consultation and Approval**

This statement was prepared by the Product Compliance Team of Stanley Black & Decker who have consulted with directors, compliance and audit teams, employees, stakeholders and external consultants of both Stanley Black & Decker Australia Pty Ltd and Stanley Black & Decker Inc.

This Modern Slavery Statement has been approved by the Board of Stanley Black & Decker Australia Pty Ltd, the Reporting Entity under the *Modern Slavery Act 2018 (Cth)*.

## **Signed by:**

### **Adrian Davis**

Director of Stanley Black & Decker Australia  
Pty Ltd on behalf of the Board of Stanley  
Black & Decker Australia Pty Ltd