

**StanleyBlack&Decker**



Our commitment to a sustainable future.

# WE ARE ECOSMART™

2015 SUSTAINABILITY HIGHLIGHTS

[2015YEARINREVIEW.STANLEYBLACKANDDECKER.COM/SUSTAINABILITY](http://2015YEARINREVIEW.STANLEYBLACKANDDECKER.COM/SUSTAINABILITY)

## STANLEY BLACK & DECKER AT-A-GLANCE

### INDUSTRIAL \$2.0B

- STANLEY Engineered Fastening
- Infrastructure

### SECURITY \$2.1B

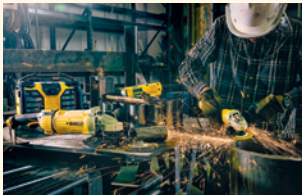
- Commercial Electronic Security
- Mechanical Access



### TOOLS & STORAGE \$7.1B

- Power Tools & Accessories
- Hand Tools & Storage

## TOOLS & STORAGE



The worldwide leader in tools and storage, we create the tools that build and maintain the world. Tradespeople and Do-It-Yourselfers alike rely on us every day for the toughest, strongest, most innovative hand tools, power tools and storage solutions in the market.

## SECURITY



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

## INDUSTRIAL



We build the solutions that keep your world running seamlessly—from preferred engineered fastening solutions in the automotive and electronics industries to infrastructure solutions including pipeline construction and hydraulic tools.

# SUSTAINABILITY IS OUR COMMITMENT

**Our vision is to be a sustainable company by advancing global stewardship across the entire value chain through our people, our operations and our products. We call this ECOSMART™, which is embedded in our business strategy through the application of SFS.**

As part of our commitment to sustainability, and to elevate the strategic importance that ECOSMART™ brings to Stanley Black & Decker, we are sharing our safety and environmental performance results in addition to our financial performance. We have realigned our business strategy to ensure our actions improve our operations, our products, our communities, our employees and the protection of the environment, and are committed to continuing this process.

“

We are committed to improving the sustainability of our operations, our products and our communities while helping our suppliers and our customers to do the same. We call this ECOSMART™, and it means we are advancing global stewardship principles across our entire value chain.”

**JOHN F. LUNDGREN**  
CHAIRMAN & CEO

## **Building on Our Commitment to Sustainability**

Visit [2015yearinreview.stanleyblackanddecker.com](http://2015yearinreview.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 2015, Stanley Black & Decker launched SFS 2.0, extending this key driver of our operational excellence to encompass digital excellence, breakthrough innovation, commercial excellence and functional transformation. We also continued the application of core SFS principles and delivered year-over-year improvements in environmental waste reduction, energy conservation and water reduction.

Review our accomplishments and all our sustainability results at [www.stanleyblackanddecker.com/company/sustainability](http://www.stanleyblackanddecker.com/company/sustainability).



A person wearing a grey t-shirt, blue jeans, and white gloves is pushing a cordless lawnmower on a green lawn. The lawnmower is orange and black, with 'BLACK & DECKER' and '40V' visible on the side. The background is a lush green lawn with trees in the distance.

# OUR PRODUCTS

## **EMBEDDING ECOSMART™ INTO OUR PRODUCTS**

ECOSMART™ is integrating sustainable considerations into our product design process to assist in reducing the environmental impacts of our production processes and our products without compromising quality and value.



## ECOSMART™ and Our Brands

ECOSMART™ emphasizes our company-wide sustainability efforts both internally and to the public. In late 2015 we began to share sustainability with our customers on select BLACK+DECKER and DEWALT product packaging through the use of QR codes and the ECOSMART™ brand trademark. Our immediate focus is to inform our consumers through improved website enhancements about sustainability at Stanley Black & Decker as well as share project-specific ideas to help our consumers design sustainability into their everyday lives.

## Life Cycle Assessments

In 2015, we increased our Life Cycle Assessment methods to identify the environmental footprint and environmental impact of our products. This approach allows us to identify sustainable opportunities for improvement, highlighting material choice, supply chain and energy opportunities that may otherwise not have been realized. We keep sustainable product performance at the forefront of customer satisfaction, in line with other attributes such as quality, performance and value.

As part of the European Commission’s Product Environmental Footprint Pilot Project, we used the category rules and tools to perform a pilot project on one of our battery charger systems. Upon completion, the report will be presented to the European Commission—keeping Stanley Black & Decker at the forefront of legislation development in the field of Life Cycle Assessment and Product Environmental Footprint.

## Sustainable Process Innovation

Since 1970, the STANLEY Engineered Fastening facility in Danbury, Connecticut, has colored select Heli-Coil inserts “red” per customer specifications, which involved an air permit, a solvent mixture, a natural gas catalytic oxidizer and a fire-resistant room. In March 2015, the facility turned an ECOSMART™ eye onto the process to improve it ecologically, economically and socially. The entirely new coloring application process delivered a 100% solvent-free process, increased productivity 10 times, improved product quality and customer satisfaction, and delivered \$23K in annual cost savings.

**10X productivity gain with new 100% solvent-free process**





# OUR PEOPLE

## **BUILDING A BETTER TOMORROW**

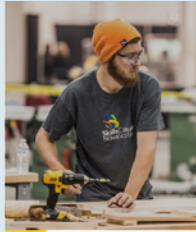
Every day, Stanley Black & Decker makes an impact in communities around the world. And it's not just the homes we help build with our tools, or the schools we protect with our security systems. It's also a deep and longstanding commitment to stepping up and bettering our communities. It's our Stanley Black & Decker associates at work improving the world around us, every day.

## Committed to Building a Better Tomorrow



### BUILD HOMES

We support the construction of safe, decent, and affordable housing for those in need.



### BUILD SKILLS

We encourage math, science, engineering, and technical education.



### BUILD MIRACLES

We assist in safety, security, and operating support for medical institutions.



### REBUILD COMMUNITIES

We support emergency and disaster relief services around the world.



### BUILD PRIDE

We provide veteran support to thank those who have served our country.



### BUILD A BETTER TOMORROW

We contribute our efforts to upholding William Hart's vision as a citizen of the world.

## Stanley Black & Decker's Charitable Impact By the Numbers

# +19%

### TOTAL IMPACT:

We increased our financial giving by 19% in 2015.

# \$6M

### FOR HOUSING AND REBUILDING:

Assisted 200,000 volunteers with more than \$6 million in borrowed tools value.

# \$1.5M

### FOR VETERANS:

Sponsored benefit events for more than 3,000 veterans, families and friends to raise awareness, raising \$1.5 million.

## ECOSMART™ Roadmap Emphasis Program

Our ECOSMART™ Roadmap provides our facilities with a pathway to exceeding regulatory compliance and creating management systems excellence, while providing a scorecard to measure our progress. Using historical data, several “emphasis” Roadmap elements were selected in 2015 based on their importance to our employees. Examples included powered industrial vehicle safety, machine guarding, environmental aspects/impacts and safety hazards/risks. This program is specifically designed to drive above and beyond performance as we continue to achieve world-class levels on our standard metrics.

**50% decrease in global injuries related to the use of powered industrial vehicles in 2015 versus 2014**

### Improving Flow to Increase Safety

In 2015, our Mexico City Distribution Center optimized the location, flow and amount of inventory to reduce worker movements and improve storage ergonomics. The team was able to optimize the layout in the Distribution Center resulting in a 30% reduction in employee total travel time while filling orders and increasing efficiency resulting in a 50% reduction in customer claims.





# OUR PLANET

## **EMBEDDING ECOSMART™ IN OUR OPERATIONS**

ECOSMART™ is identifying environmentally related strategies to ensure we stay ahead of climate-related influences and reduce the environmental impact of our operations.





## Find & Eliminate

Find the environmental impact or wasteful activity and eliminate it! The Find & Eliminate program is aligned with our annual company goals for energy, waste and water reductions and is designed to allow our sites to identify specific projects aimed at those reductions. All of our facilities develop a three-year project plan to achieve their sustainability goals. These projects are then presented to both operational leadership as well as Global EHS.

**108 global Find & Eliminate presentations were completed in 2015, showcasing over 370 projects**

## Water Scarcity

Our global water strategy has been designed to improve our water discharge quality, reduce water consumption and better prepare us for the future effects of water scarcity. Our strategy includes managing where we will expand operations, acquire companies or build new facilities to ensure water scarcity concerns are understood and addressed. In 2015, we charted our manufacturing and distribution network using the World Resources Institute Aqueduct Water Risk Atlas tool.

**~70% reduction in water intensity since 2009**

## External Management System Certifications

Energy Management— In 2015, two of our European facilities became the latest to have successfully achieved the ISO 50001 certification in Energy Management: our Tools & Storage facility in Besançon, France, which manufactures STANLEY tape measures and saw blades, and our Engineered Fastening facility in Warrington, U.K.

Certifications Record in Usti— The Tools & Storage site in Usti, Czech Republic is Stanley Black & Decker's first facility worldwide to obtain five external accreditations:

- OHSAS 18001— EHS Management System
- ISO9001— Quality Management System
- ISO14001— Environment Management System
- ISO50001— Energy Management System
- SA 8000— Social Accountability Standard

## Supplier Social Accountability and Sustainability Performance

In 2015, we extended our ECOSMART™ philosophy to include our whole supply chain. We encourage our suppliers to advance sustainability processes that not only benefit themselves, but can be passed along the entire supply chain. The goal of our audits is to identify opportunities for improvement and to help our suppliers make beneficial process improvements for energy, waste and water reductions.

**180 of our Asian-based suppliers audited to capture and enhance their sustainability and EHS performance**

# ECOSMART™ SCORECARD

## Year 2020 Targets:

We are sharing our Year 2020 targets and 2015 ECOSMART™ Scorecard to further our ECOSMART™ commitment to reduce impacts on our people, our planet and our products.

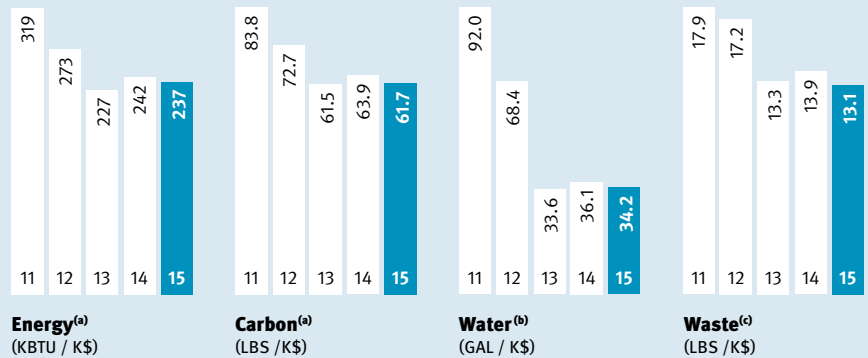
**Product:** Set a global standard by achieving external EMS certifications at 65% of our manufacturing and distribution center sites by Year 2020. Improve product sustainability and social accountability with the participation of select partner suppliers in CDP by Year 2020.

**People:** Drive the prevention of all global injuries with a goal of zero life changing injuries by Year 2020.

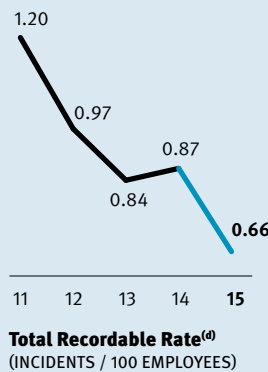
**Planet:** Reduce our environmental impacts (energy, water, waste, carbon) by an additional 20% over our 2015 baseline by Year 2020, through reducing our:

- Operational energy consumption by 20%
- Operational water consumption by 20%
- Operational waste generation by 20%. Of the total waste generated by Year 2020, 80% will have a reuse or recycling disposition
- Carbon emissions by 20% and sourcing 10% of global energy demand with renewable energy

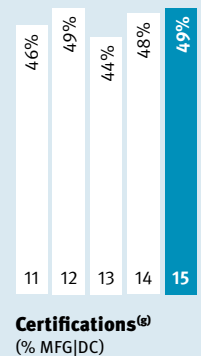
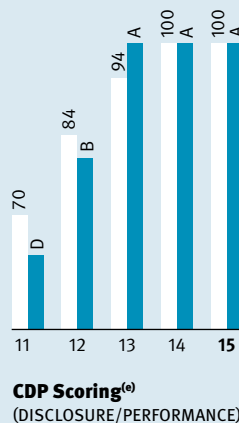
## Environmental Intensities:



## Safety Injury/Illness Rates:



## Management System:





## Safety Data:

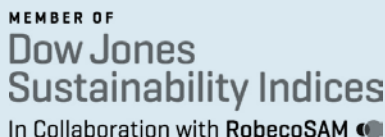
	2015	2014	2013	2012	2011
<b>INJURY   ILLNESS DATA</b>					
Total recordable injury   illness	356	470	431	496	565
Lost time injury   illness	102	148	113	159	194
Lost days due injury   illness	4,090	4,953	3,561	5,322	5,525
Work hours in thousands	107,099	108,201	102,860	102,443	93,791
<b>TOTAL RECORDABLE INCIDENT RATE</b>	<b>0.66</b>	<b>0.87</b>	<b>0.84</b>	<b>0.97</b>	<b>1.20</b>
<b>LOST TIME INCIDENT RATE</b>	<b>0.19</b>	<b>0.27</b>	<b>0.22</b>	<b>0.31</b>	<b>0.41</b>

- (a) Energy intensity in kilo British thermal units, CO<sub>2</sub>e carbon dioxide equivalents intensity in pounds, both per 1000\$ production costs.
- (b) Water consumption in gallons per 1000\$ production costs.
- (c) Waste intensity in total generation pounds per 1000\$ production costs.
- (d) Total recordable rate and Lost time rate = # of applicable incidents per 100 employees per year.
- (e) CDP scoring from SBD annual submissions to this sustainability transparency initiative – numerical disclosure score and performance letter band.
- (f) Percentage of factories and distribution centers undergoing an external EHS compliance audit.
- (g) Percentage of factories and distribution centers certified to International Standards Organization (ISO) 14001 Environmental Management System Standard, ISO 50001 Energy Management System Standard, British Standards Occupational Health Safety Assessment Series 18001, Social Accountability International 8000, and/or other applicable management system standards.



### CARBON DISCLOSURE PROJECT

We have been identified as a U.S. and world leader for corporate action on climate change by the CDP, the international nonprofit organization that supports sustainable economies. Globally, we were named to the Climate “A” List for actions and strategies in response to climate change. In addition, we were awarded a position on the S&P Climate Disclosure Leadership Index (CDLI) recognizing the quality of climate related data that is disclosed to investors and the global marketplace.



### DOW JONES SUSTAINABILITY INDEX

In 2015, for the fifth consecutive year, we were listed on the Dow Jones Sustainability North America Index in the IEQ Machinery and Electrical Equipment category. The Dow Jones Sustainability North America Index tracks the performance of the top 20 percent of the 600 largest United States and Canadian companies in the S&P Global Broad Market Index that lead the field in terms of sustainability.



### NEWSWEEK GREEN RANKINGS

We earned a top spot on the Newsweek US Green Rankings for 2015, ranked 18th for our corporate sustainability and environmental impact—outperforming every peer and competitor on the list. This is the fourth year in a row that we have been named to the Green Rankings, but our first year being ranked in the top 100.



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