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Stanley Black & Decker

EHS Management

System Plan

Department: Corporate EH&S

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**STANLEY BLACK & DECKER
ENVIRONMENTAL, HEALTH AND SAFETY
MANAGEMENT SYSTEM PLAN**

A. Purpose and Scope

To be recognized as a world leader, Stanley Black & Decker's facilities must become the model for health & safety in the workplace and environmental stewardship. The purpose of this EHS Management System Plan (the "Plan") is to describe the core elements of Stanley Black & Decker's EHS Management System established in accordance with Stanley Black & Decker's EHS Guiding Principles (the "Guiding Principles") and Section I.23, Compliance with Applicable Laws, and Section V, Compliance with Environmental Laws, of Stanley Black & Decker's Business Conduct Guidelines (the "Business Conduct Guidelines") and individual facility needs. The Plan sets forth the overall strategy and organizational structure established to manage Stanley Black & Decker's EHS programs to prevent, or detect and correct, violations of EHS laws and regulations, the Business Conduct Guidelines and other applicable standards. Stanley Black & Decker will manufacture, distribute and market products globally in a responsible manner that protects employees, communities, customers and the environment. The success of the EHS Management System depends on commitment from all levels of the company. The Plan will enable the company and each facility to establish and assess the effectiveness of its EHS compliance program.

The **bolded** portions of the Plan represent minimum requirements. Non-bolded portions provide additional information to aid in implementation.

B. Applicability

This Plan applies to all employees and operating unit locations worldwide, including all manufacturing facilities, distribution centers, warehouses, field service centers, retail, SG&A locations and mobile units ("facilities") of Stanley Black & Decker and its subsidiaries and joint ventures (in which Stanley Black & Decker exercises decision making control over operations). Legal requirements may vary in different countries in which Stanley Black & Decker facilities are located. This plan must be applied in each country in a manner that complies with the respective legal requirements.

C. Responsibility

Stanley Black & Decker's General Counsel is the designated Corporate EHS Compliance Officer and is responsible for overseeing implementation of the Plan, for overseeing compliance with Stanley Black & Decker's policies, standards, and procedures, and reporting and providing advice to the Chief Executive Officer ("CEO") and the Board of Directors (the "Board") concerning such matters.

The Senior Vice President of Human Resources is responsible for overall coordination of the Plan and establishing corporate-wide EHS goals and objectives. The Senior Vice President of Human Resources, along with the Division Presidents, are responsible for implementation of the Plan, and compliance by all facilities with applicable EHS laws and regulations.

Each Division President is responsible for ensuring that all facilities in his or her Product Group implements the Plan and that corporate-wide EHS goals and objectives are communicated to and achieved by the facilities.

The Operations Vice Presidents and/or Directors, along with the Division Presidents, are responsible for ensuring that sufficient resources are available to the respective Senior Managers to properly implement the Plan at each facility and to achieve corporate-wide goals and objectives.

Each Senior Manager or manager with an equivalent role is responsible for ensuring that his or her facility complies with applicable EHS laws and regulations, implementing the Plan at his or her facility and fully integrating EHS considerations into the day-to-day activity of facility operations. Each Senior Manager will determine the actions necessary for successful implementation of the Plan based on the types and extent of EHS risks encountered at each location. Each Senior Manager is responsible for supplying sufficient resources to implement the Plan.

The Vice President of EHS will assist General Counsel, the Senior Vice President of Human Resources, the Division Presidents, the Operations Vice Presidents and/or Directors, and the Senior Managers in the implementation of the Plan.

Each employee is required to comply with all applicable EHS laws and regulations and the Business Conduct Guidelines. Each employee is responsible for knowing and following the EHS practices described to them. An employee having knowledge or suspicion of any condition that is or may be in violation of an EHS laws or regulations or the Business Conduct Guidelines must immediately report such information to his or her supervisor, Senior Manager or General Counsel. An employee who feels inadequately trained regarding EHS to perform a certain task must immediately discuss the concern with his or her supervisor.

D. Terms and Definitions

For the purposes of this EHS Management Systems Plan, the terms and definitions given in the ISO 14001:2004 and OHSAS 18001:2007 standards apply along with the following:

EHS – Environmental Health and Safety
EHS MS – Environmental Health and Safety Management System
KPI – Key Performance Indicator
JSA – Job Safety Assessment
SG&A - Sales, General and Administrative
CAP – Compliance Assurance Program
SCAT – Systematic Cause Analysis Technique

The term “the Plan” used in this and other system documentation applies to this corporate EHS management system plan.

The term “facility” or “facilities” used in this and other system documentation applies to all operating unit locations worldwide, including without limitation, all manufacturing facilities, distribution centers, warehouses, field service centers, retail, factory centers, SG&A locations and mobile units of Stanley Black & Decker and its subsidiaries and joint ventures (in which Stanley Black & Decker exercises decision making control over operations).

The term “Senior Manager” used in this and other system documentation applies to Plant Managers, Regional Field Operation Managers, General Managers, Directors, and all those who have ultimate responsible for a “facility” or “facilities”.

The term “Division President” used in this and other system documentation applies to subsidiary presidents, presidents responsible for a business segment, and all those who have ultimate responsible for a “division or business segment.”

The term “Corporate EHS Director and/or Manager” used in this and other system documentation applies to product group/business and regional directors and managers.

E. Elements of the Plan

1. EHS Management System Policy (“EHS Policy”)

Stanley Black & Decker will manufacture, distribute and market products globally in a responsible manner that protects employees, community, customers, and the environment. Stanley Black & Decker is fully committed to Environmental, Health & Safety (EHS) excellence. To achieve this standard of excellence, we have instituted an EHS Management System Plan based on the goals and guidelines of the International Standards of Operation for Environmental Management (ISO 14001), Occupational Health and Safety Assessment Series (OHSAS 18001) and Guiding Principles. These include the prevention of injuries, the prevention of pollution, and compliance with all relevant legal and other requirements. Further, to enhance the quality of our facility and surrounding communities, Stanley Black & Decker is committed to continual improvement with respect to its EHS performance and to share with our community, suppliers and customers our results and the best practices we learn.

a. Communication of EHS Plan & Policy

All employees must be made aware of Stanley Black & Decker's EHS Policy, Guiding Principles and Business Conduct Guidelines, which communicates to the employees management's concern, commitment and vision of EHS improvement and each employee's responsibilities to comply with applicable EHS laws and regulations.

The Guiding Principles and the Business Conduct Guidelines are central features of the Plan. They establish the standard of performance, and provide the framework for setting and reviewing EHS objectives and targets. They may also be useful as reference documents for the enforcement of EHS policies, practices and procedures.

Plant Managers must ensure that all employees are made aware of the Guiding Principles and that they understand that top management considers compliance with EHS laws and regulations, environmental stewardship, and protecting the health and safety of all employees' top priorities for Stanley Black & Decker.

The Business Conduct Guidelines shall be reviewed annually with all employees. All exempt employees are required annually to execute a statement certifying that they have reviewed the Business Conduct Guidelines, they will comply with such requirements, they understand that

employment at Stanley Black & Decker is dependent on compliance with such requirements, and they have a duty to report any violations of the requirements.

The Guiding Principles and Business Conduct Guidelines must be incorporated into new employee orientations.

2. Resources, Roles and Responsibility

a. Vice President of EHS

The Vice President of EHS (with assistance from Corporate EHS Directors and Managers) will provide the overall leadership, strategic guidance and professional expertise to implement the Plan and meet Stanley Black & Decker’s EHS goals and objectives. The Vice President of EHS will:

- Implement a company-wide EHS management system;
- Identify EHS best management practices for implementation on a company-wide basis, as appropriate;
- Develop metrics and analyze performance results;
- Provide strategic leadership, communications and guidance;
- Develop and lead an EHS support network to assist each Senior Manager;
- Provide a score card of overall EHS performance;
- On a quarterly basis, provide the CEO, CFO, COO, Senior Vice President of Human Resources, and Division Presidents with a report summarizing the company’s EHS performance; and
- Evaluate the effectiveness of the Plan and make recommendations for continual improvement.

The Vice President of EHS will report directly to the Senior Vice President of Human Resources.

The Vice President of EHS will assume the lead role in working with the facilities and General Counsel on all pending or threatened enforcement actions or claims against Stanley Black & Decker arising under EHS laws and regulations and act as a liaison between facility personnel and attorneys and consultants in connection with regulatory issues. The Vice President of EHS will also provide guidance on the investigation and/or remediation of Stanley Black & Decker’s current or former properties under the Strategic Program for Environmental Assessment and Remediation (“SPEAR”) and the assessment of the environmental condition of properties, and compliance status of businesses, that may be acquired.

The Vice President of EHS will establish policies and procedures aimed at reducing Stanley Black & Decker’s risk of cleanup liability at off-site waste treatment, storage and disposal facilities, including guidelines regarding waste minimization, site selection and minimization, and due diligence.

General Counsel (or outside counsel selected by General Counsel) will provide legal advice concerning EHS compliance matters and represent Stanley Black & Decker in all pending or threatened enforcement actions or claims against Stanley Black & Decker arising under EHS

laws and regulations. Facilities will not engage outside attorneys for EHS matters without prior approval from General Counsel.

Each Product Group must have a designated EHS Product Group Manager. The Corporate EHS Directors will provide a Corporate EHS Manager for each Product Group. Regional EHS Managers will also be designated to support a specific region. The Corporate EHS Directors will use appropriate due diligence to ensure that each person selected has the appropriate qualifications.

Each facility must have in place a structure to manage its EHS program. The EHS program should be organized to achieve maximum effectiveness. Organization entails an understanding of EHS roles and responsibilities, appropriate technical staffing, as well as a capability to provide overall strategic direction and support to facility-wide prevention efforts. Each facility will develop a written EHS Management System Plan, which will be reviewed and approved by the Corporate EHS Managers for content.

It is recognized that certain facilities, due to their small size and/or nature of operations, will not have the same needs as other facilities, nor the infrastructure to implement the Plan. The Senior Vice President of Human Resources, along with the respective Division Presidents, will ensure that those facilities are provided resources, expertise, and other assistance to implement the Plan. In light of this, certain provisions are not directly applicable to such facilities.

b. Corporate EHS Directors and Managers

The Corporate EHS Directors and Managers will provide the strategic guidance and professional expertise to implement the Plan and meet Stanley Black & Decker's EHS goals and objectives. Corporate EHS Directors and Managers include both product group and regional managers. The Corporate EHS Directors and Managers will:

- Support the company-wide EHS management system;
- Provide strategic leadership, communications and guidance;
- Analyze the EHS scorecard and overall EHS performance;
- Mentor and develop EHS Coordinators and facility teams to drive corporate EHS strategies;
- Identify training objectives and provide guidance to facilities to meet such objectives;
- Translate corporate requirements into site-specific targets and goals;
- Ensure facilities maintain current EHS data on the EHS website;
- Provide guidance for facilities to use in selecting waste vendors;
- Oversee and assist EHS Coordinators during facility restructuring projects or major process changes to verify that required environmental permits are obtained at any facility prior to the installation or modification of equipment or process change;
- Assist Senior Managers in the recruiting and training of EHS Coordinators;
- Liaison between facility management and government agencies on regulatory issues
- Coordinate annual EHS audits to support compliance certification, provide oversight of audit corrective actions, and reporting on audit results, as necessary; and
- Identify EHS best management practices for implementation on a company-wide basis, as appropriate

c. Senior Managers

Senior Managers have primary responsibility for EHS compliance and the implementation of the Plan at his or her facility. Senior Managers, with assistance from the Corporate EHS Directors and/or Managers, must provide overall strategic direction and support to the facility-wide EHS efforts including financial and human resources. The responsibilities of the Senior Managers are described in this Plan and the EHS Compliance Assurance Letter and generally include:

- Review and approve facility-wide policies, programs and other initiatives;
- Critically review EHS plans;
- Approve the necessary human and financial resources to administer the Plan;
- Designate an EHS Coordinator;
- Review the status of on-going programs;
- Provide direction to the EHS staff;
- Ensure that employees are trained in appropriate EHS procedures;
- Sustain interest and communications in EHS concerns throughout the facility;
- Provide appropriate incentives to managers and employees to perform in accordance with EHS laws and regulations, the Business Conduct Guidelines and other standards, including recognition of exemplary performance and consistent enforcement through appropriate disciplinary mechanisms; and
- Ensure that appropriate procedures and activities are in place to achieve and maintain compliance.
- Report all agency interactions, NOV's, violations to your designated Corporate EHS Leader

d. EHS Coordinators

Each facility must have a designated EHS Coordinator to take responsibility for coordination of the EHS program. The Corporate EHS director and/or manager will assist the Senior Manager in the selection of an EHS Coordinator by reviewing the resume and participating in the interview process, and other aspects of the selection process. They will use appropriate due diligence to ensure that the person selected has the appropriate qualifications.

EHS Coordinators with part-time functional EHS responsibilities must devote sufficient time to the program to provide the necessary staff support for line management to meet the facility's established EHS goals and objectives, and the requirements of this Plan.

The EHS Coordinator is responsible for advising their Senior Managers on applicable legal and other requirements.

The EHS Coordinator is responsible for:

- Understanding all requirements under the facility's environmental permits and communicating such requirements to facility management;
- Developing, completing and filing all necessary documentation and/or reports in accordance with applicable reporting and record keeping requirements;
- Completing a compliance calendar for all required activities and reporting obligations;

- Developing and maintaining all environmental, health, and safety programs;
- Identify, participate in and/or lead agency inspection response requirements;
- Providing regulatory oversight of the operation and maintenance of pollution control equipment and monitoring devices;
- Understanding solid and hazardous waste laws and regulations applicable to the facility's wastes, identifying hazardous and non-hazardous wastes, and ensuring the proper management and disposal of such wastes;
- Working with purchasing and manufacturing to evaluate opportunities for recycling and waste reduction, reducing energy consumption, conserving water and evaluate new raw materials or replacements for existing raw materials;
- Identifying and implementing EHS training programs for employees and contractors; and
- Coordinating industrial hygiene surveys, safety reviews, hazard analysis, accident investigations, and analyzing trends in injury/illness experience and hazards identified at the facility.

e. Line Management

The responsibility for the execution of the EHS program is a line management function. Active participation in the program at all levels of the line organization is absolutely necessary if program objectives are to be met.

Each facility must ensure that the roles and responsibilities of line management and the EHS staff are clearly communicated and understood. Line managers must understand that they play a significant role in the implementation of the Plan, assisting in conducting audits and routine and frequent inspections, assisting in initial incident investigations (e.g., environmental spills, releases, injuries, etc., and their associated follow-up activities), enforcing rules and procedures, identifying improvement opportunities and training employees on EHS aspects of their jobs.

f. EHS Committee

Each facility will establish an EHS Committee to ensure that line managers and employees are actively involved in hazard assessments, accident investigations, work analysis, EHS training and evaluation of the EHS aspects and impacts of the operation.

The EHS Coordinator will establish the method of selecting employee members; the length of service of members; committee meeting requirements (e.g., frequency, quorum rules, and minutes); the committee's roles and responsibilities, such as the frequency and scope of committee inspections, role in accident investigations; role in hazard notification; and the training of the committee members.

3. Authority and Accountability

Each Senior Manager's EHS performance will be assessed as part of his or her overall performance review. Key considerations will include EHS compliance, injury rates, Road Map score, results of EHS compliance audits, degree of implementation of the Plan, energy and water conservation, waste minimization, and measurable improvement with respect to EHS

performance. The facility's overall KPI score on the Score Card (described below) and increasing or decreasing trends will be considered.

Managers and supervisors of all departments must be held responsible and accountable for the EHS management practices implemented in their area of responsibility. EHS performance must be made a key part of line management responsibilities and performance evaluations. This includes performing such functions as area inspections and audits, and employee training.

Job descriptions are a key management tool in assigning accountability. EHS considerations should be included as a job requirement in all relevant job descriptions, part of performance appraisals, and if applicable, incentive compensation measurements.

4. Hazards and Risks & Aspects and Impacts – Assessment, Prevention and Control

Every facility must establish a means to identify hazards and assess, prevent and control occupational health and safety risks and environmental impacts, and provide on-going surveillance of all facility operations as they relate to EHS activities. EHS Coordinators must identify the environmental aspects of the facility's activities, products, and services. The facility must also identify the environmental impacts associated with these aspects and the significance of these impacts on the environment. The facility must rank the aspects for use in setting objectives, targets, and programs and establishing necessary operational controls. The facility must assess activities and associated health and safety hazards, to determine which of the risks are considered significant. Health and safety hazard identification and validation must be conducted by the facility.

a. Assessment of Hazards and Risk & Aspects and Impacts

Senior Managers, with assistance from their EHS Coordinator, must assess inherent environmental impacts and health and safety hazards present in his or her facility.

A structured approach for determining inherent hazards and environmental impacts present at a facility should be developed and implemented. The types and extent of hazards and impacts determine the management systems and internal controls that should be present and functioning to prevent and control those risks. Assessment activities should include:

- A determination of the requirements for complying, identifying and understanding requirements and company standards, policies, procedures and best management practices, and,
- Using the Road Map, among other things, examining current EHS performance relative to location, operating unit and Stanley Black & Decker's corporate goals and objectives, and the factors affecting that performance.

b. Prevention and Control

Senior Managers and their EHS Coordinator must make a determination as to whether the necessary prevention and/or control strategies and systems (e.g., engineering controls, programs, procedures, training, etc.) are in place, inherent risks and impacts

are addressed, and the system is functioning effectively. Personal protective equipment will be used only when other controls and systems are infeasible or impracticable.

Assessment, prevention and control principles and practices must be applied in the planning, design, and layout of new buildings, processes, products, preventive maintenance activities and/or changes to existing facilities, and products, and in all property transactions.

5. Objectives, Targets and Programs

The Vice President of EHS annually will provide a three year strategic plan to the CEO, CFO, COO and the Senior Vice President of Human Resources, which they will use to establish Stanley Black & Decker's overall EHS goals, objectives, and action plans for such period.

Performance in the broadest sense, means not only establishing numerical goals but more importantly the implementation of activities, programs, and development of internal controls necessary to achieve those goals. The actions/objectives proposed to achieve goals should form the basis for an annual action plan. The plan should be in writing and the goals and objectives should support the Guiding Principles and Business Conduct Guidelines and Stanley Black & Decker's overall corporate goals. The action plans developed for this purpose should clearly define responsibility and accountability for completion. The three year strategic plan will guide the Senior Managers with respect to facility EHS goals, objectives and action plans.

Each facility must establish written EHS goals, objectives, targets and programs. Each facility will develop a written action plan, consistent with Stanley Black & Decker's three year strategic plan, to accomplish its goals and objectives.

Corporate EHS directors and/or managers will assist the facilities with the identification of EHS goals and objectives, which shall be measurable to the extent practicable, and development of action plans. Corporate EHS managers will ensure that the Compliance Assurance Program ("CAP") (described below), the EHS measurement system, and other programs are fully utilized for this purpose.

6. Legal and Other Requirements

Compliance with EHS laws and regulations, the Business Conduct Guidelines, established rules, procedures, EHS standards and practices must be enforced by the Senior Management and line management.

The facility must consistently and visibly enforce Stanley Black & Decker's policies, standards and procedures through appropriate disciplinary mechanisms in accordance with applicable corporate policies, including, as appropriate, reprimand, probation, suspension, reassignment, demotion, suspension, termination, and reporting individuals' conduct to law enforcement authorities.

E-mail notifications of impending compliance events via the compliance calendar help EHS Coordinators and EHS staff manage facility specific EHS regulatory obligations. The system will

provide EHS Coordinators with the information needed to provide efficient delivery and improvement of proactive services.

a. Use of Restricted Materials

Corporate EHS designates specific materials, the use of which in manufacturing or in products is prohibited, restricted, or controlled. The purchase and use into products of a restricted material, is prohibited unless approved by the Vice President of EHS. Regardless of legal requirements, all EHS assessments shall include a review of risks related to the current or historical use, storage, or disposal of restricted materials at the facility.

7. Evaluation of Compliance

Stanley Black & Decker has a commitment to compliance by establishing, implementing and maintaining a periodic evaluation of all applicable legal and other requirements.

a. Third Party Compliance Audits

Routine facility inspections will be supplemented by periodic formal compliance audits by outside consultants or lawyers pursuant to Stanley Black & Decker’s Compliance Assurance Program (“CAP”). In accordance with the CAP, Senior Managers will submit annual EHS Compliance Assurance Letters to the General Counsel certifying that facilities are in compliance with EHS laws and regulations and Stanley Black & Decker’s policies and procedures, or that the activities to achieve compliance will be conducted.

The CAP is an interactive audit program that identifies problems and creates effective solutions. The CAP includes third party compliance audits and the EHS Assurance Letter process. Compliance audits will be conducted at all facilities on a periodic basis. The audits may be multi-media, covering all EHS laws and regulations, or focus on specific aspects of such laws and regulations.

Under the CAP, the company will retain outside legal counsel to provide legal guidance to the company concerning compliance of its facilities. To do so, legal counsel will conduct audits, retain consultants or retain Corporate EHS director and/or manager to conduct the audit. The Corporate EHS Managers manage and monitor the CAP. He or she is responsible for the selection of facilities for EHS audits, coordinating schedule with legal counsel, oversight of audit corrective actions, managing Stanley Black & Decker’s compliance audit tracking system of audit findings and corrective actions, and reports to Stanley Black & Decker’s management on audit activities.

The compliance assurance tracking system is a valuable tool for EHS Coordinators, Senior Managers and line managers because it allows them to track corrective actions for violations discovered during audits as well as enter and track progress toward other objectives. A Corporate EHS Manager will oversee the implementation of each facility’s corrective action plan, manage the facility’s follow-up on audit recommendations from compliance audits, and report to the Vice President of EHS on CAP activities.

b. Compliance Assurance Letter

EHS Compliance Assurance Letters will be submitted by Senior Managers to certify that facilities under their control are in compliance with EHS laws and regulations and Stanley Black & Decker's policies and procedures or that appropriate actions will be taken to correct non-compliance. The EHS Compliance Assurance Letter process is a tool used to assure upper management that all EHS responsibilities are being met, and long-term exposures, liabilities and associated costs are being avoided or minimized. A signed letter will be submitted annually to the General Counsel by each Senior Manager certifying that his or her facility is in compliance with EHS laws and regulations and Stanley Black & Decker's policies and procedures.

c. Internal Inspections and Audits

Routine review of EHS issues must be made on a continual basis by line managers and the EHS Coordinator. Each facility should develop a checklist of those items requiring periodic review, which should include inspections mandated by law and other inspections as determined by the facility.

Internal compliance audits may be conducted by a team from the Corporate EHS group. This audit could involve a review of the facilities roadmap performance or could be related to a specific regulatory program. The Corporate EHS managers will perform internal audits based on the perceived overall risk of the facility.

d. Agency Interactions & Notices of Violation (NOV)

All outside agency interactions must be reported immediately to a member of the Corporate EHS Team. An agency interaction is a written or verbal inquiry from an outside local, state, or federal environmental, health, or safety organization. It also includes any on-site inspections or visits from these agencies. Police, emergency medical response, and routine regulatory reporting are not normally included, but check with your local Corporate EHS Leader if there is a question.

An NOV is a written finding or multiple findings that violate an EHS law, regulation, rule, or decree. It may be communicated in a variety of formats including a notice of citation, inspection report, contravention, or improvement order. This document will indicate the violated law, rule or regulation. It will normally include a process to eliminate or reduce the severity of the NOV through a contest or appeal procedure. The NOV may also have an associated fine or penalty. All potential NOV's will be reviewed on a case-by-case basis by Corporate EHS and outside EHS attorneys.

All agency interactions and NOV's should be entered into the EHS Website, updated as needed, and closed out in a timely manner. Agency interaction are tracked and reported on our EHS Key Performance Indicator (KPI) scorecards and dashboards and communicated in monthly Business EHS Summary reports.

e. EHS Scorecard and Road Map

The EHS Scorecard is used to provide visibility of qualitative and quantitative results by facility. A variety of different metrics are averaged to determine a facility's final score. The score is used to rank each facility against other facilities. Separate Scorecards have been developed for

manufacturing and distribution, field services and SG&A. The EHS website contains a KPI Scorecard, Road Map scorecard, and audit and awards Scorecard. These three Scorecards roll up into the overall EHS Scorecard. The KPI Scorecard measures each facility's performance against the established quantitative goals. The Road Map Scorecard measures the facilities EHS programs and efforts towards continuous improvement. The audits and awards Scorecard incentivizes sites to achieve external recognition for their EHS efforts. EHS Scorecard tools include real time links to reports by business, segment, region and sector. The EHS Scorecard is reset every 3 years with new Road Maps and KPIs to ensure continuous process improvement.

The EHS Road Map is an appraisal of a facility's EHS programs and a way to measure a facility's ability to sustain continuous compliance. The Road Map is used to evaluate the facility's implementation of the EMS Plan. This appraisal produces a numeric evaluation of the facility management system's performance. The Road Map is a guide book for facilities striving for excellence. Road Map scores help the company identify those areas that require additional resources. It also reduces program variability between facilities and advances best management practices throughout the organization. The numeric scoring aspect of the Road Map allows each facility to gauge its performance against the rest of the company or a product group average.

8. EHS Training, Competence and Awareness

Specific EHS training and education initiatives must be developed to address inherent risks present at each facility, field service, retail and SG&A location. Initial training must include an orientation to the facility's EHS program and job-specific training. Training must also be initiated when employees transfer to new jobs or before operating process changes. The facility must develop procedures for training temporary employees, contractors or others who work on behalf of the company. Refresher training should be performed periodically as required by law, best management practice or as a result of an EHS incident.

A training plan matrix must be established annually that outlines who will be trained, the training topics and the date(s) that training will be conducted.

Training and education are fundamental components of a strong EHS system to manage inherent risks. Both have an enormous impact on program development, implementation, and maintenance. Education and training should not be limited to certain segments of the workforce but must be considered as an integral element of each employee's understanding of his or her job. As a minimum, training programs must meet all applicable legal requirements and should include:

a. Management Training and Education (including supervisors):

- Outline of facility and corporate policy on EHS compliance;
- Identification of inherent EHS hazards and risks at the facility;
- Identification of significant environmental impacts at the facility;
- Overview of relevant EHS laws and regulations;
- Roles and responsibilities of supervisors and line employees in the EHS program; and
- Education and training required by law for employees.

b. Employee Training and Education

- Facility and corporate policy on EHS compliance;
- EHS procedures specific to performing each job;
- Employees' EHS responsibilities and involvement in the EHS program;
- Handling and disposal of all toxic or hazardous substances and wastes;
- The importance of reporting to supervisors EHS incidents and violations of regulations and company standards; and
- Internal reporting mechanisms.

c. Professional Training and Education

EHS Coordinators and EHS staff members must enhance their professional education and skills through continuing education. The EHS Coordinator and other EHS staff members must develop sufficient technical skills, training and expertise to assess EHS conditions and to consult and advise management of appropriate prevention and control strategies.

The Corporate EHS Managers will provide assistance to Senior Managers to ensure that EHS Coordinators receive appropriate training. The Corporate EHS Managers will identify the types of training that are necessary. The Senior Manager will ensure that the EHS Coordinator receives such training.

The Vice President of EHS will periodically facilitate a meeting of all Corporate EHS Director and/or Managers and selected EHS Coordinators to discuss developments in EHS laws and regulations, new or modified EHS initiatives, and other relevant matters. A primary purpose of such meetings will be to provide overall direction and guidance to the EHS Coordinators concerning the implementation of the Plan.

Stanley Black & Decker's EHS Website will be utilized for interactive, continual training. In addition, Corporate EHS will provide periodic communications to review any best management practices, "lessons learned," and other relevant information to EHS Coordinators, Senior Managers, and other managers.

Documentation validating that the training has taken place must be maintained at the facility. These records should include as a minimum:

- Sign-in-sheets
- Date(s) of training
- Training course syllabus (e.g., a course outline)
- Verification and competence testing for regulatory training (e.g., test, written quiz, documented observations, etc.)

9. EHS Communications and Consultation

a. Internal Communication

Corporate EHS will establish and maintain a system to communicate pertinent EHS information to management and to Senior Managers and EHS Coordinators, including information on the

company's EHS performance, legal and regulatory developments, and implementation of the Plan. Corporate EHS will maintain Stanley Black & Decker's web-based internet EHS measurement and information management system "EHS Website". This internet system is comprehensive and highly automated and is designed to streamline and greatly accelerate critical EHS data-gathering and data-processing functions. The EHS Website contains records indicative of each facility's EHS performance, including, without limitation, Road Map scores, audit findings and corrective action tracking, injury and illness reports, and other records to facilitate oversight provided by the Senior Management and Corporate EHS.

Each facility must establish an on-going means of communicating EHS issues and information. This should include positive progress in the prevention of EHS incidents and records of compliance, as well as information on spills, EHS incidents, injuries and illnesses, violations of regulatory requirements and/or company standards, waste minimization, energy conservation and water conservation, etc. The communications system should include periodic scheduled EHS meetings held by Senior and line management.

Each facility must implement procedures to receive and respond to EHS complaints and/or concerns. The facility should establish mechanisms for internal reporting, without fear of retribution, of potential EHS incidents or noncompliance to line managers, the EHS Coordinator or Senior Management. Reporting mechanisms, to the General Counsel and Corporate EHS Directors, must be communicated to employees and assurances given that reports will be handled in a confidential manner. Line managers, EHS Coordinators and Senior Management must treat all reports seriously and confidentially in accordance with the incident investigating procedures discussed below.

b. External Communication

Any Stanley Black & Decker employee, who receives a request for EHS information or a statement of EHS concern or complaint is to notify the Vice President of EHS and Corporate EHS Director and/or Manager at the earliest possible time. The EHS Coordinator will create a record of the external communication by recording all communications within the Stanley Black & Decker Agency Interactions Log on the EHS Website.

A copy of this Plan or information pertaining to the EHS Policy will be provided to external interested parties upon request and with approval of the Vice President of EHS. Each facility will ensure that all contractors and vendors are apprised of the facility's EHS Management System and the importance of conformance with the EHS Policy. As appropriate, the EHS Coordinator at each facility will identify specific contractors, vendors, and/or others who work on behalf of the company, whose activities have a direct impact on significant environmental aspects or hazards or objectives and targets; additional communication with these entities will include a request to support the facility in managing significant aspects and hazards and achieving the objectives and target.

Stanley Black & Decker will continue to communicate its EHS performance publicly through the Carbon Disclosure Leadership Index, Dow Jones Sustainability Index (DJSI), Bloomberg Climate Innovation Index, and other selected reporting systems. Stanley Black & Decker will post its EHS

reports on the Stanley Black & Decker external website www.stanleyblackanddecker.com under the “sustainability” page.

c. Consultation

The Vice President of EHS will qualify all EHS consultants. Stanley Black & Decker will partner with and retain only such pre-qualified consultants. The Vice President of EHS will develop and implement the necessary programs to qualify EHS consultants.

d. Supply Chain Management

Stanley Black & Decker has expanded its sphere of influence to characterize the economic, environmental, and social accountability aspects of its supply chain by characterizing supplier footprints and developing their improvement tools. (talk to Colin to see if this needs updating)

e. Benchmarking

Corporate EHS will periodically participate in benchmarking studies concerning EHS practices and systems with companies considered as business leaders regarding EHS.

10. Operational Controls

Senior Managers and EHS Coordinators have the responsibility to develop compliance procedures, manuals and other materials appropriate for their facilities to identify how employees and contractors are to meet the requirements of EHS laws, regulations, permits, enforceable agreements and other sources of authority for EHS requirements.

Each facility must maintain its equipment to ensure effective operations and EHS performance. Job Safety Assessments (JSA's), Work Instructions (WI's) and/or Standard Operating Procedures (SOP's) shall be established and maintained in areas related to significant environmental aspects and health and safety risks, where their absence could lead to deviations from this Plan. New activities and processes are reviewed for EHS impacts and risks.

Monitoring and measurement equipment must be calibrated and verified at defined intervals. The SOP's or JSA's are documented and contain operating performance criteria including stipulating operating criteria where the absence of such information could have an EHS impact. The facility will ensure that all contractors, visitors, suppliers or others whose work on behalf of the company can impact the significant environmental aspects and health and safety hazards are provided relevant procedures and requirements related to those areas.

11. Performance Measurement and Monitoring

Facility EHS performance is summarized within the EHS Scorecards. A variety of different metrics are averaged to determine a facility's final scores. The scores are used to rank each facility against other facilities. The EHS Scorecards are updated by each facility frequently to enable directors and corporate EHS managers to detect trends which may identify the need for proactive management.

Each facility shall establish and maintain documented procedures for monitoring and measuring the key operational control characteristics of identified activities and services that can have a significant impact on the environment or present a significant health and safety hazard or risk. The EHS Coordinator will ensure that the manufacturer's recommendations regarding frequency of calibration and calibration and maintenance methods are followed whether the equipment is calibrated internally or by an outside vendor.

12. Emergency Preparedness and Response

Emergency response and contingency plans must be prepared to address the potential failure of primary prevention and control measures. Each facility should establish and maintain procedures in accordance with applicable laws to identify the potential for and respond to accidents and emergency situations, and for preventing and mitigating the EHS impacts that may be associated with them. The facility should periodically test such procedures where practicable and/or required by law.

13. EHS Incident Investigations

Each facility must implement procedures for incident reporting and investigation. EHS incidents (identified below) must be immediately reported to and investigated, as appropriate, by the EHS Coordinator, with support from line management. A record of incident investigations must be made, corrective action determined, initiated and reported to the Senior Manager, Corporate EHS Director and Corporate EHS Manager.

As a minimum, incident investigations must be performed for all EHS incidents as required under applicable laws and regulations and those involving spills or unpermitted releases of hazardous substances, injuries to employees or contractors, or incidents requiring notification to regulatory agencies. Additionally, near-misses of incidents deemed by management to be potentially serious, i.e., serious injury, uncontrolled environmental release, or other significant impacts, should also be investigated.

All investigations shall include:

- An assessment of nature of the incident, scope of investigation and analysis of root cause
- The means for implementing corrective actions to prevent recurrence; and
- Reporting to management and appropriate regulatory agencies.

The following types of incidents require immediate notification to Corporate EHS and, if appropriate, to General Counsel. These include injuries to employees, contractors and others working on behalf of the organization.

- Inspection or facility visit by any regulatory agency
- Spills or other unpermitted releases of pollutants, wastes or other hazardous materials, including the discovery of potential historic releases or waste disposal
- An EHS incident which has the potential to result in immediate harm or could reasonably be expected to attract media, public or regulatory attention
- Accidents that result in injuries that require hospitalization or fatalities

- Lost-time accidents
- Near miss incidents that could have resulted in loss of life or serious injury
- Any government request for information
- Government enforcement actions or third party claims
- Notice of events of noncompliance with EHS laws and regulations, including permit violations
- Notice of potential criminal misconduct, including without limitation, falsification of reports or monitoring data.

The Vice President of EHS will assume the lead role in working with General Counsel with respect to all such incidents.

Senior Management and, or Line Management must complete an investigation of all spills, unpermitted releases and lost-time accidents and report the results to Corporate EHS within 24 hours and provide written follow-up discussing the root cause and corrective actions within five business days. The Senior Manager will also report on measures taken to ensure that the problem does not recur.

The Incident Tracking Tool (SCAT analysis) located on the EHS Website should be used during this investigation process. This tool gives standardized classification of any incident, determination of its direct and indirect (root) causes, and corrective actions related to health and safety programs, program standards, and conformance to standards.

14. Injury and Claims Management – U.S. Only

The U.S. claims management process ensures that workers who are injured on the job receive appropriate monetary compensation. The EHS Website allows all facilities to enter incident data. The system automatically reports those details to the insurance carrier. The injury and claims process involves the monitoring of all incident investigations and results, total cost per claim, return-to-work and transitional duty, monitors medical providers in and out of networks, and claim closures. The EHS Coordinator or designee will communicate with the medical provider and provide all job descriptions to aid in the return-to-work process. The claims adjuster and EHS Coordinator or designee will review claims weekly or monthly to ensure the employee is progressing.

15. Nonconformity, Corrective and Preventative Action

EHS MS non-conformances are typically identified through activities such as internal audits, employee observations, agency interactions, management review, and other review activities. Each facility will report on actual or potential non-conformance. The facility will investigate the cause of the nonconformance, determine the corrective or preventive actions to be taken, and follow up to ensure the corrective and preventive actions have been fully implemented. SCAT analysis, five why's, fish bone diagram or other acceptable analysis process can be used to determine the root cause. If there is objective evidence that the corrective and preventive actions are complete and that they are effective, the facility can close out the nonconformance.

Where corrective action and preventative action identifies new or changed hazards or the need for new/changed controls, the facility shall perform a risk assessment. Corrective action or preventative action shall be appropriate to the magnitude of the risk encountered. **The facility must record and communicate the results of corrective and preventative actions taken.**

16. Internal Audit

Internal audits will be developed to monitor the on-going suitability, adequacy and effectiveness of the Plan. All processes and sections of the standard would be included. The status and importance of the activities being audited, (along with other KPI indicators, risk assessments and previous audit results), would help determine the frequency of the audit. Internal auditors would be required to be qualified based on education, training and/or experience and must be independent of the activities being audited.

17. Management of Change

Management of Change is a process which requires an assessment of all procedures, plans, and systems prior to a “change” to ensure that negative EHS impacts and risks will not result from changes in processes, raw materials, equipment or facilities. Even an apparent minor change may have significant consequence if not appropriately managed. This process is intended to give consideration to these changes at the planning stage and avoids additional risks, and the unnecessary costs needed to mitigate hazards at a later stage.

a. Facility, Equipment and Process Changes

The Senior Manager is responsible for ensuring that all necessary permits are obtained prior to the construction of new facilities or installation or modification of equipment or processes that will alter the type or quantity of air or wastewater discharges. Corporate EHS will provide assistance to management but it is the responsibility of the Senior Manager to identify such activities and notify Corporate EHS staff prior to conducting such activities.

Any new construction or expansion of existing facilities shall be done with input from the Corporate EHS and EHS Guidelines to incorporate best management practices and sustainability features to the extent possible.

b. New Product Development and Process Design and Modification

EHS implications will be considered in new product development and process design and modification.

As set forth in the Guiding Principles, Stanley Black & Decker will evaluate all potential EHS impacts in corporate decision-making with a view to enhancing conservation of energy, water and natural resources, pollution prevention, utilizing, wherever possible, environmental friendly materials and processes in the manufacture of products, in product packaging and in operating our facilities, and to provide a healthy and safe workplace for all employees. Those principles will be adhered to in new product development and process design and modifications.

- c. Managing Liabilities Relating to Environmental Contamination at Currently or Formerly Owned or Operated Properties

Stanley Black & Decker’s investigation and remediation projects will be managed through the Strategic Program for Environmental Assessment and Remediation (“SPEAR”) to ensure a safe and healthy environment for Stanley Black & Decker’s employees and neighbors, maximize Stanley Black & Decker’s ability to reliably assess environmental liabilities, and create an accountable system for effectively controlling costs.

SPEAR is based on four guiding principles, (1) reinforce business decisions by integrating sound environmental practices, (2) build and leverage partnerships with consultants and outside counsel, (3) develop site-specific plans to achieve project objectives, and (4) manage and track site-specific cleanup strategies to measure project objectives and to control costs and schedules.

SPEAR will be lead by a Corporate EHS Director (the “SPEAR Program Manager”). With few exceptions, all environmental remediation projects will be managed by the SPEAR Program Manager. The SPEAR Program Manager will qualify and partner with environmental consultants and with outside legal counsel selected by General Counsel. Unless specifically approved by the Corporate EHS Director or the SPEAR Program Manager, no other environmental consulting firm or law firm is authorized to work on environmental investigations and remediation projects.

Each Senior Manager must notify the Corporate EHS Director as soon as they are aware of any historic or current release of chemicals to soil or groundwater. Each Senior Manger involved in a SPEAR project will cooperate with the SPEAR Program Manager. Such cooperation includes, among other things, providing information, site access and resources to assist in the project.

The SPEAR program includes a number of checks and balances to ensure that project objectives are being met and financial accruals are accurate. Cost projections for each of the remediation projects are updated by the partner consultants on a quarterly basis. These projections are reviewed by the SPEAR Program Manager and discussed with the Corporate Controller so that the Company’s accrual level can be assessed. The SPEAR Program Manager holds meetings with each of the partner consultants, as necessary to review the status of significant remediation projects and challenge assumptions affecting the project direction and confirm, modify, or develop new strategies. Additionally, an external auditing firm will conduct audits of the SPEAR program, as needed.

With certain exceptions, the SPEAR Program Manager will arrange for the performance of an environmental assessment prior to any property transaction. A property transaction is defined as the purchase, sale, or lease (commencement or termination) of real property or business in the context of an acquisition, divestiture, closure or joint venture. Case-by-case exceptions to this program must be approved by the Corporate EHS Director, Vice President of Real Estate, or the Vice President of Business Development.

Performing an environmental assessment in connection with a property transaction provides Stanley Black & Decker with the information that it needs to identify and quantify costs of potential environmental liabilities; and establish a permanent written record or “baseline” of environmental conditions for defense against future claims. In connection with the divestiture of any manufacturing plant, the assessment allows Stanley Black & Decker to identify and, in many

cases, address environmental issues before the property is marketed by Corporate Real Estate. Stanley Black & Decker may obtain greater value for industrial property when there is up front knowledge and strategic, cost effective remediation and/or disclosure of environmental conditions.

Assessments are generally conducted in two phases: a Phase I assessment is an initial survey of potential environmental issues associated with a site, including current regulatory status and operational history, and is based on a record search and review, interviews of long-term employees, and a site tour. If potential areas of soil and groundwater contamination are identified during the Phase I assessment, a Phase II assessment may be conducted. A Phase II assessment generally includes the collection and chemical analysis of soil and groundwater samples to determine the nature and extent of potential contamination. An environmental assessment should be tailored to the particular nature of the property at issue and must take into account the legal or regulatory requirements of the particular country, state, province or locality. The determination of whether to conduct a Phase II assessment is made by the SPEAR Program Manager on a site specific basis after consideration of the technical information gathered during the Phase I assessment, as well as the timing and terms of a specific acquisition, divestiture, or joint venture.

d. Facility Decommissioning

A Corporate EHS Director and/or Manager will coordinate all plant decommissioning projects.

In connection with the shut-down of owned and leased facilities, the respective Corporate EHS Manager with assistance from a partner consultant will produce a list of environmental action items that need to be addressed as part of the overall site decommissioning program. These action items include the removal of unused chemicals, surface cleaning of paved surfaces where necessary, and decommissioning of plating line tanks, and other equipment. The Corporate EHS Manager will prepare a project monitor to address the environmental action items. The Corporate EHS Manager will review this list with the designated facility manager and develop a schedule and budget for addressing each item. The Corporate EHS Manager and facility manager will designate the person/party responsible for completing each action item.

The Corporate EHS Manager and facility manager will identify any ongoing reporting requirements for the site such as the filing of Form Rs, air emissions monitoring, SARA Title III Section 312 reports, RCRA biennial reports, and financial assurance in the following year. The Product Group EHS Manager will develop a tracking system to ensure that these ongoing requirements are met.

The Corporate EHS Manager and facility manager will assemble a facility deactivation binder to document environmental site conditions at the time of transfer or closure. The binder serves as the consolidated reference of all deactivation information. It will include results of the Phase I/Phase II investigations as well as any remedial measures taken to address an issue of environmental concern. It will also contain permit cancellations and regulatory notifications, as well as photographic and video documentation of site conditions. The binder will also contain a listing of historical contacts for the site and the ultimate location of the site's EHS related files. Once the binder is complete, it must be maintained by the Corporate EHS Manager (or designated person) for a period of two years. Following the two year period, the deactivation binder will be placed in the Corporate Archives.

Project leaders must engage the Corporate EHS Manager early in the transfer or closure process.

e. Integration

A Corporate EHS Director and/or Manager will lead all efforts in connection with the integration of a company or business. The respective Corporate EHS Manager will ensure all open items from due diligence are tracked to closure. An integration checklist will be used to address all EHS action items. The Corporate EHS Manager will review this list with the integrated facilities and will develop a schedule to aid in the completion of these items. The hiring or assignment of an EHS Coordinator is paramount to a rapid and successful integration.

Standard integration is the incorporation of SBD standards, policies and processes by an acquired merger/acquisition into the daily operations. An integration training tool will also be used to help educate the integrated facilities on Stanley Black & Decker EHS MS, policies, procedures, Scorecard, Road Map, etc. Typical timeline for integration is 12 months or less.

Light integration is generally reserved for the Global Emerging Markets (GEM) where local laws and regulations are not as stringent, extensive and/or enforced as the more established markets. Applicability of light integration for any given facility will be determined at the time of merger / acquisition or by senior corporate leadership.

Light integration is defined here in as a simplified process with extended timeline for new businesses or acquisitions. During light integration initial focus is on eminent / high risk items/conditions, such as those identified in due diligence process and implement required standards, while allowing the new entity more time to learn and realize those SBD standards that are above and beyond the local legal requirements.

Corporate EHS has developed timelines and path of work for executing light integration. These tools will be utilized by the integration team and can be modified on a case by case basis by the GEM EHS Manager in collaboration with the Regional and or Business Manger(s). These modifications will be based typically on the risk of the business, market and/or location(s).

18. Documentation and Control of Records

Each facility must prepare and maintain records indicative of its EHS performance. These records should include:

- Documents and records required by applicable laws and regulations;
- EHS training and meeting records;
- Incident investigations and corrective action reports; and
- EHS self-inspection/audit reports and corrective action reports.

A system must be established at each facility for managing documents prepared in support of the EHS program. Facilities must establish direct responsibility of maintaining these records as well as a protocol for responding to inquiries and requests for release of information. Maintenance of records related to the facility's EHS program is, in itself, a critical component of

that program. The following issues should be addressed and included in the documents management system:

- Confidentiality
- Security
- Access
- Retention
- Preservation for potential or pending litigation
- Availability
- Storage Back Up Requirements; and
- Distribution
 - Employee
 - Facility management
 - Corporate

The Senior Managers will be responsible for the implementation of the policy.

19. EHS Management Review

The Vice President of EHS will periodically evaluate the effectiveness of the Plan and the need for modifications and will report his or her findings to the Senior Vice President of Human Resources, Division Presidents, and General Counsel.

General Counsel may, at their discretion, retain an independent expert to audit Stanley Black & Decker EHS MS Plan.

Provisions must be made at each facility for the annual evaluation of the EHS program. The review of the EHS program at the corporate and facility levels shall address the possible need for changes to the EHS program in light of EHS management system audit results, CAP and Road Map results, changing circumstances and the commitment to continual improvement.

Revision Log:			
REVISION HISTORY			
REV	DATE	DESCRIPTION OF CHANGE	NAME
00	09/19/01	Initial Release	Kevin Nelson
01	7/26/10	Re-write and overall update	Kathryn Hinckley
02	11/3/10	Update to section 13 EHS Incident Investigation. Added verbiage related to contactor incidents and others working on behalf of the organization	Kathryn Hinckley
03	9/21/2012	Updated based on Thompson and Hine LLP review	Andy Kolesar & Kathryn Hinckley

