

Assurance statement: AA1000

Trucost was engaged by **Stanley Black & Decker** to provide assurance of the environmental data held within its 2019 CDP and DJSI 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

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

Assurance standard

Trucost undertook the assurance in accordance with AA1000AS (2008 with 2018 addendum) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000APS (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- ✓ The reliability of specified environmental performance information (energy use, greenhouse gas emissions, water use and waste generated)

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

Scope and limitations

Trucost was engaged to assure the data and claims in SBD's 2019 DJSI Response and CDP Response, encompassing the period of 1 January 2018 – 31 December 2018. Trucost was asked to assure reporting for Scopes 1, 2 and 3 greenhouse gas emissions, hazardous waste, VOC emissions, employee safety, as well as energy use and water use. Trucost verified the environmental impacts, as calculated by SBD, within the table in the next column.

When compared to 2017 all environmental impacts in 2018 are higher due to the acquisitive growth of SBD that witnessed increase of manufacturing and distribution centers by 40 facilities. Trucost notes that complete assurance information was unavailable from Reynosa MFG (GTS, PTE) with respect to hazardous waste data.

SCOPE ¹	SOURCE	UNIT	QUANTITY
GHG Scope 1 ²	Stationary combustion	Metric tons CO ₂ e	64,584
		MWh	359,817
GHG Scope 2	Mobile combustion	Metric tons CO ₂ e	44,575
		MWh	185,980
Electricity	Electricity (Location based)	Metric tons CO ₂ e	361,575
	Electricity (Market based)		240,818
Electricity	Total consumption	MWh	705,352
	Retained RECs ³		40,169
GHG Scope 3	Category 1		5,156,242
	Category 4		482,446
	Category 5	Metric tons CO ₂ e	18,385
	Category 9		170,776
	Category 11		3,233,712
Water use	Process & non-contact uses		212,476,230
	Sanitary use	Gallons	208,438,303
	Total withdrawals		420,914,533
VOC	Operational	Metric tons	89
Employee Safety ⁴	Total Recordable Rates	TRR	0.67
	Lost Time Injury Rate	LTIR	0.21
Hazardous waste	Operational	Metric tons	4,165

¹ All categories apply to SBD's entire operations

² Stationary includes natural gas, LPG, fuel oil, diesel, gasoline and methanol and mobile includes fuel use in vehicles

³ Retained RECs originate from hydro power plant owned by SBD

⁴ Total Recordable Rate (TRR) is a measure of the rate of recordable cases of employee injury, normalized by 100 workers per year. Lost Time Injury Rate is similar to TRR, based on the number of cases that contained lost workdays.

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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 its stakeholders. Including interviews with managers responsible for sustainability performance and data collection
- Assessment of the extent to which SBD’s sustainability activities adhere to the Principles
- Review of processes and systems used to gather and consolidate environmental and employee safety data
- Verification of data accuracy for a selection of sites, including an audit of conversion factors and calculations

PRINCIPLE	COMMENTS
Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability	SBD has been actively engaging with different stakeholders such as Corporate Social Responsibility (CSR) leaders, customers and sectoral peers to inform its own CSR activity planning more appropriately. SBD is continuing towards its Science Based Target of 35% reduction of GHG emissions from its supply chain by 2030. To help achieve this and to help raise supplier awareness of data disclosure and best practice, SBD are strongly encouraging suppliers to disclose GHG emissions to CDP – aiming to achieve 80% of all suppliers by 2020. In addition, SBD has developed a supplier handbook, stipulating particular criteria that suppliers need to meet and a supplier code of conduct to which all suppliers are expected to adhere. Similar to previous years SBD continues to provide sufficient avenues for all stakeholders to register their feedback and voice their concerns.
Materiality: determining the relevance and significance of an issue to an organization and its stakeholders	SBD conducted a robust materiality assessment in 2016 and it continues to derive insights from it to determine the importance of sustainability issues based on the priority assigned by stakeholders. Based upon materiality findings and interaction with CSR leadership brands, SBD implemented 3 steps that focused on i) Establishing priority issues ii) Setting Pillars and iii) Organizing into framework. This process helped SBD to identify areas where it could create maximum impact based on its strength. As an outcome of this exercise, SBD has prioritized 3 CSR pillars that relate to i) Empower Makers, ii) Innovate with Purpose and iii) Create a More Sustainable World. As part of its CSR strategy SBD has also identified UN Sustainable Development Goals (SDGs) that are supported by the CSR pillars.
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	Environment, Health and Safety portal (EHS Web) continues to be a crucial tool for data collection and SBD has added additional features to improve the quality of data collection. This detailed data collection platform aids SBD to set appropriate targets and develop strategy for improving sustainability performance. SBD has developed initiatives across the abovementioned pillars to improve performance. For example, the Empower Makers pillar focuses on upskilling employees and offers vocational training to communities. As a part of its Innovate with Purpose pillar, SBD is taking measures to introduce products that can address societal needs. One such product is a solar power water pump in India which runs on clean energy and provides a consistent water supply for a sustainable and cost-efficient agricultural system.

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PRINCIPLE	COMMENTS
Impact: Organizations should monitor, measure and be accountable for how their actions impact broader ecosystems	To monitor and measure the outcome of people upskilled by its Empower Makers pillar, SBD has collaborated with NGOs. The NGOs help to keep track of individual participants' progress. To ensure that suppliers are adhering to the requirements set in supplier handbook, SBD conducts audits at supplier sites. SBD also maintains an EHS scorecard to track and measure performance of each of its facilities against the targets set.

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:

SBD has implemented rigorous processes to collect and aggregate data on global energy consumption, GHG emissions, VOC emissions, water use, hazardous waste generation and employee safety. Upon evaluating this system Trucost found that data was accurate overall and any minor corrections were made as necessary.

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 FY2018 that could conflict with the independence of this work.

Trucost, part of S&P Global



Libby Bernick
Global Head of Corporate Business



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000-120

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