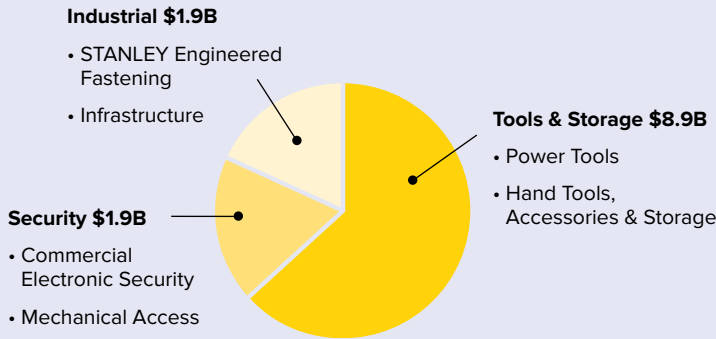


PURPOSE-DRIVEN

# Responsibility

2017 HIGHLIGHTS

# A GLOBAL DIVERSIFIED INDUSTRIAL LEADER



**#1**  
in Tools & Storage

**Global Leader**  
in Engineered Fastening

**#2**  
in Commercial Electronic Security

**7**  
Consecutive Years Dow Jones Sustainability Index

## TOOLS & STORAGE

The worldwide leader in tools and storage, we create the tools that build and maintain the world. Tradespeople and Do-It-Yourselfers alike rely on us every day for the toughest, strongest, most innovative hand tools, power tools and storage solutions in the market.



## INDUSTRIAL

We build the solutions that keep your world running seamlessly — from preferred engineered fastening solutions in the automotive and industrial channels to infrastructure solutions including pipeline construction and hydraulic tools.



## SECURITY

We deliver peace of mind with advanced electronic safety, security and monitoring solutions, automatic doors, and sophisticated patient safety, asset tracking and productivity solutions.



## Embracing UN 2030 Sustainable Development Goals

The United Nation's 2030 **Sustainable Development Goals** (SDGs), introduced in 2015, are designed to bring focus — and solutions — to global challenges and unmet societal needs.

The 17 specific goals can be summarized as: promoting sustainable, inclusive and equitable economic growth; creating greater opportunities for all; reducing inequalities; raising basic standards of living; fostering equitable social development and inclusion; and, promoting integrated and sustainable management of natural resources and ecosystems.

Within this report, relevant SDGs are identified for each main section.

## About This Report

Our corporate social responsibility report updates stakeholders on our strategies and progress against our commitments, and is organized in three main subsections that reflect people, product and planet. It also includes a materiality assessment and sustainability scorecard of key performance indicators. This report has been prepared to align with basic GRI Standards, which continue to guide the evolution of our reporting on environmental, social and governance performance. It includes forward-looking statements about our business plans, initiatives and objectives which may change based on subsequent developments.

We believe this format best conveys our current approach to responsibility reporting and our commitment to creating a strong business and to building a better, more sustainable world.

# A Note from Jim Loree on Social Responsibility

Our company’s purpose, “For Those Who Make The World,” drives our success as a business. Make no mistake, it has social impact at its heart. Our 2030 Global Corporate Social Responsibility Strategy is designed to bring this purpose to life.

We see the potential for our business to be an incredible force for good and that’s why we strive to create value beyond profits, including environmental and social value, generating a positive impact for our shareholders and stakeholders, as well as for society at large.

Our social responsibility strategy and business strategy are inextricably linked and interdependent. We can’t succeed at one without succeeding at the other. Through these strategies, Stanley Black & Decker aims to become a leading purpose-driven company recognized for inspiring makers and innovators to create a more sustainable world. This will drive innovation with impact and support us in delivering top-quartile performance going forward.



**James M. Loree**  
President & Chief Executive Officer



## OUR ECOSMART™ ADVANTAGE

ECOSMART™ signifies our commitment to a sustainable future and is embedded in everything we do, across our entire value chain. We continue to improve the sustainability of our operations, our products and our communities while helping our suppliers and our customers to do the same. While this has led to consistent recognition amongst our peers as a standout company with respect to our environmental, health and safety practices, we always believe we can and should do more, and we work every day to be better than the last.



ECOSMART Is Our Commitment To A Sustainable Future

## Pillars of Our 2030 Global Corporate Social Responsibility Strategy



### EMPOWER MAKERS

**Enable 10 million creators and makers to thrive in a changing world**

- Upskill our employees who may be displaced by technology.
- Empower citizens with vocational training, STEAM education and access to maker spaces.



### INNOVATE WITH PURPOSE

**Innovate our products to enhance the lives of 500 million people and improve environmental impacts**

- Create and use products to meet underserved societal needs.
- Improve the lifecycle impact of our products and sourcing, and reduce supply chain greenhouse gas emissions.



### CREATE A MORE SUSTAINABLE WORLD

**Positively impact the environment through our operations**

- Improve our environmental impacts related to greenhouse gas emissions, water and waste.



# Empower Makers

By 2030, we hope to enable 10 million creators and makers to thrive in a changing world. In this age when industrial and technological innovations are rapidly changing the nature of work, we want to help employees and communities to gain the skills and expertise needed to create jobs, revitalize communities and build a better world for all.

### Relevant UN 2030 Sustainable Development Goals

Empowerment begins with quality education and retraining — giving people the tools to make something of themselves. This leads to decent work in skilled professions for individuals and more equitable economic growth for their communities.



### “For the Creators” — Supporting the Maker Movement

We recently launched our first homegrown makerspace near our Towson, Maryland, corporate campus. The workshop is outfitted with the tools necessary to accelerate prototype development, while giving our employees a space for team building, equipment education, personal project work, hackathons, classes, workshops, and more. Employees from every division have gained certifications in milling, routing, plasma cutting, laser engraving and 3D printing. Eventually, we plan to broaden access to the surrounding community.

By committing to support the maker movement around the world, we are looking to enrich the education, creativity and hands-on experience of curious and inventive people in their efforts to bring better solutions to light. We support nonprofit makerspaces and maker faires with our time, our tools and direct financial support, and also support in-school, extracurricular and out-of-school programs that bring innovation to life and enhance student learning in new ways. We are a Global Partner of WorldSkills, helping to inspire thousands of young people from all over the world in skill competitions including carpentry, automobile technology, cabinetmaking, concrete construction work, joinery, landscape gardening, mobile robotics, and more.



The 2017 WorldSkills Competition, held in Abu Dhabi, saw young people from 59 countries come together to compete in 51 skill competitions.

## Empowering Our People

Our people are the makers we count on every day. We strive to ensure a safe, healthy and supportive work environment, enriched by diversity, robust learning and advanced means of collaboration and communication.



### Career Mobility

We support career development at this time when **Industry 4.0** manufacturing and supply chain management are disrupting and transforming the industrial sector. Through initiatives like our new manufacturing center of excellence in Hartford, Connecticut, we intend to provide any who have the potential to be displaced by technology with the retraining and repurposing needed to make their skills relevant in the evolving world of work.

### Diversity and Inclusion

Diversity and inclusion are embedded into our company values and purpose. We know from experience that our culture draws strength from diversity. Different ideas, perspectives and backgrounds create a stronger and more creative work environment. All of our businesses thrive on innovation — and bringing together highly creative individuals with diverse backgrounds and cognitive styles never fails to bring new solutions to light. Over the last two years we have launched several Employee Resource Groups including our Women's Network, African Ancestry Network, Pride and Allies, Veterans Network and Developing Professional Network.

### “Workplace” Driving Engagement

Stanley Black & Decker is an early adopter of Workplace, Facebook's internal social media platform. In its first year of deployment, it has immediately become engrained and integral to our daily work lives. Workplace has truly opened up and flattened our organization, connecting us like never before. We are all now informed about and engaged with the business and the interesting, and sometimes game-changing, initiatives various groups and individuals have under way. Now, our associates can see in real time the successes across our facilities around the world.

## Empowering Learners and Doers

Society does best when all people — young, old and in between — have access to education, skills development and creative outlets. In the countries and communities we call home, we provide and support STEAM education (Science, Technology, Engineering, Art and Mathematics), so that subsequent generations will have a strong grounding in the hard sciences. Our ambition is to enable students to prepare for valuable livelihoods — helping to support the workforce of tomorrow. We also help tradespeople develop cutting-edge vocational and trade skills required for employment and career advancement.



## Empowering Women in South Africa

Partnering for a greener tomorrow, our Johannesburg Distribution Center's Women's Network joined with Samsung's Electronic Waste Management Project and Habitat for Humanity to help empower women in the surrounding community. The Samsung project trains unemployed people to dismantle electronic waste in a safe manner and sell the components for a living. We partnered with Samsung to take the project to the township of Orange Farm. Habitat for Humanity was the community engagement facilitator, recruiting the women and getting community involvement and buy-in for the project. We provided the women with a tool box containing all the tools they would need to participate in the project and begin to create a livelihood for themselves.

# Innovate with Purpose

By 2030, we intend to innovate our products to enhance the lives of 500 million people and meet underserved societal needs, while improving the lifecycle impact on the environment of our products and sourcing.

## Relevant UN 2030 Sustainable Development Goals

Our products are a force for good in the world — helping people climb up out of poverty, improving the environment, building and maintaining vital infrastructure, making our cities more sustainable — especially when produced with responsible consumption in mind.



## “Water from the Sun” — Solar-Powered Wells in India

We are piloting an eco-friendly, low cost solar-powered water pump in India. This product-based innovation helps to alleviate poverty and hunger in areas that have little or no access to the electrical grid. Improved irrigation is allowing farmers to boost yields and farm income. Our solar water pumps are connected to IoT devices so we are able to measure use and productivity, and analyze against weather patterns.

The direct current (DC) pumps run on batteries charged by solar panels. They are replacing both diesel pumps (polluting, relatively expensive to run, hard to maintain) and, where the grid extends, alternating current (AC) pumps which run on government-subsidized electricity. In rural areas, the grid is not robust or reliable. Power can come on at any moment, day or night, only for an hour or two. Farming families attach a light bulb to the powerlines to know when the power comes on.

The solar-powered wells bring into play the possibilities of drip irrigation, mechanized farming, cold storage, and digital distribution networks. Excess energy can be sold back to the grid and/or used to power homes.



The solar-powered wells will replace, on an annual basis, 110 million tons of CO<sub>2</sub> emissions from AC pumps and 20 million tons from diesel pumps.

## HUMAN IMPACT OF SOLAR-POWERED WELLS PROJECT

This profound but simple change will have multiple, concentric effects, leading to the embrace and spread of mechanical, electrical and digital means of transforming how food is grown and how the people who grow it live.

### FARMERS GAIN

Yield ↑  
Farm Income ↑  
Sell-to-Grid Income ↑  
Power for Off-Grid Homes ↑

### SOCIETY GAINS

Hunger ↓  
Poverty ↓  
Fuel Imports ↓  
Health ↑  
Education ↑  
Employment ↑

### PLANET GAINS

Water Table ↑  
CO<sub>2</sub> ↓  
Curtailing India's Annual  
CO<sub>2</sub> Emissions by 6%

## Addressing Unmet Societal Needs

### Circular Design

Increasingly, we design products for circularity across the entire lifecycle of the product and its components. When one of our tools reaches end-of-life, the user can send it to our Towson, Maryland, location and we will properly recycle it. We also direct users to Earth 911's recycling search website to find a local recycler.

<http://search.earth911.com/>



### Sustainable Sourcing

We aspire to source our raw materials, finished goods, components and services from suppliers that meet our evolving sustainability criteria. We have already established initial criteria and improved related supplier performance. By 2020, 80% of our supplier spend will have completed CDP Supply Chain Climate Change assessments. We will be instituting additional criteria related to water usage and other factors that go beyond greenhouse gas emissions. We are committed to working with our suppliers of products, goods and services to reduce supply chain emissions by 35%, by 2030.



# Create a More Sustainable World

As a positive force for sustainable business, we continue to improve the environmental impacts of our operations related to greenhouse gas emissions, water use and waste generation.

## Relevant UN 2030 Sustainable Development Goals

Being ECOSMART™ means actively working toward cleaner water, curtailing waste and reducing our carbon footprint — goals we encourage all to share.



## “Sharing Gets Us Further” — Mobility Week Across Europe

Across Europe, Stanley Black & Decker came together as a region to drive down our various impacts on the planet, focusing on water conservation, reducing emissions and getting people actively switching to more environmentally-friendly modes of transportation.

In 2017, we participated for the first time in European Mobility Week, an annual Europe-wide awareness raising campaign on sustainable urban mobility. The event raises awareness on the importance of preserving our environment, and the benefits that sustainable methods of transport bring to help us reach our ECOSMART™ goal of reducing our 2020 carbon footprint by 20%.

More than 3,000 employees were reached with this campaign across 13 sites in the Czech Republic, France, Italy, Belgium, Poland and the UK. Local champions organized activities including testing out electric/hybrid vehicles, promoting public transportation, biking/running/walking to work, and taking the train or the bus instead of driving. Moreover, 11 proposals were submitted by our employees for permanent measures, resulting in the review of our European Car Policy, the creation of a Work from Home policy and the purchase of 10 e-bikes for shared use in five of our locations.

**13**

Sites

**3,000**

Employees

**11**

Proposals for  
Permanent Change



## Carbon Positive Operations

By 2030, we plan to be carbon positive in our operations on a global basis, meaning our carbon capture is greater than carbon emissions. We are setting science-based carbon reduction targets to guide our efforts, which may include minimizing on-site Scope 1 emissions (fossil fuels), purchasing renewable electricity for Scope 2 operations and generating renewable energy back into the grid.



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## Transportation and Distribution Emissions

We will develop and execute programs to meet reduction targets for Scope 3 emissions focused on transportation and distribution (upstream and downstream) by 2020, to be achieved by 2030. Transportation and distribution represents our second most significant carbon footprint category.



## Sustainability Beyond Carbon

We recognize that becoming carbon positive alone does not make us a sustainable business, and that sustainability has far broader implications. Everywhere we work, we also look to conserve water resources and reduce our waste to zero.



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## Sustainable Water Use

We seek to use water sustainably wherever we do business. We are mapping water risks and setting context-based targets which address site-specific concerns in each river basin — important given that water availability and risks are highly localized.

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## Zero Waste to Landfill

We continue to work towards achieving zero waste to landfill, across our operations. A few of our facilities are already there. This goal applies to our daily direct operations (one-off construction and other events may be excluded). We encourage reuse and recycling in all instances.

# Sustainability Scorecard

At Stanley Black & Decker, we are committed to transparent reporting of our environment, health and safety results. Using 2015 as a baseline, we set five-year targets to reduce adverse impacts on our people and our planet while improving the sustainability of our products.

## PEOPLE

**Goal:** Zero life-changing injuries by Year 2020

## PLANET

**Goal:** Reduce operational energy consumption by 20%

**Goal:** Reduce operational water consumption by 20%

**Goal:** Reduce operational waste generation by 20%; 80% of the total waste generated to have a reuse or recycling disposition

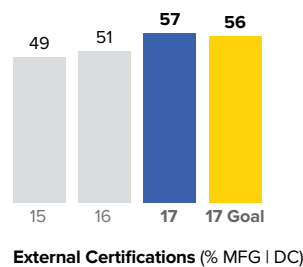
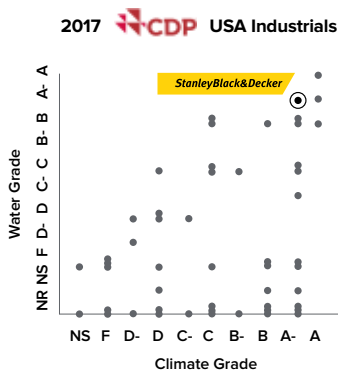
**Goal:** Reduce carbon emissions by 20% and source 10% of global energy demand with renewable energy

## PRODUCT

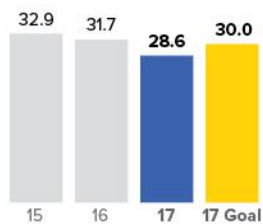
**Goal:** Achieve external EMS certifications at 65% of our manufacturing and distribution center sites

**Goal:** Improve product sustainability and social accountability with the participation of select partner suppliers in CDP

## MANAGEMENT SYSTEM

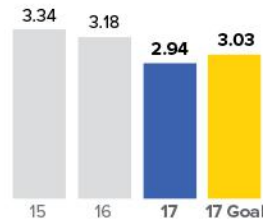
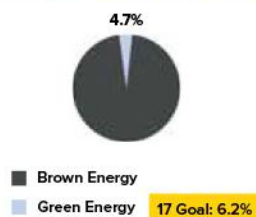


## ECOSMART™ SCORECARD\*



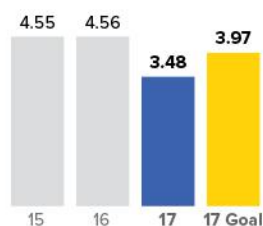
Energy (KBTU / HR)

### 2017 RENEWABLE SOURCE %



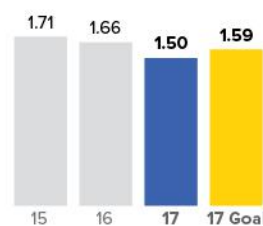
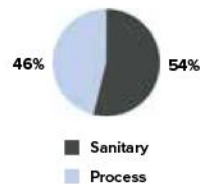
Carbon (MT / KHR)

### 2017 STATIONARY SCOPE 1 | SCOPE 2 EMISSIONS %



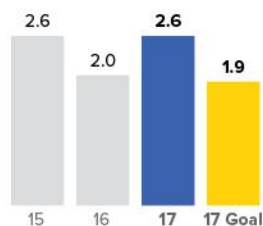
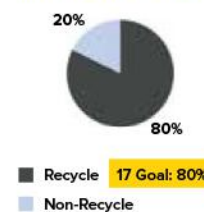
Water (GAL / HR)

### 2017 PROCESS | SANITARY WATER USES %



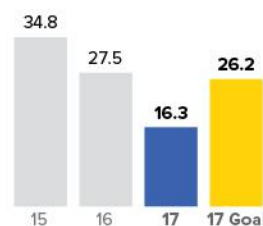
Waste (LBS / HR)

### 2017 WASTE RECYCLE %



Hazardous Waste (KMT)

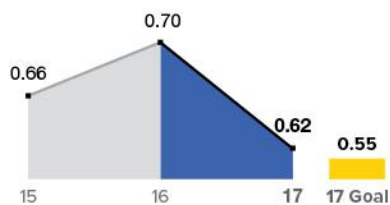
### 2017 WASTE GENERATION BY CLASS%



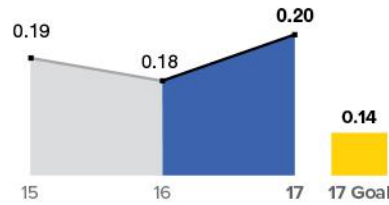
VOC Emissions (MT)

\* 100% SBD Coverage

## SAFETY INJURY / ILLNESS RATES



Total Recordable Rate (Incidents / 100 Heads)



Lost Time Rate (Incidents / 100 Heads)

### 2017 LOST TIME INCIDENTS %

