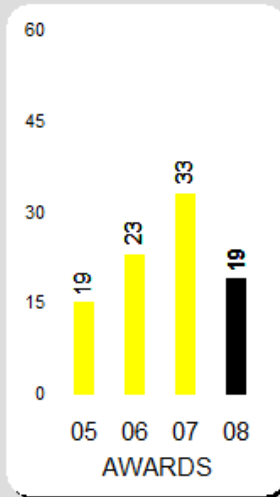
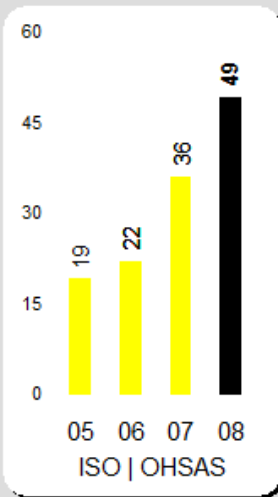
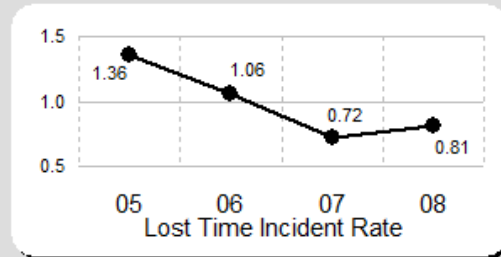
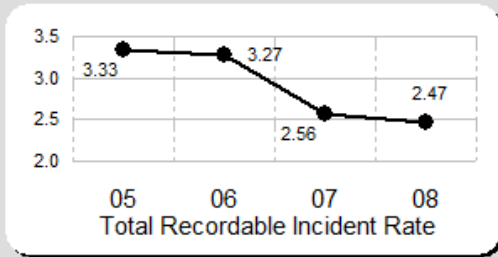
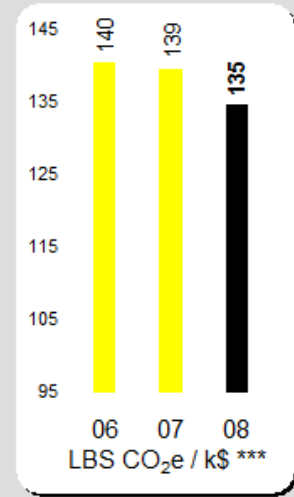
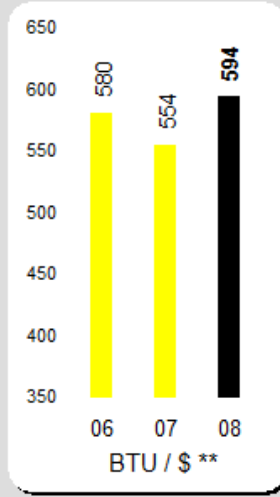
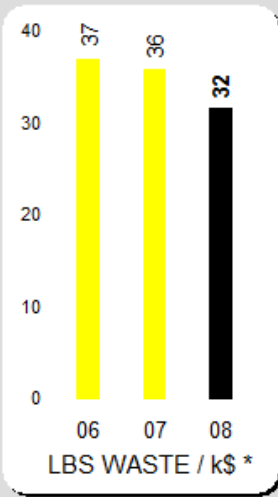

ENVIRONMENTAL HEALTH & SAFETY



2008 ANNUAL REPORT



	2005	2006	2007	2008
Injury illness data				
Total recordable injury illness incidents	538	518	448	437
Lost time injury illness incidents	220	168	127	143
Lost days due injury illness	5,005	3,812	3,079	6,331
Work hours in thousands	32,279	31,649	35,058	35,395
Total recordable incident rate	3.33	3.27	2.56	2.47
Lost time incident rate	1.36	1.06	0.72	0.81

TOTAL RECORDABLE INCIDENT RATE (TRIR) AND LOST TIME INCIDENT RATE (LTIR) = PER 100 EMPLOYEES PER YEAR
 ISO = ISO 14001, OHSAS = OHSAS 18001, SA 8000 = EXTERNAL MANAGEMENT SYSTEMS CERTIFICATIONS
 COMPLIANCE AUDITS = # FACILITIES COMPLETED

*TOTAL WASTE POUNDS PER 1000 PRODUCTION \$ **BRITISH THERMAL UNIT PER PRODUCTION \$ ***POUNDS CO2e EMISSIONS PER 1,000 PRODUCTION \$

The need to align key EHS initiatives with the overarching business strategy of the Stanley Fulfillment System 2010 (SFS₂₀₁₀) drove the launch of EHS₂₀₁₀, a new three-year strategic cycle, in 2008. EHS₂₀₁₀ is our response to the push from external stakeholders to increase the transparency of Stanley Works EHS programs, as well as the pull from internal partners to operationalize that transparency.

Because we manage what we measure, EHS₂₀₁₀ required new Key Performance Indicators (KPIs) and associated infrastructure to expand the scope and granularity of our reporting to realize our expectation of continuous improvement. 2008 EHS₂₀₁₀ highlights included:

- We converted our web-based EHS Scorecards from media-specific to aspect / impact sets, delivering sharper optics on site programs, results, achievements, and opportunities.
- We posted our first Field Services Scorecard to expand management coverage beyond manufacturing and distribution sites to over 200 branch operations and to track sector-specific KPIs, such as vehicular incident rates and fuel efficiency;
- We enhanced our safety reporting systems to automate the tracking of first aid and near miss incidents as part of a “Less-than-Zero” focus on risk reduction.
- We committed to a 5% year-over-year reduction in solid waste generation, normalized to production.
- We integrated an automated energy and water data reporting application into our existing EHS Information Management System to track site energy demand and spend and resultant greenhouse gas emissions. The application provides global vision into sustainability projects and continuous improvement opportunities

2008 Milestones Sustainability initiatives translated into key actions as we fostered stronger partnerships with operations and the global supply organization, and communicated our successes internally and externally.

EHS “firsts” included:

- **An Integrated Supplier Questionnaire.** EHS partnered with Global Supply

Management to incorporate EHS requirements into a new supplier survey tool. The survey now includes consideration of supplier safety performance, labor practices and working conditions, chemical and waste management, and environmental compliance and stewardship.

- **OSHA 10 Classrooms in the Field.** EHS staff members qualified as OSHA Outreach Instructors and brought classes to the field to certify Security Solutions service technicians to the OSHA 10 Hour Construction Safety Standard.
- **A Web-based Chemical Management System.** EHS leveraged Actio’s MSDS Vault to create an e-based library of process chemicals and their safety data for our European Union sites to satisfy universal HAZCOM requirements and regulatory reporting requirements, and identify supplier consolidation opportunities.
- **The Carbon Disclosure Project 2008.** Stanley joined for the first time 1500 other participants, including 321 from the S&P500, in voluntarily reporting for the most comprehensive, ongoing compilation of carbon emissions in the world. We achieved a Carbon Disclosure Leadership score of 83 out of 100, finishing near the top of our sector (Durable Household Goods) and outperforming participating competitors.
- **The Stanley Sustainability Council.** EHS partnered with representatives from operations, finance, and marketing to form a new advisory body to facilitate the responsible management of our environmental, social, and economic resources as we continued integrating Sustainability across our value chain.

2008 Results In 2008 we accomplished:

- 13 new ISO 14001/OHSA 18001/SA 8000 site certifications for a total of 49 nationally certified sites.
 - 19 new or renewed external EHS performance awards from government agencies.
 - 13 acquisitions, 1 divestiture, and 1 plant closure.
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- 4 lbs/\$K reduction (10% YOY) in waste generation,
 - 40 BTU/\$ increase in energy conservation and near stable GHG emissions.
 - Total Recordable Incident Rate (TRIR) of 2.47.
 - Lost Time Incident Rate (LTIR) of 0.81
 - 57 out of 61 sites completed third party wall-to-wall EHS compliance audits

2009 and Beyond

We have set our 2009 sights on:

- **Data Capture and Validation.** Capturing and validating site water data, energy consumption and spend
- **Variation Filters.** Applying currency corrections to our production-normalized data to refine our YOY environmental improvements.
- **A Global Chemical Management System.** Duplicating our e-based system for Europe at Asian and North American sites.

- **Tool Building.** Designing one-click reporting tools to present our footprint internally and externally
- **Sustainable Packaging.** Understanding our sustainable packaging status through a voluntary scoring on publically available packaging scorecards.
- **Energy.** Launching our second environmental goal to drive cost and demand reduction.
- **Expanding Our Scope.** Beyond manufacturing, distribution, and field services, to develop a SG&A EHS scorecard and Roadmap
- **Logistics and Distribution Footprint.** Capturing ton-mile data and related Green House Gas emissions from the transport of our finished goods in North America.
- **Transparency.** Expanding our external reporting to include Stanley's Annual Report for 2008, Carbon Disclosure Project participation again, and the Dow Jones Sustainability Index Survey in 2009
- **Policy Deployment.** Energy Conservation and Waste Minimization Guidance documents.