

DRIVING STRATEGIC SUSTAINABILITY



Stanley Black & Decker At-A-Glance

Construction & Do-It-Yourself



Our trusted hand and power tools are known worldwide for being tough, innovative and up to the task. With robust storage solutions to match, we serve both the pro and the do-it-yourselfer who wants to work like one.

Industrial



We build the solutions that keep your world running — from leading tools, tool tracking and productivity solutions for industrial and automotive repair, to pipeline construction and hydraulic tools, to preferred engineered fastening solutions.

Security



We deliver peace of mind with advanced electronic safety, security and monitoring solutions, innovative locks and automatic doors, and for healthcare providers, sophisticated patient safety, asset-tracking and productivity solutions.



John F. Lundgren
Chairman &
Chief Executive Officer

“We are obligated to make the community a better place in which to live and work. Our EH&S ‘Guiding Principles’ is our pledge to the community and to the world. It is our commitment to go the extra mile. We make them part of our everyday life here at Stanley Black & Decker.”

At Stanley Black & Decker we are vigilant about our sustainability initiatives. This year's Sustainability Report is provided to share our 2013 results and continue our open dialogue with customers and society.

Recognition of our efforts is growing. We are making progress in a number of leading voluntary disclosure programs, including the Carbon Disclosure Project and the Dow Jones Sustainability Index.

For more on our commitment to sustainability, including our Guiding Principles, please visit the sustainability section of our corporate site.

We are excited to share our recently revealed name for our sustainability efforts, which was identified from over 900 employee submissions. ECOSMART emphasizes our commitment to our community, suppliers and customers while incorporating social and transparency related priorities we expect from ourselves.





PEOPLE

Social Performance

VIRTUAL CLASSROOM

Growing, developing and empowering our people are key to our ability to attract and retain top talent. By expanding our virtual training opportunities, via Stanley Black & Decker University or through our various SharePoint sites, we are driving a sustainability-directed workforce. Our virtual curriculum addresses global regulatory challenges while minimizing the need to travel. Through e-based training over 1,000 global employees in over 150 facilities across six continents have been trained to be compliant with regulations for shipping/handling of lithium batteries. New employees receive a virtual tour of the world of Stanley Black & Decker. Online training delivers and reinforces “5-Why” principles, to ensure all our employees can understand the causes and address the issues (safety, productivity, delivery, quality, etc.) where it matters the most.

COMMUNITY AND EMPLOYEE ENGAGEMENT

A sustainable company is built from the strength of its employees and from the support of the communities in which we operate. In 2013 we took steps to further empower our employees to champion strategic initiatives and use their skills to improve the world and communities where we work and live, as we build an employee-led safety culture. For example, the Industrial & Automotive Repair business launched a safety awareness campaign, placing a Safety Dot on all employees’ electronic devices as a constant reminder to remain focused on safety. Also, our Global Emerging Market manufacturing facility in Pune, India as well as our Engineered Fastening facility in Malaysia celebrated World Environment Day 2013 by planting trees and raising awareness of conserving natural resources and energy sources.



Sharing Safety With The Community

In cooperation with local high schools, our Industrial & Automotive Repair facility located in Gemonio, Italy launched an EHS training project held directly at the workplace and specifically tailored for high school students. The initiative designed health and safety awareness into the school education program and trained 66 students during three training sessions. The site's vision is to instill future working generations with EHS consciousness and culture so awareness is in place well before they enter the workforce.

GIVING BACK TO THE COMMUNITY

At Stanley Black & Decker, we are passionate about building a better tomorrow. We are there for our communities. Last year, our employee volunteers built houses in Connecticut and Maryland using tools we donated to Habitat for Humanity. We are there when disasters strike. In 2013, we partnered with ToolBank Disaster Services, a tractor trailer fully outfitted with our tools prepared to head to any natural disaster that occurs in the U.S. And we are there for the next generation. Through World Skills, we are promoting and encouraging students to pursue vocational education. Last year we saw young students become global winners in their specific trades at the World Skills Competition.

“Through our partnerships with inspiring non-profits, and with the volunteer efforts of our dedicated employees, we are helping to make the world a better place.”



PLANET

Environmental Performance

SAVING ENERGY

We are designing in and implementing energy saving measures around the globe. Our Stanley Engineered Fastening facility in Jundiai, Brazil achieved a 36 percent year over year reduction in electrical consumption through a redesign of their lighting systems and usage. Similar measures in our Engineered Fastening facility in Thailand and our Hand Tools & Storage facility in Taiwan have also resulted in significant reductions of KWH/year. Our Hand Tools & Storage facility in Wendeng, China uses solar power in place of fuel combustion to heat dormitory water. The CDIY headquarters located in Towson, MD implemented extensive renovations and upgrades designed for sustainability, resulting in a net reduction of 20–25 percent in electrical energy consumption.

SAVING WATER

Water conservation is part of our risk reduction strategy worldwide. Our Hand Tools & Storage facility located in Wendeng, China was constructed in 2009 with water conservation in mind, achieving over 45 percent water reuse. Our Power Tools manufacturing facility in Hampstead, Maryland reuses nearly 400,000 gallons of water per year from an existing onsite pump and treat system. The STANLEY Vidmar manufacturing facility in Allentown, Pennsylvania installed a compressed air dryer that is cooled by an electric fan versus water, reducing their water consumption by approximately 350,000 gallons per year. Stanley Black & Decker has participated in the Water Disclosure Project since 2010 in the interest of exchanging information, implementing best practices and building environmental resilience.



Sustainability Project Tracker

Our Sustainability Project Track application empowers facilities to document activities and initiatives that contribute towards our “15% reduction by 2015” public commitment. The 2013 deck consists of some 500 projects across 100+ facilities, whose collective sustainability efforts will reduce our green house gas emissions by about 20,000 metric tons, water consumption by about 20,000,000 gallons and waste generation by about 6,000,000 pounds. Going forward, we will use Sustainability Project Track data as key activity metrics within our EHS scorecard system to drive further improvements across the enterprise.

REDUCING WASTE

Many of our facilities are focused on achieving zero landfill. Our Hand Tools & Storage facility in Hellaby, UK officially achieved zero waste to landfill status in April 2013. The initiative eliminated approximately 109 tons of waste in just three years. Our Power Tools Manufacturing facility located in Usti, Czech Republic achieved its zero waste to landfill goal in November, 2013. We are also using process innovation to transition from hazardous to non-hazardous processes. After extensive research and testing, our CRC-Evans Offshore business switched its pipe coating process to an alternative flushing agent that can be disposed of as non-hazardous waste.

54%

Reductions in CO₂e emissions
2009–2013



PRODUCT

Sustainability by Design

PERFORM & PROTECT

In 2007, DEWALT challenged itself to create the most comprehensive system of the safest, highest performing professional construction tools in the world, and to become the industry leader in job site health and safety by delivering both meaningful products and end user training. This is the Perform & Protect system, made up of products that meet strict criteria in one or more of the following core safety-focused areas: vibration control, with shocks on concrete breakers; dust control, with HEPA filters on vacuums for dust extraction; and torque control, with e-clutches to prevent runaway grinders. Perform & Protect was launched in April 2013.

ADVOCACY

We believe it is critically important for the industry to take responsibility and control for the development of sustainability standards/guidelines for its products. Our representation in trade associations is key to ensuring that external standards for sustainable products are written by us, and not for us. Stanley Black & Decker engineers are key opinion leaders in the American Home Appliance Manufacturers, Power Tools Institute and Builders Hardware Manufacturers Association. We are also heavily involved in the Product Category Rule (PCR) development process so that we are prepared for what is coming, but more importantly can drive and influence the outcome. PCR sets requirements and guidelines for developing the life cycle assessments for our products, which are in turn expected to be industry requirements in the future.



Supplier Sustainability

Over the past three years our Supplier Sustainability Program audited 97 percent of our Asian supply base. In 2013 alone we conducted 200 Supplier Sustainability audits across a broad spectrum of our supply base and piloted a data verification program with 10 key suppliers. These 10 pilot suppliers were selected based on their strategic importance to Stanley Black & Decker, strong sustainability audit results and their willingness to implement greater awareness of sustainability through our Supplier Development methodology. Our pilot program has been so successful that 2014 will see the addition of an additional 20 suppliers.

PRODUCT TRADE UP PROGRAM

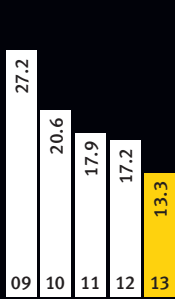
Our CDIY Product Service Division (PSD) implemented a Power Tool Trade Up Program where customers can trade in their working or non-working competitive power tools towards a discounted purchase of DEWALT/Porter Cable/Bostitch power tools. The program runs through the service team as well as local distribution. The tools that are traded up are collected from the customer and placed in display collection bins that provide customers with a visual aid demonstrating the scale/impact of the program. After the bin is full the site dismantles the collected tools, scrapping out the metal portions for recycling. This provides an outlet to reduce the waste that may have otherwise reached landfills.

PRODUCT COMPLIANCE

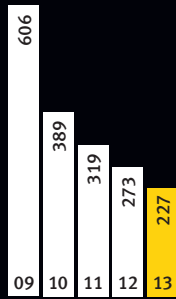
2013 saw continued development and implementation of legislation relating to environmental and chemical management around the globe. Revision of our Engineering Specification on Banned and Restricted Substance Management has encompassed these developments and we continue to work with our supply chain to manage global compliance. We have expanded our Restricted Substance Declaration System and will continue with our plans to expand the system across our strategic business units.

“The development of global environmental and substance based legislation is a challenge we are proud to meet, as we strive to improve our environmental performance and exceed our customers’ expectations.”

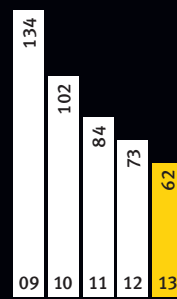
2013 SCORECARD



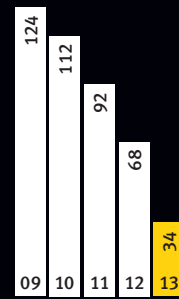
Waste Generation^(a)
(LBS / 1000\$)



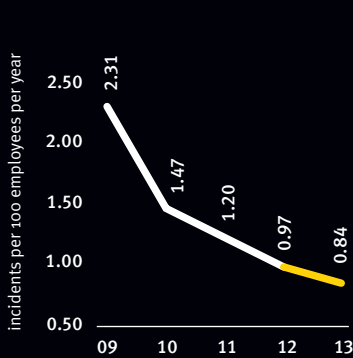
Energy Consumption^(b)
(KBTU / 1000\$)



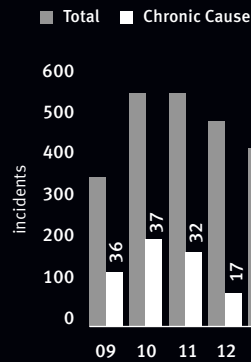
CO₂e Emissions^(b)
(LBS c / 1000\$)



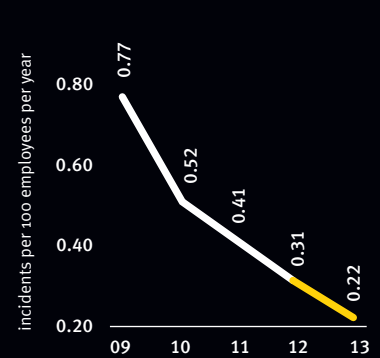
Water Consumption^(c)
(GAL / 1000\$)



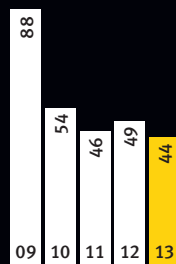
Total Recordable Rate^(d)
LONG-TERM OBJECTIVE: 0.5



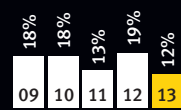
Percent Chronic Cause^(e)
LONG-TERM OBJECTIVE: 3%



Lost Time Rate^(d)
LONG-TERM OBJECTIVE: 0.1



8k | 14k | 18k^(f)
(PERCENT)



Awards | Recognitions^(g)

CARBON DISCLOSURE PROJECT

We annually disclose our greenhouse gas emissions, energy use and climate change strategies to the CDP. In 2013 we achieved a position in the S&P 500 Climate Performance Leadership Index for the first time within the Industrial Sector. This annual index highlights those companies listed on the S&P 500 that demonstrate strategies committed to reducing their impact on the environment.

DOW JONES SUSTAINABILITY INDEX

We are on the 2013 North America Dow Jones Sustainability Index for the third year in a row, this time in the Machinery and Electrical Equipment sector, a considerably larger sector than Durable Household Goods, our previous classification. We posted significant improvements and have been recognized for increased transparency. Having posted the largest proportional improvement in sustainability performance across 13 assessed companies within the Durable Household Goods sector in our second year as part of the index, Stanley Black & Decker was named a "Sector Mover" within the KPMG publication The Sustainability Yearbook 2013, in recognition of our leadership in economic, environmental and social programs performance.

BUILDING ON OUR COMMITMENT TO SUSTAINABILITY

Visit yearinreview.stanleyblackanddecker.com to view videos and pictures that bring exciting aspects of the Stanley Black & Decker story to life, to explore our financials, review our sustainable practices, and to read about our businesses, our brands and our plans for growth.

In 2013 Stanley Black & Decker continued the application of Stanley Fulfillment System (SFS) principles and delivered year-over-year improvements in environmental waste reduction, energy conservation and water reduction. Our global manufacturing and distribution centers reported:

- 17% decrease in energy consumption intensity
- 15% decrease in CO₂e emission intensity
- Over 20% decline in water consumption intensity
- Over 15% decrease in waste generation intensity

Review these accomplishments and all our sustainability results at www.stanleyblackanddecker.com/company/sustainability.

	2013	2012	2011	2010	2009
Injury Illness Data					
Total recordable injury illness	431	496	565	564	361
Lost time injury illness	113	159	194	201	121
Chronic cause injury illness	39	82	180	210	131
Lost days due injury illness	3,561	5,322	5,525	8,279	6528
Work hours in thousands	102,860	102,443	93,791	76,715	31,301
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Total recordable incident rate	0.84	0.97	1.20	1.47	2.31
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Lost time incident rate	0.22	0.31	0.41	0.52	0.77

- (a) Waste generation from factories and distribution centers in total pounds per 1000\$ production costs.
- (b) Energy consumption from factories and distribution centers in kilo British thermal units, CO₂e carbon dioxide equivalents, both per 1000\$ production costs.
- (c) Water consumption from factories and distribution centers in gallons per 1000\$ production costs.
- (d) Global total recordable rate and lost time rate = # of applicable incidents per 100 employees per year.
- (e) Percentage of overexertion, cumulative activity and/or stress incidents to total incidents.
- (f) Percentage of factories and distribution centers certified to International Standards Organization 14001 Environmental Management System Standard, British Standards Occupational Health Safety Assessment Series 18001, Social Accountability International 8000, and/or other applicable management system standards certifications.
- (g) Percentage of factories and distribution centers undergoing an external EHS compliance audit.

