



Assurance Statement: AA1000

S&P Dow Jones Indices
ESG Analysis

Trucost was engaged by **Stanley Black & Decker** to assure the environmental data within its 2017 DJSI Questionnaire Response and CDP Climate Change Questionnaire Response

Intended users

The intended users of this assurance statement are the management and stakeholders of Stanley Black & Decker (hereafter, SBD).

Responsibilities of SBD and assurance provider

SBD management has sole responsibility for the preparation and content of its DJSI Questionnaire Response (hereafter, DJSI Response) and CDP Climate Change Questionnaire Response (hereafter, CDP Response). Trucost's statement represents its independent, balanced opinion on the content and accuracy of the information and environmental data.

Assurance standard

Trucost undertook the assurance in accordance with AA1000AS (2008) Type 2 moderate-level assurance:

- ✓ Evaluation of adherence to the AA1000APS (2008) Principles of inclusivity, materiality and responsiveness (the Principles)
- ✓ The reliability of specified environmental performance information (greenhouse gas emissions and water use)

Trucost used the Global Reporting Initiative (GRI) and the Greenhouse Gas Protocol to evaluate SBD's performance information and adherence to the AA1000 Principles.

Scope and limitations

Trucost was engaged to assure the data and claims in SBD's 2017 DJSI Response and CDP Response, encompassing the period of 1 January 2016 – 31 December 2016. Trucost was asked to assure reporting for Scopes 1, 2 and 3 greenhouse gas emissions (Scope 3 emissions for business travel, fuel well-to-tank emissions and emissions from waste management), as well as energy use and water use. Trucost verified the environmental impacts, as calculated by SBD, within the table in the next column. This was SBD's first year assuring water consumption across its facilities, for which it very effectively delivered data for the assurance process.

Description of methodology

Trucost's assurance activities included the following:

- Review of the processes by which SBD defines the sustainability issues that are relevant and material to its operations and stakeholders
- Interviews with managers responsible for sustainability performance and data collection
- Assessment of the extent to which SBD's sustainability activities adhere to the Principles
- Limited assessment of evidence provided to support key claims in both its DJSI Response and CDP Response

Metric	Source	Unit	Quantity
GHG Emissions—Scope 1	Stationary ¹ and mobile ² combustion	tCO ₂ e	79,241
Energy Consumption—Scope 1	Stationary ¹ and mobile ² combustion	MWh	384,368
GHG Emissions—Scope 2	Electricity	tCO ₂ e	260,236
Energy Consumption—Scope 2	Electricity	MWh	490,356
GHG Emissions—Scope 3	Well-to-tank emissions [Category 3]	tCO ₂ e	63,571
	Emissions from Mixed Municipal Solid Waste [Category 5]	tCO ₂ e	2,440
	Business travel (airline travel, car rental & hotel stays) [Category 6]	tCO ₂ e	22,426
Water Use	Process & non-contact uses	gallons	176,733,551
	Sanitary use		166,474,470
	Total withdrawals		343,208,021

¹ Includes natural gas, LPG, fuel oil, diesel, gasoline & methanol

² Includes fuel use in vehicles

Description of methodology (continued)

- Review of processes and systems used to gather and consolidate environmental data
- Verification of data accuracy for a selection of sites, including an audit of conversion factors and calculations

Findings, conclusions and recommendations

The Principles: Nothing came to Trucost's attention to suggest that SBD's DJSI Response or CDP Response does not adhere to the AA1000 Principles.

Data Reliability: Trucost did not find evidence to insinuate that the processes and systems in place to collect and collate data are such that the company's environmental performance would be erroneously described.

SBD has implemented effective processes to collect its environmental data, as well as calculate final impacts using that data. Trucost identified only minor discrepancies in raw data and calculations, which SBD corrected. Trucost recommends that SBD continue frequently collecting its environmental data and reviewing its accuracy throughout the year, including via



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Principle	Comments
<p>Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>SBD has continued to evolve its key stakeholder groups related to important environmental issues that also add value to its business. Both internal and external groups are represented, including the company's Board of Directors, investors, customers, government agencies and non-governmental organizations (NGOs). Internal company networks help identify specific entities with which to collaborate for individual environmental topics. One important constituent for environmental initiatives has been SBD's CEO. A new company lead began his role in 2016 and has brought even greater attention to these issues, elevating EHS, sustainability and CSR efforts to one pillar of the company's Strategic Plan. SBD collects stakeholder input through various mechanisms, such as investor calls, customer feedback, input from its facilities' neighbors and internal committees. The company reviews stakeholder comments on a case-by-case basis to determine whether it should integrate this input into its future efforts, along with vetting by the CEO and CFO.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>During 2016, SBD undertook its first formal materiality assessment with the assistance of the consulting firm SustainAbility. The firm assembled input from various stakeholders, which identified waste as a primary environmental concern, to the surprise of SBD managers. The materiality assessment findings will help guide SBD's priorities for facility reporting, metrics tracking and performance improvement. SBD expects to update this assessment in the near future, to continue clarifying which issues are most critical to its stakeholders and across industries. The company also examines its potential impact on society and philanthropy as another filter in selecting material focus areas. Furthermore, the company follows external metrics and standards, including DJSI and CDP, to characterize specific environmental issues as material—both currently and for the future. SBD tracks social metrics such as workplace safety, hours of volunteering, charitable giving and employee diversity.</p>
<p>Responsiveness: an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders</p>	<p>SBD perceives its environmental and CSR performance as critical to its corporate leadership. The company understands that achievements in these areas also yields gains in its business priorities of customer satisfaction, product innovation and product safety. SBD also prides itself on its global CSR awards and recognition, which has enabled further attention to these efforts throughout its business activities and operations. Emanating from the CEO's office and other parts of the company, the prioritization of EHS, sustainability and CSR initiatives has percolated throughout the organization and is prioritized by employees at all levels. SBD responds to stakeholder concerns that most affect its business and operations. For example, customers' prequalification requests and investor relations calls increasingly are requesting SBD to report on its sustainability programs and achievements. The company also is responding to the changing societal expectations of corporate strategies. For example, SBD is exploring the possibility of establishing science-based targets for GHG emissions in the future, as well as analyzing how SASB standards may apply to its initiatives.</p>

Findings, conclusions and recommendations (continued)

its global facility managers and travel agencies. Specifically, SBD should collaborate with its partners to improve data collection, more comprehensively upload utility bills and supporting documentation to SBD's web portals, and verify these activities on a regular basis. Further, facility managers should ensure that they transfer correct consumption units from bills to the portals and detail any processes for estimating consumption as they are applied. Trucost also recommends that SBD update its GHG emission factors annually or as available.

Assurance provider

Trucost has been researching, standardizing and validating corporate environmental performance data since 2000. Trucost's research team has the relevant

professional and technical competencies and experience to conduct an assurance to the AA1000 standard. Trucost did not provide any services to SBD during FY2016 that could conflict with the independence of this work.

S&P Trucost Limited
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