

Our commitment to a sustainable future.

BUILDING ON

SOCIAL RESPONSIBILITY

STANLEY BLACK & DECKER AT-A-GLANCE

A GLOBAL DIVERSIFIED INDUSTRIAL LEADER

Industrial \$1.8B

- STANLEY Engineered Fastening
- Infrastructure

Security \$2.1B

- Commercial Electronic Security
- Mechanical Access



Tools & Storage \$7.5B

- Power Tools & Accessories
- Hand Tools, Accessories & 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, 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 industrial channels to infrastructure solutions including pipeline construction and hydraulic tools.

SUSTAINABILITY AND BEYOND

BEING A FORCE FOR POSITIVE, NEEDED CHANGE EVERYWHERE WE WORK AND LIVE

At Stanley Black & Decker, we put a good deal of thought into who we serve and, as we grow, into the kind of business we want to be around the world.

First and foremost, we are here to be a successful, sustainable business. This means delivering value every day to our shareholders, customers, tradespeople and other professionals, consumers, our employees and business partners, while at the same time renewing our commitment to the communities we call home and the larger global community. Social responsibility is extremely important to me, our board, my senior team, and our 50,000+ employees around the world. Accordingly, it represents an integral part of our ongoing corporate agenda.

We see a great and growing need for responsible businesses on the global stage, and we intend to be a leader in this respect.

In recent years, we have focused our efforts on sustainability—on becoming ECOSMART™ across our global enterprise. But we realize this crucially important work is just the first step of a larger effort before us.

Our sense of purpose at Stanley Black & Decker is inextricably tied to a greater good. We create products, tools and solutions for the people who build, connect and protect the world.

We are **for those who make the world.**

This purpose gives us the capacity, and the passion, to be a uniquely human-centered industrial company. It provides us the direction to focus our future social responsibility efforts where they can have the most impact. This is a responsibility that all of us take to heart.

JAMES M. LOREE
President and Chief Executive Officer



OUR ECOSMART™ ADVANTAGE

ECOSMART™ signifies our commitment to a sustainable future and is embedded in everything we do, across our entire value chain. We continue to improve the sustainability of our operations, our products and our communities while helping our suppliers and our customers to do the same. This value has led to consistent recognition as a standout company with respect to our environmental, health and safety practices

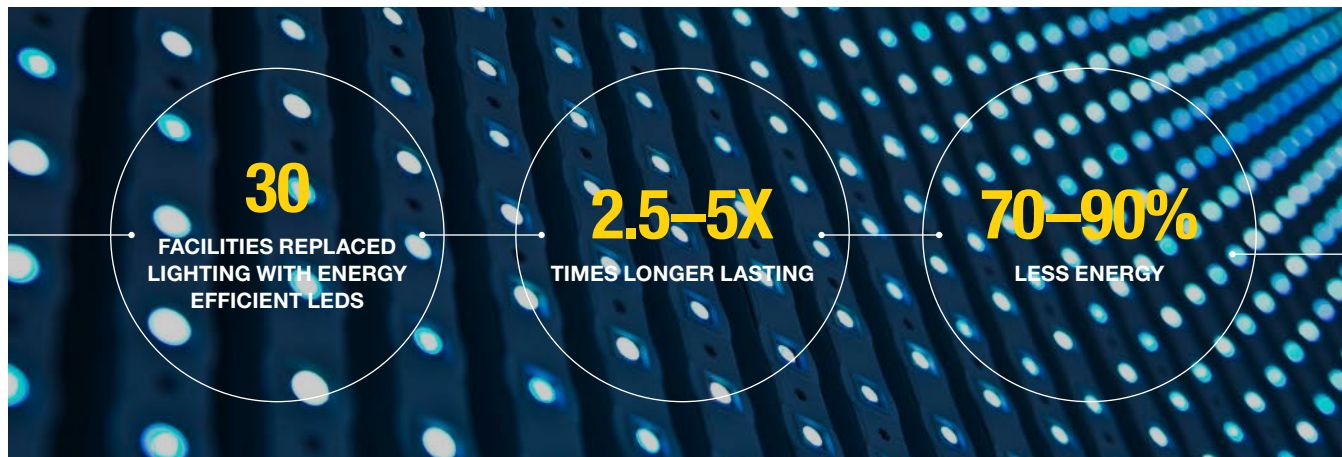


PLANET

FOR THOSE WHO MAKE THE WORLD CLEANER

As a responsible and human-centered industrial company, we continue to identify ways to reduce the environmental impact of our operations.

ECOSMART™ LIGHTING



Around the globe and across our businesses, over 30 of our facilities worked to replace lighting with energy efficient LEDs that also provide a consistently brighter work environment, resulting in improved employee safety and productivity.

LEADING RECOGNITION



CDP, an international nonprofit organization that supports sustainable economies, identified Stanley Black & Decker as a global leader in climate disclosure practices for the fourth consecutive year. CDP also named us to their Climate A List for our actions and strategies in response to climate change.

For the sixth consecutive year, we were named to the Dow Jones Sustainability Index for North America. This list is recognized as a benchmark for investors in several categories including Climate Strategy, Corporate Citizenship and Philanthropy, Human Capital Development, and more.

This recognition by the CDP and the Dow Jones Sustainability Index over multiple years reflects our readiness to meet future regulatory challenges and adapt to changing market demands—and the growing strength of our ECOSMART™ culture of continuous improvement.

INVESTING IN THE FUTURE

We continue to replace outdated, inefficient equipment with modern machinery that helps save energy and reduce waste. For example, our GQ Tools plant in Qidong, China, replaced its injection molding machine with a more energy efficient model, eliminating over 10,000 kilograms of material scrap and 31,000 kW of electricity from the manufacturing process annually, while significantly reducing manufacturing lead time. Installation of a Modified Alcohol Washer at our Engineered Fastening plant in Danbury, Connecticut, eliminated all use of water, soap and treatment chemicals in the process.

SOLAR POWER INITIATIVES IN 2016


STANLEY Engineered Fastening's Infastech manufacturing facility in India is using solar panel technology to generate 21,900 kW of electric power annually, approximately half of the plant's total power requirements. At its Marietta, Georgia, plant, a roof-mounted 120 kW solar power system will result in a ten-year reduction of 2.1 million pounds of carbon emissions.

Our Tools & Storage Puebla, Mexico, manufacturing facility installed a solar thermal system for their hot water use, reducing CO₂ emissions by 10.9 tons annually. The plant also installed a Photovoltaic System to supply energy for lighting, which will reduce CO₂ emissions by 9.2 tons.

Our Besco, Taiwan, Power Tools plant installed a solar power system that will result in a 12% reduction in annual electricity expenditure. As an additional benefit, the solar panels, working as shields, can bring down the temperature in the production area by 4–6°F.

PEOPLE

FOR THOSE WHO MAKE THE WORLD BETTER

A construction worker wearing a bright yellow t-shirt and safety glasses is focused on his work. He is using a hammer to secure wooden beams on a roof structure. The scene is set outdoors under a clear blue sky, with green trees visible in the background. The wooden beams are light-colored and show some construction markings.

We see ourselves as a people company. Doing right by people remains a core value, and we strive to enhance our citizenship and philanthropy in our communities, and to build our reputation upon the good we do in the world.

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

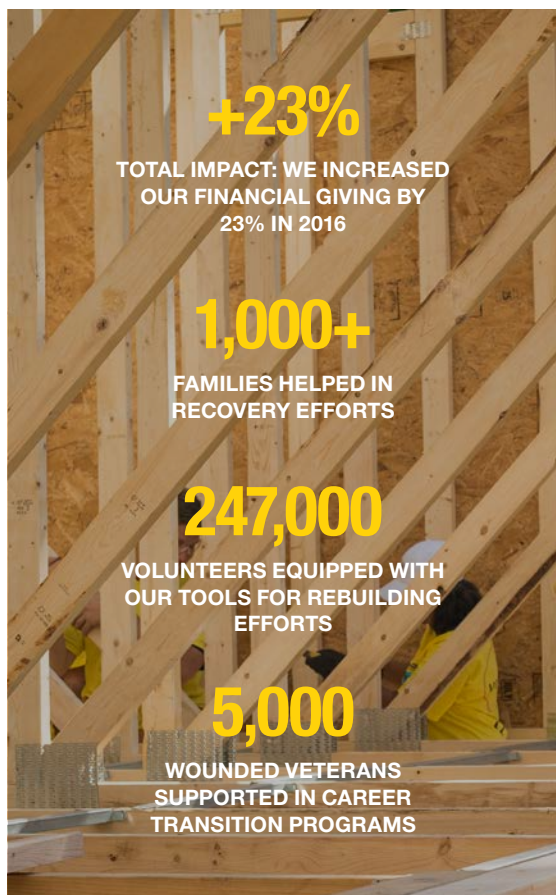
We provide veteran support to thank those who have served our country.



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



GUIDING THE NEXT GENERATION

We are helping to support the next generation by educating them in sustainability and environmental stewardship, in local initiatives around the globe. In Chachoengsao, Thailand, for example, our local Hand Tools & Storage team helped refurbish Watpimpawat primary school, provided training and bins for waste segregation, and conducted a drawing contest on "How to protect the environment in my community."

We are also asking young adults for help in refining our ECOSMART™ value proposition. Partnering with IULM University in Italy, we launched a student contest aiming to translate to consumers the "People" component of our ECOSMART™ strategy. Winners received internship contracts in our Tools & Storage European marketing office in the UK and in our Italian affiliate. IULM University will replicate the program in 2017, and we are launching similar ECOSMART™ student competitions in other European universities to further engage and inspire the next generation of talent.

PROMOTING HEALTH AND WELLNESS

Each of our facilities safeguards and promotes the health and wellness of its employees. We know that a healthy workplace is a productive workplace and a value that each employee can also transfer to others in the community. For example, in Besançon, France, our local wellness program MABOnnehumeur (My Good Mood) has offered employees opportunities to buy organic food baskets at work, receive free fruit during working hours and enjoy naturopathy sessions. In Johannesburg, South Africa, STANLEY Inspection partnered with Discovery Health, S.H.O.U.T. Organization and the local municipality to host an employee wellness event. This event educated employees on making healthy choices as it relates to body, mind and spirit, and included blood test screenings, and anti-stress treatments.

PRODUCT

FOR THOSE WHO MAKE THE WORLD SUSTAINABLE



We embed responsible principles into our products, encompassing everything from safety and ergonomics to reducing the environmental impacts of how we design, source, manufacture, package and distribute our goods.

Photo: STANLEY Dura-Glide GreenStar 2000/3000 Automatic Sliding Door Series



ECOSMART™ IN THE MARKETPLACE

STANLEY Engineered Fastening Provides ECOSMART™ Solutions

In 2016, the STANLEY Engineered Fastening global automotive team introduced plastic clips that are made up of 75% recycled materials, significantly reducing our customers' carbon footprints. These clips, which are primarily used for fuel and brake lines, enable automotive manufacturers to reduce CO₂ emissions by nearly nine tons per vehicle over its lifetime. That is equivalent to completely removing the CO₂ emissions of 243 C-class cars.

New STANLEY Access Technologies Dura-Glide Doors

STANLEY Access Technologies launched the Dura-Glide GreenStar, an energy efficient sliding automatic door that meets stringent air infiltration testing standards to help businesses save on average over \$500 per door/year in heating and cooling costs. The product answers market demand for energy-smart door technology. The Dura-Glide GreenStar was the third item to be designated as an approved ECOSMART™ product by our Corporate ECOSMART™ Sustainability Council. The other approved products include our battery operated lawn mower and leaf blower.

MAKE WHERE WE SELL

Our global manufacturing strategy has shifted toward a “make where we sell” model that enhances our responsiveness while reducing our environmental impact. To the extent we can, we are designing, sourcing and building products for a given market in that market. There are good business reasons for doing so, such as relevancy and familiarity to end users, that are not in themselves ECOSMART™ but the overall effect is to reduce various environmental impacts such as long-distance shipping and distribution.

EMPOWERING OUR PEOPLE

On the front end, sustainable considerations are integrated into our product design process. In fact, we are using our internal innovation crowdsourcing portal, The Drawing Board, to empower our workforce to create new generation ECOSMART™ solutions. In a friendly and future-focused competition open to all employees, we challenged our people to come up with ideas for existing or new BLACK+DECKER products that would deliver increased environmental sustainability worthy of being branded ECOSMART.™ The winning product prototypes have been moved into development.

SUPPLIER SOCIAL ACCOUNTABILITY AND SUSTAINABILITY PERFORMANCE

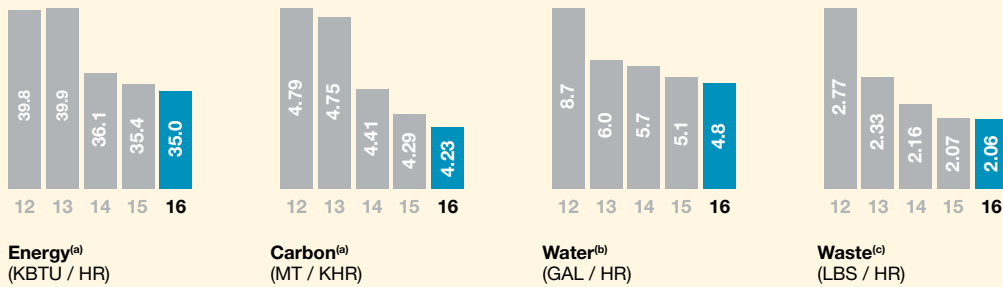
We continue to promote our ECOSMART™ philosophies throughout our supply chain. In 2016, we conducted close to 200 audits measuring supplier performance against the requirements of our homegrown Supplier Sustainability and Social Accountability program. Using SFS 2.0 principles, opportunities for improvement were identified that helped Stanley Black & Decker and our supplier partners assess and manage social accountability risks while reducing their energy and water usage and waste generation.

In addition to our in-house program, in 2016 we embarked on the online CDP Supply Chain program, inviting over 30 of our key suppliers covering approximately \$500 million in spending to join us on our sustainability journey. Collaborating with these strategic suppliers encouraged transparency in our supply chain and allowed our suppliers to benchmark their individual performance and highlight improvement opportunities. We will be encouraging even more suppliers to take part in this exercise in coming years.

ECOSMART™ SCORECARD

We are sharing our Year 2020 targets and 2016 ECOSMART™ Scorecard below to highlight our commitment to reduce our environmental impact and contribute to a more sustainable world.

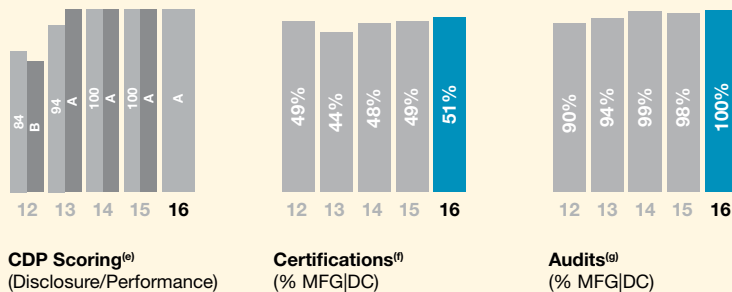
Environmental Intensities:



Safety Injury/Illness Rates:



Management System:



Safety Data:

	2016	2015	2014	2013	2012
Total recordable injury illness	376	356	470	431	496
Lost time injury illness	99	102	148	113	159
Lost days due injury illness	4,038	4,090	4,953	3,561	5,322
Work hours in millions	107.7	107.1	108.2	102.9	102.4
Total recordable rate	0.70	0.66	0.87	0.84	0.97
Lost time incident rate	0.18	0.19	0.27	0.22	0.31

- (a) Energy intensity in kilo British thermal units demand per work hour; CO₂e carbon dioxide equivalents intensity in metric tonne emissions per thousand work hours.
- (b) Water intensity in withdrawal gallons per work hour.
- (c) Waste intensity in total generation pounds per work hour.
- (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.
- (f) Percentage of factories and distribution centers certified to applicable EHS/Sustainability management system standards.
- (g) Percentage of factories and distribution centers that underwent an external EHS compliance audit.

YEAR 2020 TARGETS:

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

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.

