



Assurance Statement: AA1000

Trucost was engaged by **Stanley Black & Decker** to assure the environmental data within its 2016 Sustainability Report 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 Sustainability Report 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)

Trucost used the Global Reporting Initiative (GRI) and the GHG 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 2016 Sustainability Report and CDP Response, encompassing the period of 1 January – 31 December 2015. 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). Trucost verified the environmental impacts, as calculated by SBD, within the table in the next column.

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 the Environmental 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 the Sustainability Report

Scope	Source	Unit	Quantity
GHG Emissions— Scope 1	Stationary ¹ and mobile ² combustion	tCO ₂ e	90,668
GHG Emissions— Scope 2	Electricity	tCO ₂ e	252,713
GHG Emissions— Scope 3	Well-to-tank emissions [Category 3]	tCO ₂ e	64,239
	Emissions from waste [Category 5]	tCO ₂ e	2,630
	Business travel (airline travel, car rental and hotel stays) [Category 6]	tCO ₂ e	18,577

¹ Includes natural gas, LPG, fuel oil, diesel, gasoline and 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 Sustainability Report 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 environmental data are such that the company's environmental performance would be erroneously described.

SBD has implemented effective processes to collect its environmental impact data. Trucost found that, overall, SBD's emissions data and calculations were accurate. Any minor corrections in the data, emission factors or calculations were made, as necessary. Trucost recommends that the emission factors be updated annually or as available. Trucost also recommends that SBD continue to continually collect and analyze its environmental impact data, including collaborating with its suppliers and external data collectors such as business travel agencies.



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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 regularly reaches out and responds to its identified stakeholders, which include its employees, customers, investors, peer companies through industry associations and nonprofit organizations, among others. For example, SBD has developed and utilizes its ECOSMART program to educate employees about the company’s sustainability objectives and engage them in specific activities throughout the year. SBD identifies key external stakeholders through conversations among various internal teams—such as investor relations and risk management—to ensure it is receiving sustainability input from a diversity of sources. SBD also networks with external groups and monitors industry sustainability standards to remain up-to-date on critical issues.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>SBD identifies material issues through both its own internal monitoring and risk assessment of its sustainability impacts, as well as using external metrics and standards, such as the Dow Jones Sustainability Index, CDP and the EPA SmartWay program. Requests from customers—including completing the CDP Supply Chain questionnaire—also inform SBD’s attention to specific sustainability issues. Such customer requests have doubled during the past year. Customers also are increasingly inquiring about SBD’s internal sustainability management system and sending related questionnaires for the company to complete. SBD tracks both environmental and social metrics annually, including GHG emissions, energy intensity, water intensity, waste intensity, EHS performance and corporate citizenship impacts. This year, for the first time, SBD has included reporting on its sustainability metrics within its annual financial report, demonstrating the company’s increasing prioritization of sustainability issues. SBD currently is undertaking a formal materiality assessment and the project findings will inform its sustainability program and impact measurement going forward.</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 views its stakeholder interactions as two-way dialogues through which the company and the stakeholder can better understand one another’s sustainability concerns and perspective. For example, audits of its suppliers’ operations help clarify issues on which to collaborate and correct. SBD also is integrating these auditing metrics—both environmental and social responsibility metrics—into its supplier engagement, so that the company and its suppliers can respond most effectively to these material considerations. During strategic planning sessions, SBD reviews sustainability factors raised by external stakeholders or internal teams. The sustainability issues that are identified as most critical are addressed throughout the company and raised to the level of senior management. To help focus the company’s responsiveness to sustainability concerns, SBD has established Guiding Principles signed by its CEO and Chairman. Trucost recommends that SBD continue to identify and prioritize sustainability concerns that arise within its industry, from stakeholders and through its formal materiality assessment, so the company can strengthen its corporate citizenship and social responsibility.</p>

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 FY2015 that could conflict with the independence of this work. This is the fifth year that Trucost has assured SBD’s environmental data within its Sustainability Report and CDP Response.

Trucost plc
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Director



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