

**StanleyBlack&Decker**

# Growth With Purpose

2021 ESG REPORT





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In alignment with our purpose—**for those who make the world™**—we work to inspire makers and innovators to create a more sustainable and equitable world. This 2021 Environmental, Social and Governance (ESG) Report shows our progress on this journey and our path ahead.



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# A Message From **Jim Loree**

At its core, our Environmental, Social and Governance (ESG) strategy is to **be a force for good**. In doing so, we build on our historical, keen focus on the environment, health and safety, meaningful innovation, sustainability and community engagement, knowing there's always more to be done.



At Stanley Black & Decker, we believe that if we help people and the planet flourish, so will our business. Our model of value creation integrates ESG into our business DNA. That's become a first principle that guides our decisions about the investments we make and the impact we seek. You can see this in our strategic acquisitions of MTD and Excel Industries, which will help us realize the enormous potential for both our business and the planet in the electrification of outdoor power equipment.

This thinking is becoming deeply entwined in our supply chain, as well. We are asking our suppliers to adopt science-based targets. If company after company starts to push their supply base, the momentum will carry us all forward.

We have a comprehensive approach to ESG—rooted in our purpose and grounded in stakeholder capitalism. We fully support the 10 Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environmental and Anti-Corruption, and seek to continually improve in every dimension of our ESG performance.

This includes a strong commitment to building an inclusive culture where all employees feel valued and heard, and are positioned to succeed. Early in 2021, we created a Chief Diversity Officer position, reporting to me, responsible for accelerating our DEI progress and strengthening our accountability.

Diverse workplaces are critical to advancing innovation, solving problems and developing solutions to the wide range of challenges we face in this complex, ever-changing world.

Sincerely,

**James M. Loree**  
Chief Executive Officer  
Member, Council for Inclusive Capitalism



## MEMBER, COUNCIL FOR INCLUSIVE CAPITALISM

The Council represents a movement of the world's business and public sector leaders working to build a more inclusive, sustainable and trusted economic system.





## OUR BUSINESS

For 179 years, we have been **for those who make the world™**—the people doing the hard work out in our communities, building the world around us.

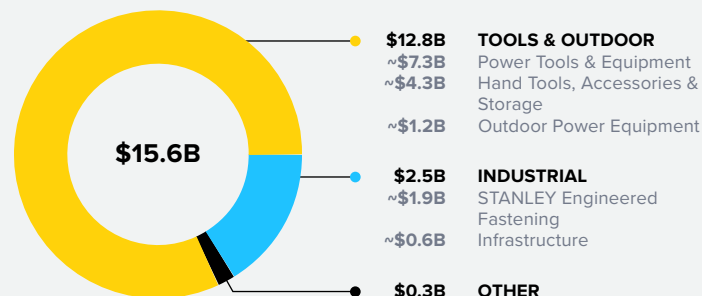






# At a Glance

## OUR BUSINESSES OVERVIEW



### TOOLS & OUTDOOR

## #1 IN TOOLS & OUTDOOR WORLDWIDE

The global leader in tools and outdoor, we create the solutions that makers use to build and maintain the world. Professionals, tradespeople and do-it-yourselfers alike rely on us every day for the toughest, strongest, most innovative power tools, hand tools, accessories, storage and outdoor power equipment solutions in the market.

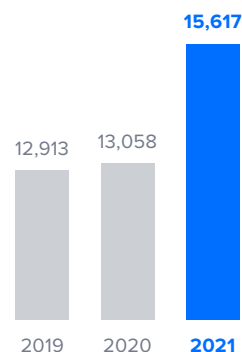
### INDUSTRIAL

Our solutions keep your world running seamlessly—from preferred engineered fastening solutions in the automotive and industrial channels to infrastructure solutions including hydraulic tools and attachments.

## FINANCIAL HIGHLIGHTS

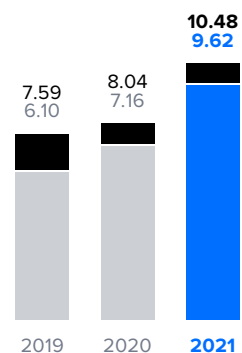
### REVENUE

(Continuing Operations) (\$ Millions)

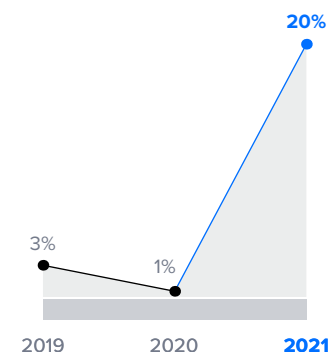


### EPS

(Continuing Operations)<sup>(b)</sup>  
(\$ GAAP) ● (\$ Adjusted)

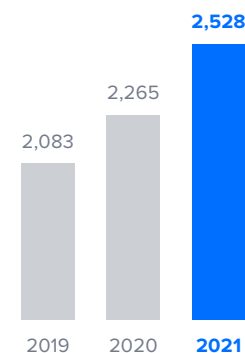


### TOTAL SALES GROWTH<sup>(a)</sup>

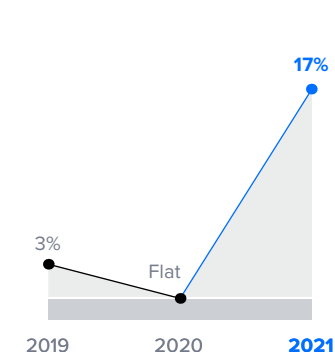


### ADJUSTED EBITDA

(Continuing Operations)<sup>(c)</sup>  
(\$ Millions)



### ORGANIC SALES GROWTH<sup>(a)</sup>



(a), (b) and (c) refer to the [Appendix](#).

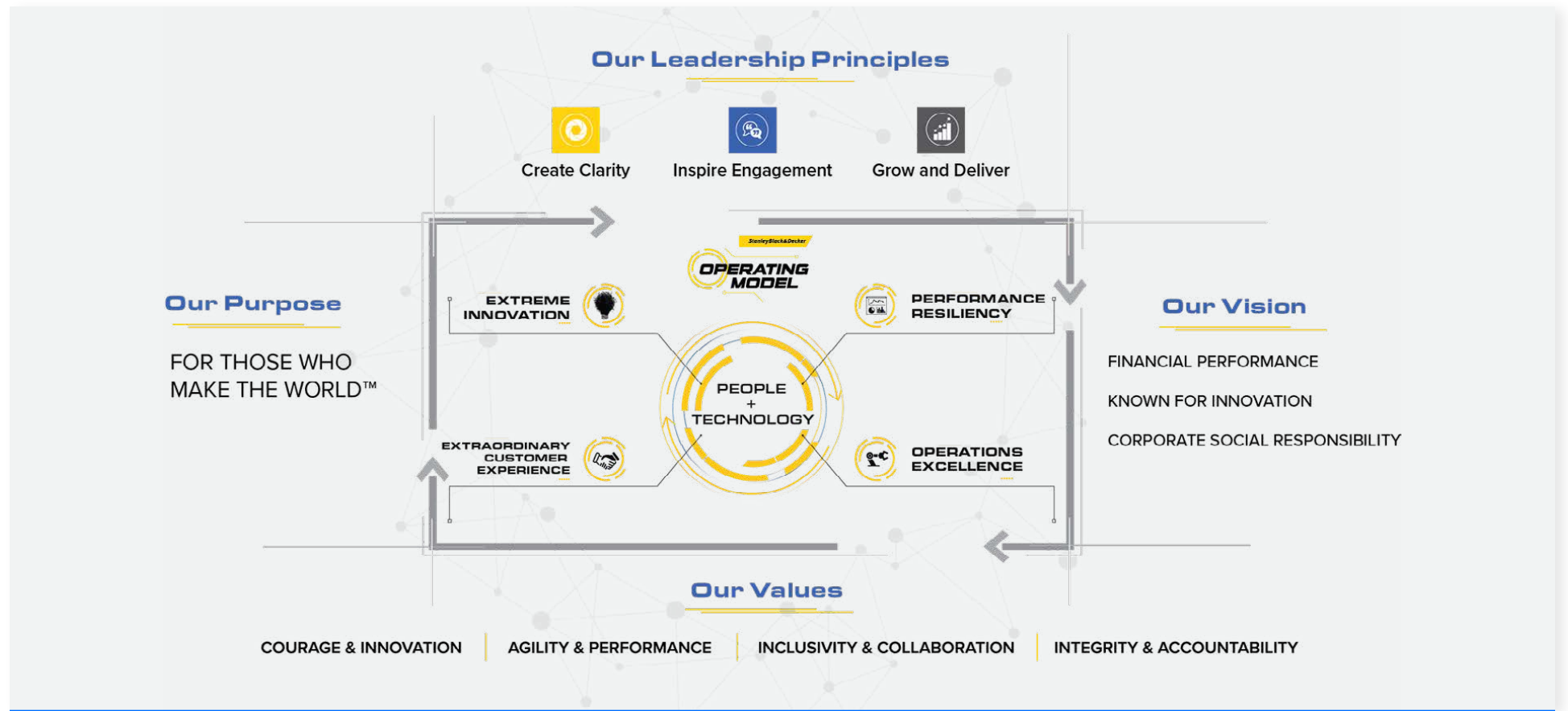


## How We Create Value

Our proprietary operating model has long been a cornerstone of our operational excellence. Even as it drives value creation, it continues to evolve to meet the demands of our changing world.

It's constructed around the success factors for the operating environment of the future: the need for extreme innovation, an extraordinary customer experience, performance resiliency and operational excellence—

all centered and held together by employees embracing advanced technology to move faster, more efficiently and more effectively. And all aligned with the principles and practices of ESG.





# Consumer Megatrends Fueling Our Growth

The Company is positioned to benefit from a set of complementary consumer megatrends that continue to create opportunities in our markets. We have invested behind these trends and are poised for a multiyear runway for growth.



## eCOMMERCE

eCommerce now represents nearly 20% of our Tools & Outdoor business, and we estimate we are 3x bigger than our closest competitor in this regard. We continue to invest in our capabilities to accelerate eCommerce growth, building a strong foundation by enabling the rapid digitalization of technology and analytics and by ensuring digital fluency in all of our employees. To deliver an extraordinary customer experience, we are building digital brand communities using precision marketing that connects, engages and responds to consumers.



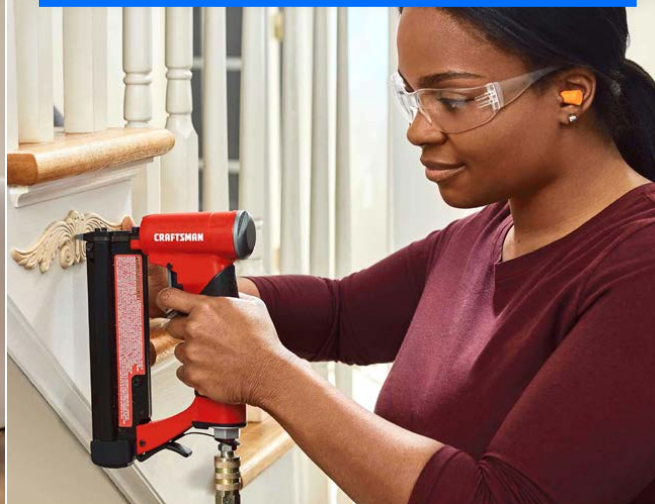
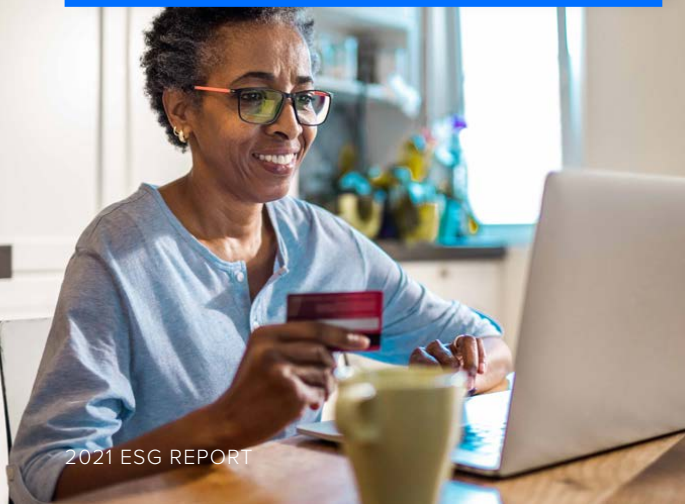
## RE-FOCUS ON HOME AND GARDEN

Accelerated by the new realities where more people are working from home than ever before, many consumers turned their focus inward, onto their living spaces and yards, remaking their personal and family environments with a rediscovered do-it-yourself spirit. This reconnection with the home and garden continues to inspire more projects that demand more and better tools.



## ELECTRIFICATION

Electrification of outdoor products and the automotive industry is a major growth opportunity for the Company. Our portfolio of products continues to advance and replace the fumes and noise of gas-powered handheld outdoor power equipment such as trimmers, blowers and push mowers with powerful battery-powered tools with increased runtime. Our innovations will continue to penetrate these categories as well as electrified riding mowers and other outdoor vehicles. We are also capitalizing on the electrification of automotive, as plug-in hybrid and EV platforms ultimately result in a 3-to-6x increase in Stanley Black & Decker's dollar content per vehicle produced compared to a standard internal combustion engine vehicle.





# Addressing Societal Challenges—Together

The world's challenges are our own. Our sustainability as a business is deeply intertwined with people and the planet. As such, we invest in strategies focused on combating climate change, alleviating inequity and developing human potential both in our workforce and, more broadly, in society at large. We also take on immediate concerns such as pandemic recovery and disaster response.

We believe that our business success going forward depends on helping the world address these challenges, and that there are opportunities for Stanley Black & Decker in doing so. This is particularly true in terms of nurturing the talent needed to forge our shared future, and in

strategically accelerating the sustainable attributes of our product portfolio, particularly the electrification of outdoor power equipment—where consumer trends, maturing technology and the pressing need for climate action can be brought together to create value for all.



## CLIMATE

Climate change is the defining issue of our time. We are actively investing in transforming our operations to go beyond carbon neutral, in leading our supply chain to do the same, and in vastly reducing the carbon impact of how our products perform in the hands of the makers of the world. In this report, we strive to deepen our coverage of every aspect of our environmental impact, from carbon reduction to waste reduction to water use.



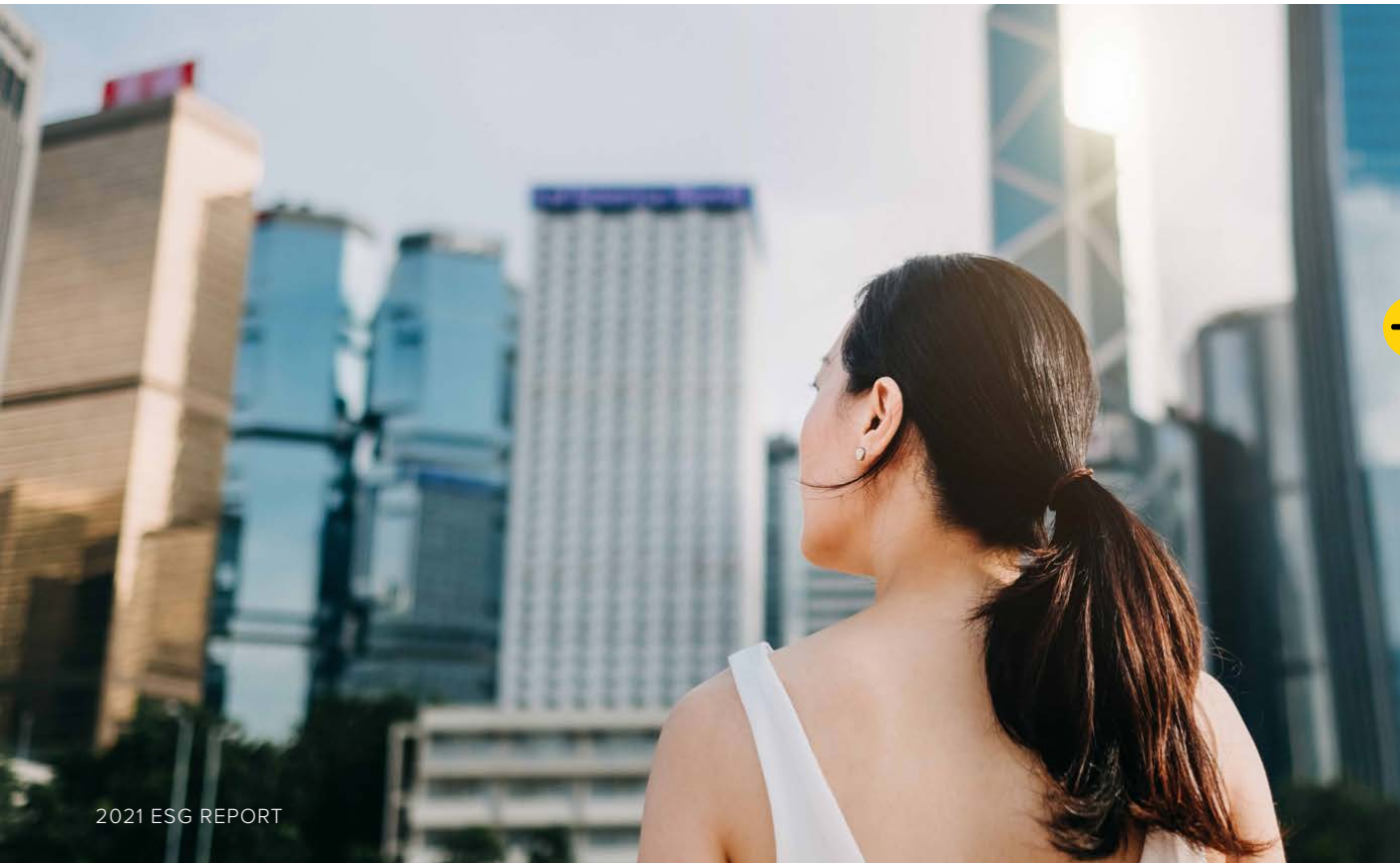
## INEQUITY

Within our communities, we seek to protect human rights and take action on our gender and racial equity commitments. Within our organization, we have added a Chief Diversity Officer to our C-suite, and Diversity, Equity & Inclusion continues its acceleration as a global and scalable business practice, with a thriving network of established employee resource groups (ERGs) and bold moves made to create a culture of belonging and inclusion.



## UNMET POTENTIAL

Human potential needs actualization. This is especially true today given the skilled labor shortage constraining markets around the world. Our strategic philanthropy efforts help empower makers, particularly in communities in need. For our people, we continue to amplify our workforce readiness investment in upskilling and reskilling, and our employee well-being is bolstered by the appointment of a working physician to be our first Chief Medical Officer.





# Our ESG Strategy

[See our progress against our goals in our ESG Scorecard →](#)

The consumer megatrends and global challenges we face have been gathering force for years, and have galvanized a response in us, across Stanley Black & Decker, that has also been years in the making.

We recognize that ESG is more important than ever, influencing how all stakeholders view, and act in relation to, a company. But ESG is not new to Stanley Black & Decker. Although terminology and nomenclature have evolved, our commitment to ESG principles runs deep.

We laid the foundation of our ESG strategy in 2017 with a set of 2030 commitments that are purposefully aligned with the UN Sustainable Development Goals (SDGs) and intrinsically tie to our purpose: **for those who make the world™**

These 2030 commitments were made across the three pillars of people, product and planet. Governance serves as a fourth dimension of action and accountability, underpinning these pillars.

Setting very specific quantitative goals and creating science-based targets put us on a glide path to achieve our 2030 goals. We remain focused on our 2030 goals for climate, water, waste, sustainable products, our people and our supply chain. Along the way, we set and achieved 2020 interim goals, and then set aggressive 2023 interim goals to keep the momentum going. We see such goals as milestones along this extended pathway to a Net Zero future and beyond.

ESG is inherent to our Operating Model and the strategic plans of our businesses. Our 2030 ESG Strategy remains on track and relevant. We have supplemented it with additional strategic imperatives such as: planning to conduct an ESG Impact Valuation; creating and evolving an ESG product framework to accelerate the innovation of Environment- and Social-oriented products; and aspire to bring a Net Zero product to market by 2023.

[For details on ESG Governance and Oversight, please see the Governance section of this report →](#)



## PLANET

Making a **positive impact on the environment** of the planet we share



## PRODUCTS

Innovating products to enhance the lives of **500 million people**



## PEOPLE

Empowering **10 million makers** to thrive in a changing world



Our **social responsibility strategy** aligns with the United Nations **2030 Sustainable Development Goals**



## ESG SCORECARD

## Our Goals and Commitments

At Stanley Black & Decker, we believe in the power of public goal setting and transparent reporting commitments to drive needed change.

Our goal setting has evolved over time. In 2015, we set five-year goals on environment, health and safety (EHS) metrics, with a focus on sustainability; we met these goals in 2020. In 2017, we launched our 2030 Corporate Social Responsibility (CSR) goals and aligned our organization to meet them. To accelerate our progress, in 2020, we set interim operational goals (e.g., Scope 1 and 2) for 2023 and a 2025 interim goal of having two-thirds of our supply chain set science-based targets. Last year, we expanded the purview, adapting and adding to those CSR goals to create our current set of ESG goals on the path to 2030 and beyond.

### 2030 Goals

Our set of 2030 goals has expanded to reflect the multiplicity of efforts we are making, across Stanley Black & Decker and out in the world beyond our walls, to deliver on our purpose, accelerate our progress and ensure local engagement, participation, adaptation, momentum and transparency.

#### 2030 PLANET GOALS

##### CARBON

Go **beyond carbon neutral** across our operations\*

**BY 2023** Reduce operational\*\* energy intensity by 5% against 2020 baseline; maintain an ~8% annual reduction trajectory in our absolute carbon emissions from our 2015 baseline

##### WATER

Set and meet **context-based water targets**, where relevant and necessary

**BY 2023** Reduce operational\*\* water intensity by 5% against 2020 baseline

##### WASTE

Achieve **Zero Waste to Landfill** across our operations\*\*

**BY 2023** 60% of our manufacturing and distribution sites to achieve Zero Waste to Landfill status; 90% recycled waste

\* Our operations means where we buy fuel (Scope 1) and/or electricity (Scope 2).

\*\* Operational/Operations means manufacturing sites and distribution centers only.

Note: Our 2030 goals for carbon, water and waste exclude those factory outlets, service centers and offices where we are unable to directly influence the purchase of energy, water and disposal of waste.

#### 2030 PRODUCT GOALS

##### PRODUCTS WITH PURPOSE

Enhance the lives of **500 million people** with products that fulfill unmet societal needs

##### PRODUCT LIFECYCLE

Manage **product lifecycle impact**

**BY 2025** Make our packaging reusable; recyclable or compostable

##### SUPPLY CHAIN

Reduce our Scope 3 emissions **35% from a 2017 baseline**

**BY 2025** Ensure that 67% of our supply chain by spend set Scope 1 and 2 science-based targets

#### 2030 PEOPLE GOALS

##### MAKERS

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

##### GENDER PARITY

Achieve **50-50 gender parity** in leadership

##### RACIAL EQUITY

**BY 2025** Increase our spend with **certified Diverse Suppliers** to at least **10%** and develop diverse suppliers

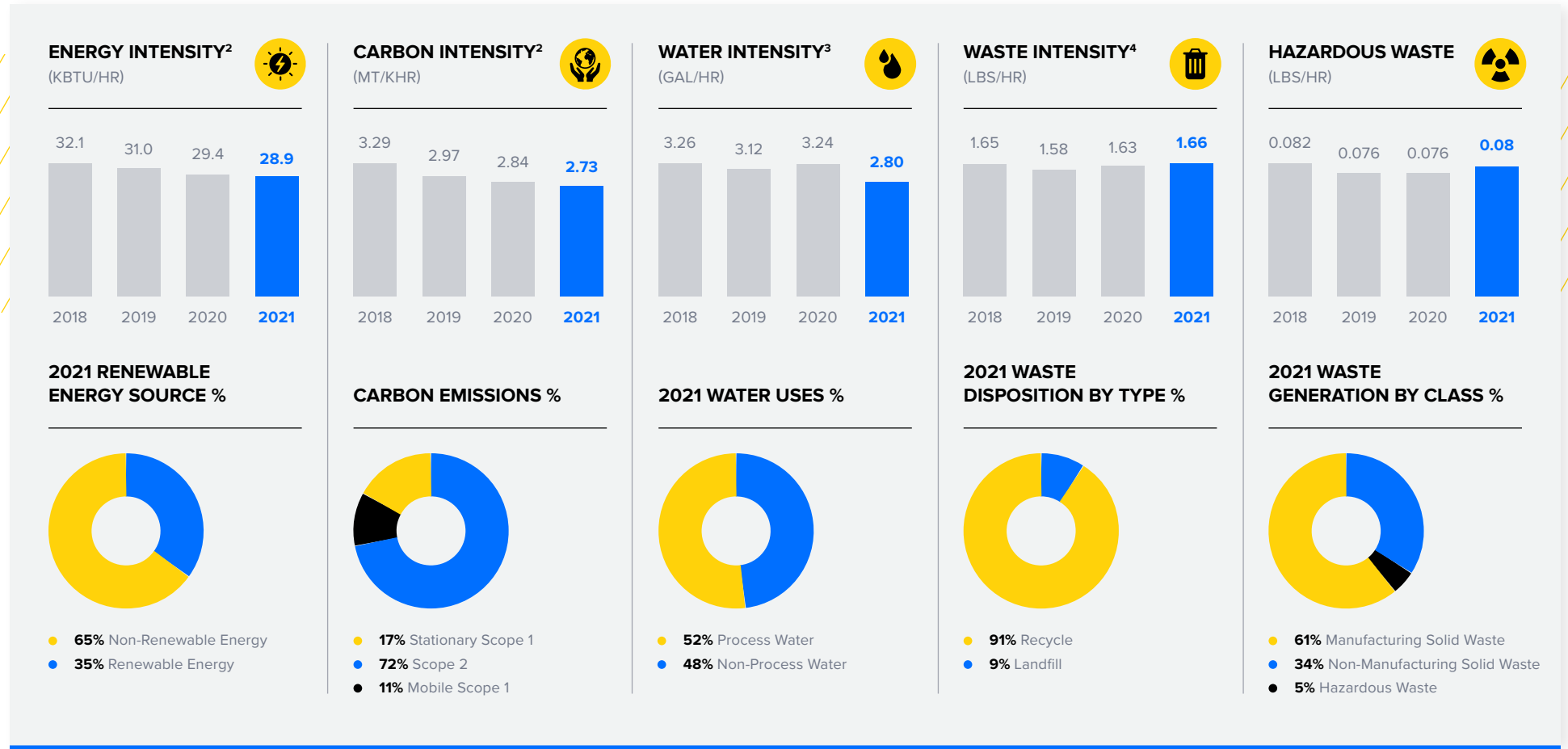




## ESG SCORECARD

Sustainability<sup>1</sup>

Our sustainability journey continues to evolve, and our investments in and actions regarding climate change mitigation, water stewardship and waste reduction show we are on the right path.



1 The results for these metrics include the Convergent Security Solutions ("CSS") business and exclude recent acquisitions.

2 Energy intensity in kilo British thermal units demand per work hour; carbon intensity is CO<sub>2</sub>e (carbon dioxide equivalents) in metric tonne emissions per thousand work hours.

3 Water intensity in withdrawal gallons per work hour.

4 Waste intensity in total generation pounds per work hour. Recycle can include single and mixed stream; energy recovery; and material reuse/regeneration with or without treatment.



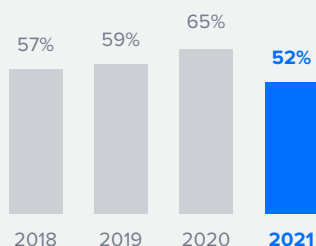
## ESG SCORECARD

# Health & Safety Performance and Recognition<sup>1,2</sup>

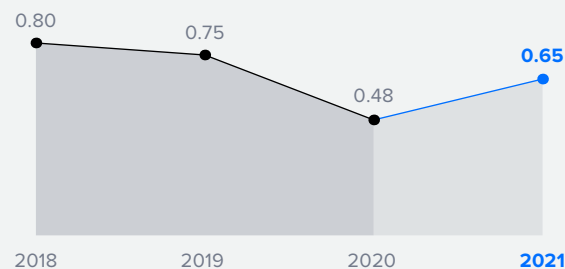
We track how our efforts and impact are gauged by monitors of our industry and global corporations.

Everyone deserves to return home from work every day safe and sound. We maintain world-class standards of safety in our manufacturing facilities and distribution centers, and work with our suppliers so that they can do the same.

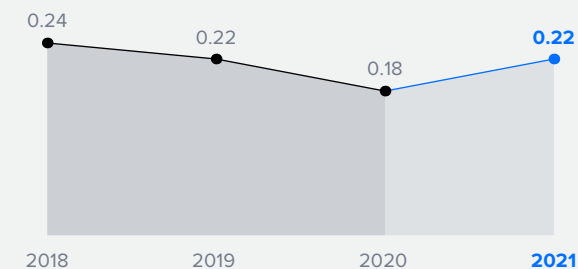
## EXTERNAL CERTIFICATIONS<sup>3</sup>



## TOTAL RECORDABLE RATE (INCIDENTS/100 HEADS)



## LOST TIME RATE (INCIDENTS/100 HEADS)



## SAFETY DATA



	2021	2020	2019	2018
Total recordable injury/illness	490	327	517	554
Lost time injury/illness	161	120	155	164
Lost days due injury/illness	3,275	5,147	6,446	5,182
Work hours in millions	149.7	134.9	138.1	138.6
<b>Total Recordable Rate</b>	<b>0.65</b>	<b>0.48</b>	<b>0.75</b>	<b>0.80</b>
<b>Lost Time Rate</b>	<b>0.22</b>	<b>0.18</b>	<b>0.22</b>	<b>0.24</b>

1 For each year, results reflect current Company business structure and applicable discontinued operations. The results for these metrics include the Convergent Security Solutions ("CSS") business and exclude recent acquisitions. 2018–2019 data include estimates for our CAM business based on best available information.

2 Total recordable rate and lost time rate = # of applicable incidents per 100 employees per year.

3 Percentage of factories and distribution centers certified to applicable EHS/Sustainability management system standards in that reporting year.





## Recent Milestones in Our ESG Evolution

Our journey began in recognition of the changing expectations stakeholders have of corporations, and our evolving views of what success in our business should look like.

Our commitment to being a good corporate citizen goes back to our founding, and we have been taking action on sustainability for many years. As a core business strategy, ESG evolves and expands across the Company as we continue to make progress toward our goals.



# 2021 ESG Brand Highlights

CLIMATE / PRODUCTS / PEOPLE

## BLACK+DECKER

### ● ● reviva™ Commercializes Circular Design

Launched reviva™ line of sustainability-led power tools with 50% certified recycled content in the enclosures using Eastman's advanced molecular recycling.



## DEWALT

### ● ● POWERSTACK™ Breaks Through

Launched POWERSTACK™ power tool batteries using breakthrough pouch battery cell technology to deliver greater power and runtime, more sustainably, in a more compact and lighter package.



### ● Perform & Protect™

The DEWALT® line of Perform & Protect™ Power Tools continues to grow, with features designed to provide a high level of control, dust containment or low vibration that lessen worker discomfort without sacrificing performance.

## STANLEY TOOLS

### ● ToolBank Disaster Services

As part of a long-standing partnership STANLEY supported ToolBank USA in its response to the devastating tornadoes in Kentucky, Illinois and Tennessee that occurred in December 2021. ToolBank Disaster Services rapidly deployed its mobile unit to the area to help the local community with cleanup and recovery efforts.

## CRAFTSMAN

### ● “Makers Project” Contest

During October's Maker Month, CRAFTSMAN featured individuals making a difference in their community as part of its “Makers Project” contest, celebrating those who build with pride. Winners were featured on CRAFTSMAN social media channels throughout the month. In addition, CRAFTSMAN amplified our “Thank A Maker” message during the NASCAR Xfinity and Cup Series at Texas Motor Speedway.

### ● 2021 Racing for a Miracle

CRAFTSMAN teamed up with the Ace Hardware Foundation and Christopher Bell of Joe Gibbs Racing to raise funds and awareness for Children's Miracle Network Hospitals (CMN Hospitals) for the 2021 Racing for a Miracle program. With a donation of \$100,000 to the ACE Foundation, the Company supported the hospital network's vital work. 2021 marks the 15th year of Stanley Black & Decker supporting the Racing for a Miracle program, donating more than \$1.5M over that time.





## PORTER-CABLE

### ● Farm Aid Support

PORTER-CABLE, Tractor Supply Co. and The Tractor Supply Co. Foundation teamed up to co-sponsor the 2021 Farm Aid Live and Streamed Concert series, reinforcing our philanthropic commitment to the communities we serve. The Farm Aid streaming concert had an estimated reach of 1 billion impressions.

## CUB CADET

### ● ● Electrified Residential Lawn Care

Cub Cadet launched, in 2021, a full line of electric outdoor power equipment that provides hassle-free power for any lawn. Powered by lithium-ion batteries, the line includes zero turn, tractor and walk-behind mowers, plus handheld tools that offer uncompromising cut quality in a premium, quiet, powerful package.



## HUSTLER

### ● Supporting the Community

Hustler Turf believes in supporting the communities where we live and work. Just as the company cares about the well-being of their employees, they also believe in being good stewards to their neighbors. Supporting the Harvey County United Way is an great way to impact families and children in need of assistance through the impactful programs they provide. In 2021 Hustler employees donated more than \$146K and received the 2021 Corporate Leadership Award from the United Way.

## STANLEY ENGINEERED FASTENING

### ● ● Medical Cartridge Technology

Stanley Engineered Fastening launched a disruptive innovation in medical cartridge technology. This versatile product serves people who live in rural areas with no access to the sophisticated, million-dollar equipment and temperature-controlled facilities required to perform many diagnostic COVID-19 tests. WHO-certified, the product is easy to use with minimal training and can handle multiple biological specimens (blood, saliva, etc.), making it applicable to a wide variety of tests. Launched in India in 2020, the product was further deployed in over a dozen countries on three continents in 2021.



## STANLEY INFRASTRUCTURE

### ● InSite Mobile Sheer

The InSite solution was fully launched in 2021 and creates a connected mobile shear by enabling data collection and communication. It includes a control box on the attachment plus a mobile app where the data being collected can be viewed and analyzed. This gives real-time access to data normally only available during service diagnostics in order to optimize shear performance and improve utilization while minimizing downtime.



## STANLEY ACCESS TECHNOLOGIES

### ● ● Opening Doors for Habitat for Humanity ReStores

Stanley Access Technologies donated automatic doors to Habitat for Humanity of Greater Indianapolis for the 2021 opening of their new ReStore, providing customers with a touchless retail experience. Habitat for Humanity ReStores are independently owned reuse stores operated by local Habitat for Humanity organizations that accept donations and sell home improvement items to the public at a fraction of the retail price.





# Recognition

[See all our awards and recognition →](#)

## WORLD'S MOST ADMIRED COMPANIES

Fortune



## BEST PLACES FOR LGBTQ EQUALITY

Human Rights Campaign  
Corporate Equality Index



## AMERICA'S MOST RESPONSIBLE COMPANIES

Newsweek

4th

## CONSECUTIVE YEAR

CDP Climate and Water  
“A List” Company



## BEST CEOs FOR DIVERSITY IN WOMEN

Comparably

11th

## CONSECUTIVE YEAR

Dow Jones Sustainability  
North America Index



## WORLD'S TOP FEMALE-FRIENDLY COMPANIES

Forbes

4th

## CONSECUTIVE YEAR

Dow Jones Sustainability  
World Index



## BEST WORKPLACE FOR INNOVATORS

Fast Company

9

## TIME WINNER

Call2Recycling's Leader  
in Sustainability Award



# Stakeholder Engagement

We aspire to improve through our action to support ESG priorities across climate, product and people. We strive to lead where we can and provide support where needed on the challenges of our time. Our first step is always to engage.

We invest time and focus in our relationships with stakeholders and rely on their guidance and perspectives, all in an effort to improve the world we share.

## Learning From Our External Stakeholders

### INVESTORS

We meet regularly to discuss our ESG strategies and progress toward our 2030 goals. All of our investor communications, including our Form 10-K, Proxy Statement and Annual Report, contain ESG-relevant information as ESG considerations are a key driver of our decision-making.

### CUSTOMERS

Through our brands, we stay aware and engage with what our customers look for from Stanley Black & Decker, particularly their evolving expectations regarding the sustainability performance of our tools and solutions.

### SUPPLIERS

We work with suppliers to help them understand our priorities and mandates, and to help take them with us on our ESG journey.

### NONPROFITS

We continue to partner with organizations dedicated to improving the environment and contributing to social good, particularly with those whose interests intersect with and can amplify our purpose of being for the makers of the world.

### COMMUNITIES

We strive to be a great neighbor and useful member of the communities around us, providing support and leadership on the issues our communities care about.

### POLICYMAKERS

We work with policymakers on ESG-related issues and to help bring needed change to life.

### INDUSTRY

We strive to be a collaborative force and role model both within our industry and beyond it, working with leading global corporations to create needed change on ESG-related issues and advance the cause of stakeholder capitalism.

### PARTNERSHIPS

We partner with global associations of economic and political leaders such as World Economic Forum, CEO Action for Diversity & Inclusion, Catalyst, United Nations Global Compact and others working to advance solutions to shared challenges.

## Learning From Our Internal Stakeholders

### LEADERSHIP

Our purposefully independent Board of Directors is actively engaged in guiding and informing our ESG strategy. Our executives believe that ESG is intrinsic to success going forward. ESG principles, from environmental sustainability to diversity, equity and inclusion, play an overt and guiding role in how our managers lead our people. ESG engagement is a given.

### EMPLOYEES

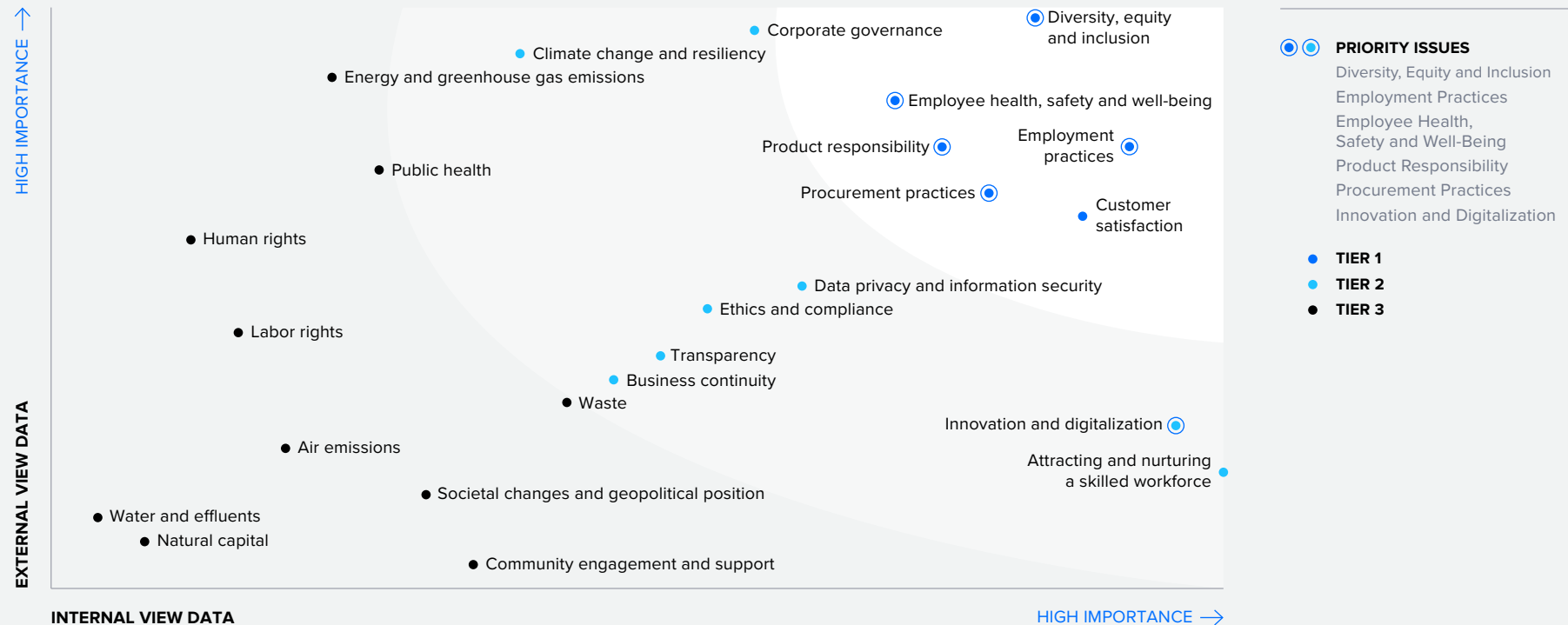
With more than 60,000 employees around the world, we have a vast resource of knowledge, innovation and insight to guide us on our ESG journey. We regularly engage our people on ESG topics and listen intently to their perspectives and hopes for the world.

# Materiality Assessment

We updated our data-driven materiality assessment in 2021 to establish an understanding of what ESG issues are of top importance to both our internal and external stakeholders. We are leveraging the results of this assessment for updates to Stanley Black & Decker’s ESG strategy, including targets, programs and reporting approach.

## MATERIALITY MATRIX

Our review of current practice identified **six tier one priority issues** for both internal and external stakeholders, which are informing our strategic updates. Notably, Diversity, Equity and Inclusion (which was not a standalone issue in our prior assessment) has become the highest priority from both an internal and external perspective.



**COMBATING  
CLIMATE CHANGE**

# To Create a **More Sustainable** World

Climate change is the defining issue of our time. We invest in transforming our operations to go beyond carbon neutral, and vastly reducing the carbon impact of our products while leading our supply chain to do the same. We're also focused on reducing our overall environmental footprint, including water and waste.





## CLIMATE OVERVIEW

We work to positively impact the environment through our operations, with the following overarching goals:

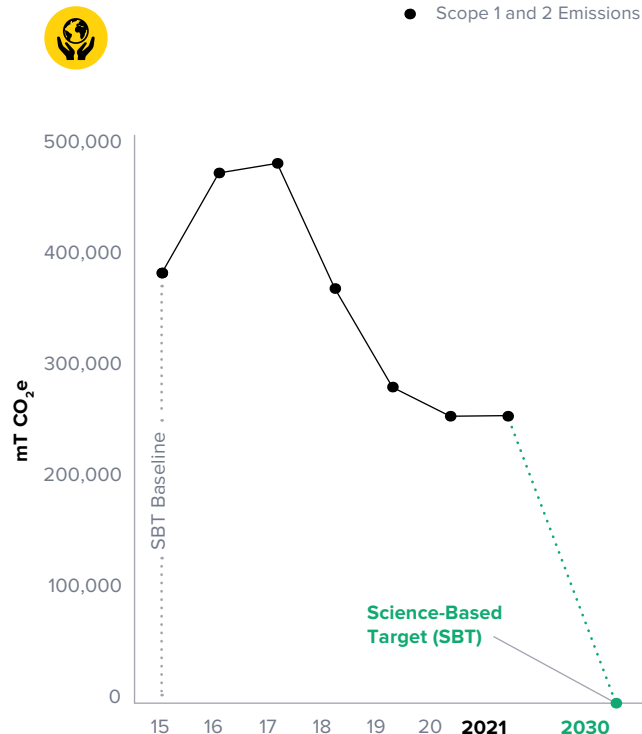
Go **beyond carbon neutral** across our operations by 2030

Set and meet **context-based water targets**, where relevant and necessary by 2030

Achieve **zero waste to landfill** across our operations by 2030

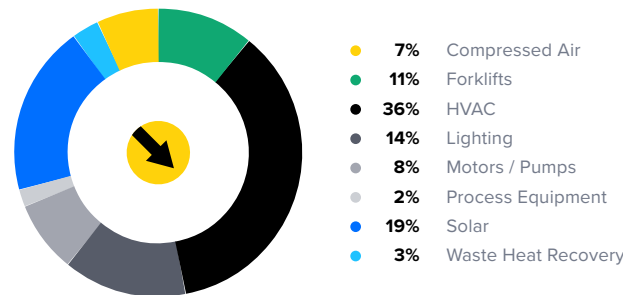
At Stanley Black & Decker, our commitment to environmental sustainability remains core to the way we operate, particularly with regard to combating climate change.

### GO BEYOND CARBON NEUTRAL ACROSS OUR OPERATIONS BY 2030



### 2021 CO<sub>2</sub>e REDUCTION PROJECTS

2021 CO<sub>2</sub>e Reduction Contribution by ECOSMART Project Type



### 2030 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

All large companies, inclusive of Stanley Black & Decker, have a key role to play in accelerating the ambitious actions needed to secure a future where people and planet can thrive by upholding the UN Global Compact 10 Principles and advancing the SDGs. We work actively toward cleaner water, minimizing waste generation and landfiling, and reducing our greenhouse gas emissions to lessen climate risk and find climate opportunity.



# Going **Beyond Carbon Neutral** in Our Operations

## 2030 PLANET GOAL



### Go **beyond carbon neutral** across our operations\*

**BY 2023** Reduce operational\*\* energy intensity by 5% against 2020 baseline; maintain an ~8% annual reduction trajectory in our absolute carbon emissions from our 2015 baseline

\* Our operations means where we buy fuel (Scope 1) and/or electricity (Scope 2).

\*\* Operational/Operations means manufacturing sites and distribution centers only.

[See ESG Scorecard on page 10 →](#)

## Scope 1 and 2 Emissions – Actions and Impact

As part of our science-based target commitment, we seek to reduce absolute Scope 1 and Scope 2 carbon emissions 100% by 2030, against a 2015 baseline.

**Scope 1 (Stationary and Mobile): All direct emissions from those activities under our control, including fuel combustion on-site such as gas boilers.**

**Scope 2: Indirect emissions from electricity purchased and used.**

“Sustainability has become integral to our business culture. Our ESG strategy looks beyond reducing negative impact to positively impacting the environment through our operations.”



**Deb Geyer**  
Corporate Responsibility Officer

In 2021, more than 40 energy efficiency projects were centrally funded, resulting in approximately 5,000 metric tons of annualized CO<sub>2</sub>e savings. We developed four on-site solar projects, three of which (Pune, India; Suzhou, China and Bangkok, Thailand) started in 2021, with a fourth (East Long Meadow, North America) scheduled for construction in 2022. These actions, along with purchasing energy attribute certificates and the virtual power purchase agreement mentioned below, keep us well on our glide path to our 2030 science-based target of going beyond carbon neutral across our operations.

## VPPA for Renewable Energy Impact

In a major step toward achieving our 2030 carbon neutral and beyond goal, Stanley Black & Decker has executed its first virtual power purchase agreement (VPPA) with Engie North America, a global leader in low-carbon energy solutions, to develop new wind energy in Texas. The efforts will deliver the equivalent of 54 megawatts of new wind power capacity or approximately 205,000 megawatt hours (MWh) of renewable electricity annually. This project, operational by the end of 2022, will continue to support Stanley Black & Decker's strategy to source 100% of its United States and Canada electricity needs from renewable power.

← Our Pune, India, facility has installed a **520 kWp Rooftop Solar System**, which will provide **40%** of the existing power needs, and result in a **reduction of 550MT CO<sub>2</sub>e and 60,000 liters of water.**



# Water Impacts

## 2030 PLANET GOAL



Set and meet **context-based water targets**, where relevant and necessary

**BY 2023** Reduce operational\* water intensity by 5% against 2020 baseline

\* Operational/Operations means manufacturing sites and distribution centers only.

[See ESG Scorecard on page 10 →](#)

## WATER FOOTPRINT REDUCTION: MANESAR, INDIA

In 2021, our local manufacturing plant implemented five water reduction projects. A leak prevention initiative saved 300 m<sup>3</sup> water annually. Directly channeling water into a cooling tower reduced evaporation by 15 m<sup>3</sup> annually. Overflow sensors saved 15 m<sup>3</sup> water. These steps and more led to a total operational water withdrawal reduction of 330 m<sup>3</sup> annually. In addition, Manesar installed sensor-based, efficient taps—saving 50 m<sup>3</sup>—and began to collect runoff water, which reduced the facility's non-operational footprint by 25 m<sup>3</sup> annually. The combined water conservation efforts reduced Manesar's overall annual water footprint by 405 m<sup>3</sup>.

## Sustainable Water Use

While our overall operations are not particularly water intensive, our employees and surrounding communities need sufficiently available fresh water to thrive. We consider supporting sustainable water use to be a business imperative.

In 2021, Stanley Black & Decker articulated an explicit [Water Stewardship Policy](#). We aim to lead and initiate action-based projects with local communities, NGOs and water basin authorities where it matters most—the result of which will help to successfully fulfill our goal to create a more sustainable world.

In locations with both significant baseline water stress and stress could result in a material risk to the business, we intend to monitor and set targets for:

1. Percent of withdrawal in regions with high or extremely high baseline water stress
2. Percent of operations with context-based water targets set
3. Percent of water consumption from water recycling/reuse or rainwater harvesting, where local conditions allow





28

water-focused projects  
implemented in 2021

## Conducting a Water Risk Assessment

Our water stewardship journey continues to evolve. A year ago, we worked with the World Wildlife Fund (WWF) to help us move toward locally relevant contextual water targets, analyzing our global footprint for local water basin and operational water-related risks. We now focus on leading and initiating action-based projects with local communities, industry and water basin authorities. This focus on locally relevant water risk mitigation projects with context-based water targets is guided by internationally endorsed and agreed upon frameworks and goals, such as the UN Sustainable Development Goals and the UN Global Compact's CEO Water Mandate.

Our detailed investigation into potential operational risks of our high profile sites with moderate to extremely high

basin risk, using the WWF Water Risk Filter tool, verified that our operations mostly face low to medium direct water-related risk, due to limited water reliance of our operations and production processes. Confirming that our direct risk is limited underscores the necessary transformation from general intensity focus to a location-specific approach customized to the unique water basin risk impact.

Guided by this physical water stress analysis on scarcity, flooding, water quality risk and the like, we investigated the local water scarcity risk of 24 manufacturing and distribution sites with indicated elevated risk levels. The sites are not at immediate risk as local authorities have installed infrastructure (e.g., reservoirs and technical processes such as desalination) to counter the basin stress.

In 2021, we implemented a total of 28 water-focused projects. Of those, seven were process focused to increase water management efficiency to increase water management efficiency in the plating process, improve recycling and reuse for cooling/reconditioning and increase water management control with automated meters. The other 21 projects focused on non-process water management, such as automated faucets in washrooms and rainwater harvesting for sanitary use and landscaping. We plan to continue to monitor and work with our sites locally to investigate potential flood and water quality risks and improvement opportunities in 2022.



# Waste Impacts

## 2030 PLANET GOAL



### 100% ZWTL across our operations

BY 2023 60% ZWTL; 90% recycled waste

[See ESG Scorecard on page 10 →](#)

## Zero Waste to Landfill

We are proud to report that 63, or 42%, of our manufacturing and distribution sites have achieved Zero Waste to Landfill (ZWTL) status. Our established interim goals include 60% of operations to achieve ZWTL status by 2023. We are

working to meet this interim goal, relying on management system enhancements and third-party support and assurance, together with sharing of best management practices.

Our practices encourage waste minimization, reuse and recycling in all instances.

As we continue our journey to Zero Waste to Landfill across our operations, we have introduced a third-party assurance program to strengthen our approach. In 2021, we partnered with our existing environmental assurance auditors to include a ZWTL audit. The first year involved the selection of 10 operations facilities, chosen at random, to demonstrate that their 2021 waste profile was managed in accordance with Stanley Black & Decker's ZWTL criteria. The audit involved a thorough review of waste by disposition and verifiable evidence provided by each vendor that each designated waste stream was diverted away from landfill. As we continue to advance toward our goal, we aim to evolve both our internal and external audit criteria, ensuring all ZWTL sites receive the necessary assurances.

Another strategic initiative involved developing a regional partnership with a single-source waste vendor that would deliver a comprehensive recycling and waste management scheme. Although this partnership remains in its infancy, we have identified a partner in North America with a business model that is aligned to our ambition, specifically focused on using their expansive network to establish a reuse or recycling option for hard-to-abate waste materials. This partner was instrumental in taking a large proportion of our North America distribution network to ZWTL.

## TOOL TESTING LABS ACHIEVE ZWTL

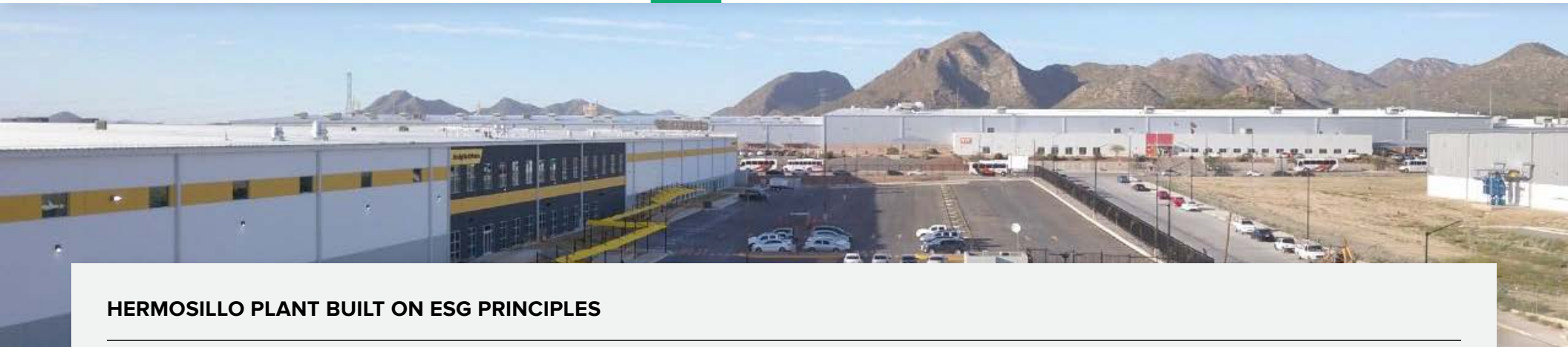
Our testing laboratory associated with our tool manufacturing facility in Suzhou, China, tests tools using concrete blocks that were historically sent to landfill. The Suzhou team identified and worked with a certified vendor to take the concrete blocks and repurpose them. This effort eliminated over 1 million pounds of landfill waste and helped the facility achieve Zero Waste to Landfill in 2021. Additionally, our facility in Buechberg, Germany, managed their concrete waste similarly, helping them achieve ZWTL in 2021, as well.



42%

of our manufacturing and distribution sites have achieved **ZWTL status**





## HERMOSILLO PLANT BUILT ON ESG PRINCIPLES

Our new plant in Mexico has been designed and built with ESG in mind, conserving energy to help combat climate change, minimizing the use of water and serving the community from day one.

### ENERGY

#### CONSERVATION AND SUSTAINABILITY

**Pursuing Renewable Energy:** The Hermosillo Plant is investigating renewable energy alternatives such as solar power that can be locally sourced.

**Potential energy savings: ~20%**

**LED Lighting Inside and Out:** LED lighting is being installed throughout. Additionally, motion sensor light switches are being installed in all offices and conference rooms. Interrupter switches will turn off lights closer to the windows during the day.

**Reduced-Carbon Concrete:** Heavy traffic concrete pads were poured using reduced-carbon materials.

**Insulated Windows for Natural Light:** Double pane windows were installed throughout, as well as insulated dock doors with windows, to provide maximum energy efficiency and natural light penetration.

### WATER

#### CONSERVATION AND SUSTAINABILITY

**Water Scarcity Study:** The plant performed a study on water scarcity and use estimation prior to construction, to inform the process.

**Rainwater Collection System:** A hydrologist consultant is conducting a study to determine estimated potential collection quantities and cost of a rooftop and surface rainwater collection system.

**A/C Condensate Water Collection:** The plant is installing a system for air conditioning condensate water collection.

**Projected water capture: 800 gallons per month**

**Landscaping for Minimal Water Use:** Landscaping features flora native to the region and therefore adapted to the arid conditions and low annual rainfall. Additionally, rocks and gravel are used throughout the grounds as decorative elements.

**Sanitation Facilities Designed for Minimal Water Use:** Restrooms use low-flow toilets with flush sensors, waterless urinals and motion sensor faucets.

### WASTE

#### MANAGEMENT/RECYCLING

**Facility Waste Recycling:** A leading recycling company has been contracted to pick up, sort and recycle plant waste including plastics, metals, e-waste, paper/wood and general plant scrap.

### COMMUNITY

#### RESPONSIBILITY

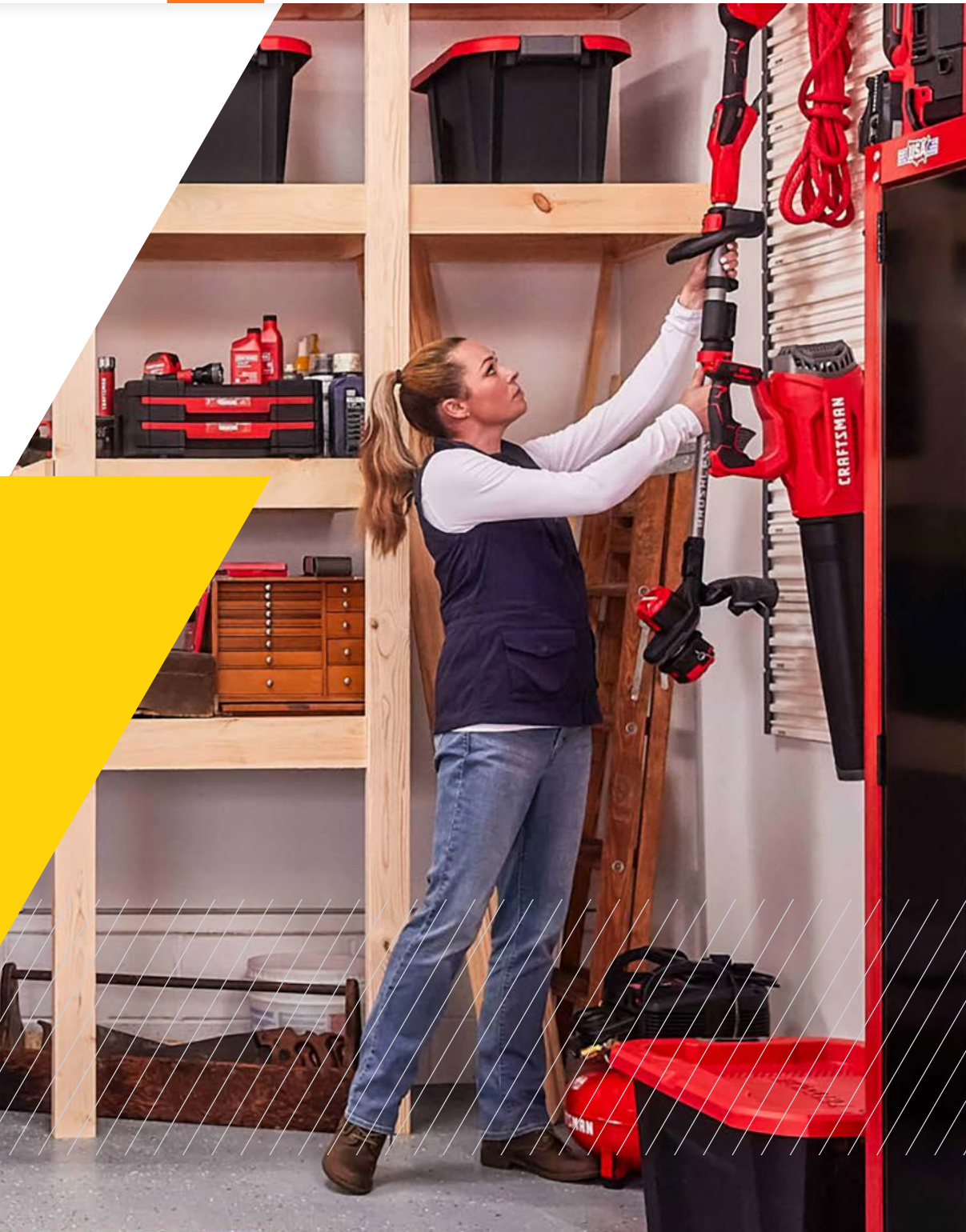
**Accessibility Certification:** The facility is working with Todo Accesible, a national organization that promotes compliance relating to accessibility for those differently abled, in pursuit of “Distintivo A” certification, which means the facility meets all accessibility requirements.



**DRIVING PRODUCT  
RESPONSIBILITY**

# By **Innovating** With Purpose

Our ESG strategy advances with the belief, and the proven experience, that business strategies and product innovations that create societal value can support revenue and profitability growth. We call this, growth with purpose.





## PRODUCTS OVERVIEW

**We work to innovate solutions that improve environmental and social impacts, with the following goals:**

Enhance<sup>1</sup> the lives of **500 million people** with products that fulfill unmet social needs by 2030

Making our packaging **reusable, recyclable or compostable** by 2025

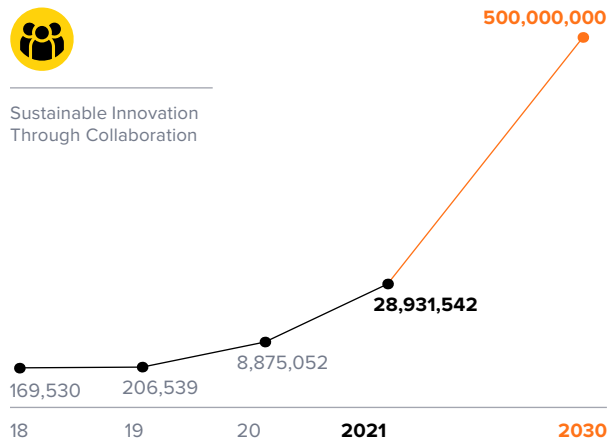
Reduce our Scope 3 emissions **35%** from a 2017 baseline by 2030

We innovate to develop new products and services that fulfill critical societal needs, including responsible environmental performance—helping people be more productive and more sustainable in their lives and work.

#### ENHANCE<sup>1</sup> THE LIVES OF 500 MILLION PEOPLE BY 2030



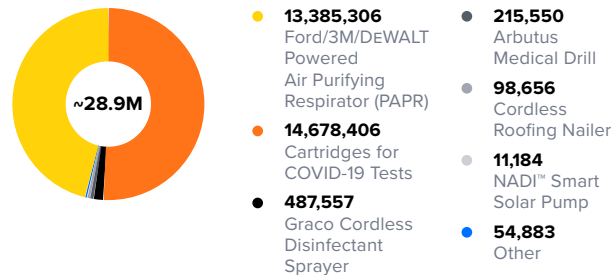
Sustainable Innovation  
Through Collaboration



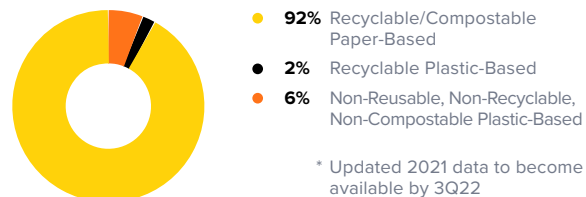
#### PERCENTAGE OF OUR SUPPLY CHAIN BY SPEND THAT HAS SET SCOPE 1 AND SCOPE 2 SCIENCE-BASED TARGETS



#### 2021 CUMULATIVE LIVES ENHANCED<sup>1</sup> BREAKDOWN



#### 2020\* PACKAGING BREAKDOWN BY WEIGHT



<sup>1</sup> We consider an enhanced life to be one that is improved because they chose and used our enhanced product offering over the average product offering.

#### 2030 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In alignment with the SDGs, our products are aimed at being a force for good in the world—helping people climb out of poverty and enabling stable and rewarding work, improving the environment, building and maintaining vital infrastructure, and making our cities more sustainable—especially when produced with responsible consumption in mind. The SDGs noted align with our aspiration. SDG 9 covers innovation and we purposefully use sustainability as an inspiration for innovation. SDG Goal 12 relates directly to our focus on circular design and fostering a sustainable supply chain. SDG Goal 17 reflects the partnerships we are forging with startups and other companies to drive sustainable improvements in our products and their impact upon the world.





## Our New ESG Product Framework

Our new ESG product framework is designed to accelerate the creation and commercialization of ESG-oriented products. This includes new classifications of environmentally and socially beneficial products to complement our products with purpose.

**With an eye on “green revenue,” we are tasking every business unit to categorize the products they are developing into one of three categories if applicable:**



### ENVIRONMENTAL

For products making direct improvements in environmental impact, in categories such as: electrification; energy efficiency; circular economy; pollution prevention and control; clean transportation; green buildings; climate change resiliency; sustainable management of living natural resources and land use; sustainable water and wastewater management; and, protection of coastal, marine and watershed environments.



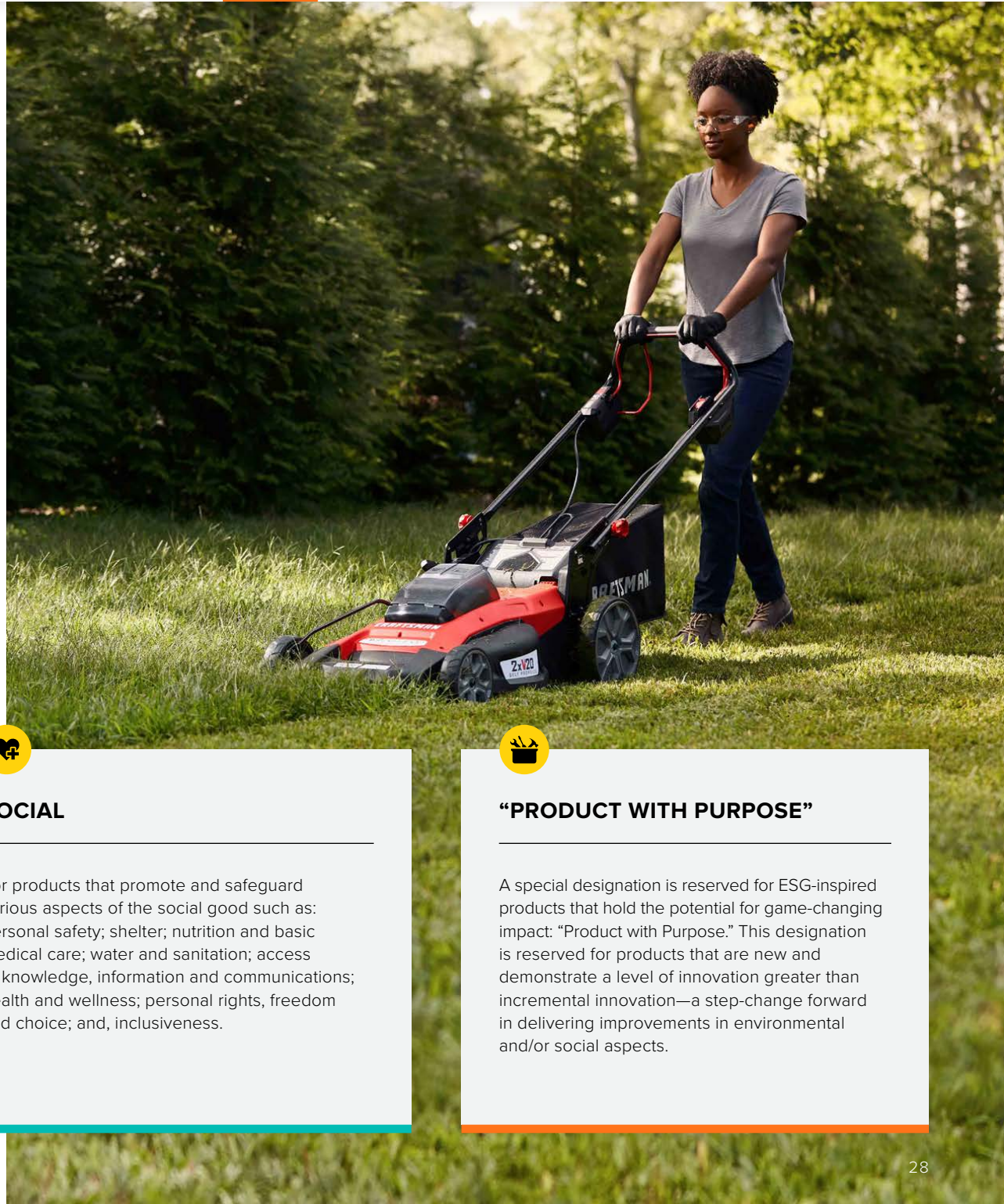
### SOCIAL

For products that promote and safeguard various aspects of the social good such as: personal safety; shelter; nutrition and basic medical care; water and sanitation; access to knowledge, information and communications; health and wellness; personal rights, freedom and choice; and, inclusiveness.



### “PRODUCT WITH PURPOSE”

A special designation is reserved for ESG-inspired products that hold the potential for game-changing impact: “Product with Purpose.” This designation is reserved for products that are new and demonstrate a level of innovation greater than incremental innovation—a step-change forward in delivering improvements in environmental and/or social aspects.





## Elevating Product Safety by Design

As a leader in innovative outdoor products and the world leader in tools, we build safety into our products, in a conscious and disciplined process that includes safety verification by extensive testing before our products ever reach market. We also conduct in-market testing to continually improve the tools and solutions we put into the hands of those who make the world. Maker safety is of the highest priority.

Our product development process includes tollgates for product safety review. Extensive testing is conducted on each product, following a quality policy consistent with ISO9001 that requires third-party approval demonstrating safety. Stanley Black & Decker products are tested to International Standards by independent third parties such as ANSI, UL, DEKAR, VDE and CSA, as well as our own internally developed tests based on the output of our safety review process. Our process triggers safety reviews at various development milestones including conceptual design, approval to release funds for tooling and approval for saleable production. These milestones include a review of product labeling and marking to ensure safety and operational hazards are identified clearly for the maker.

Our robust product design processes result in high specification, high quality products that help shape the global marketplace. Every effort is made to ensure our

products exceed our customers' expectations. That said, we also have disciplined processes in place to manage product issues up to the point of potential product recall, in line with EU RAPEX and U.S. Product Safety Commission obligations.

### Reducing Dust, Noise and Vibration

In producing our leading professional and trades power tools, in particular, we seek innovative ways to reduce dust, noise and vibration while increasing control to keep the workplace and jobsite as safe and non-taxing on the maker as possible. For example, the DEWALT PERFORM & PROTECT™ line of tools and accessories are designed to provide a high level of one or more levels of dust containment, control, or low vibration—without sacrificing performance.



#### DUST

**DEWALT PERFORM & PROTECT** offers 220+ OSHA Table 1 compliant dust solutions. Shrouds, extractors and extraction accessories reduce the amount of airborne dust exposure, increase user visibility and cut down on tool maintenance costs.



#### CONTROL

**DEWALT PERFORM & PROTECT** drills and grinders come equipped with integrated torque control features. The Anti-Rotation E-CLUTCH® System and Kickback Brake feature help protect the user in bind-up situations.

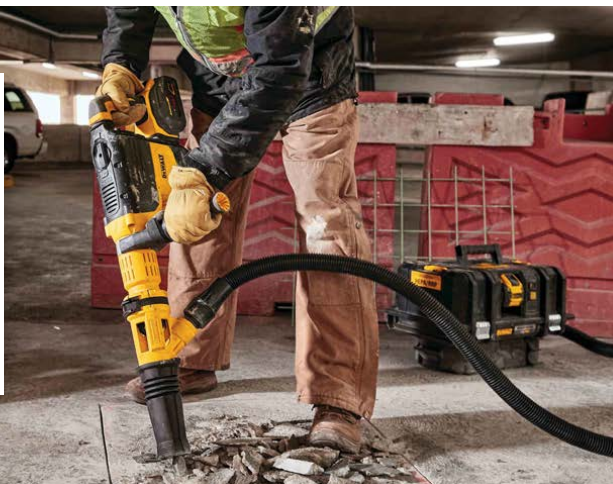


#### VIBRATION

**DEWALT SHOCKS ACTIVE VIBRATION CONTROL®** System reduces vibration felt at the handles—protecting the user from prolonged exposure to vibration that may result in fatigue, pain, numbness and increased sensitivity to cold.

#### THE 60V MAX\* 1-3/4 IN. BRUSHLESS CORDLESS SDS MAX COMBINATION ROTARY HAMMER

This midweight, high performance hammer features the Anti-Rotation E-CLUTCH® System and the SHOCKS Active Vibration Control® System. WIRELESS TOOL CONTROL™ allows the user to link the tool to the DCV585 60V MAX\* dust extractor.



#### 18V XR BRUSHLESS 24MM SDS HAMMER DRILL INTEGRATED EXTRACTION KIT—2 X 5AH

Integrating dust extraction on-board the tool, this high performance hammer drill kit features electronic clutch for consistently high torque and class-leading low vibration values, thanks to a floating gearbox detached from the main plastic housing.



## Investing in Circular Design

Driving innovation with purpose, Stanley Black & Decker is investing in creating more sustainable, eco-friendly products in alignment with our ESG strategy. We aspire to become the first industrial company to bring to market a Net Zero product and intend to lead this vital sector of responsible growth.

### 2025 PRODUCT GOAL



**Make our packaging reusable, recyclable or compostable**

Our expanding view of product stewardship includes pushing the boundaries of circular design while also vastly reducing the environmental profile of our packaging. In addition, we continue to create and implement programs for battery and end-of-life tool recycling.

In 2021, our Hand Tools and Storage business hired a team to evaluate new, more sustainable materials to prequalify them for our product development teams. This way, those teams can feel comfortable specifying promising new materials with confidence.

### reviva™ Sustainability-Led Power Tools

Bringing ESG sensibility to market, BLACK+DECKER's first sustainability-led power tool line, reviva™, uses 50% certified recycled content in the enclosures. Collaboratively engineered with specialty materials provider Eastman, the line features Eastman's Tritan Renew copolyester, made using a form of molecular recycling that breaks down plastic waste to its chemical building blocks for use in creating new plastic. This advanced circular recycling technology reduces the use of fossil-based resources and lowers greenhouse gas emissions while providing the performance of virgin plastic materials and environmental benefits of 50% recycled content. In addition to sustainably engineered material in this new product line, reviva™ packaging will be frustration-free and 100% recyclable.



### REDESIGNED FOR RECYCLED

The [DEWALT TOUGHSERIES™](#) tape measure replaced its traditional single-use plastic package with packaging made predominantly of recycled cardboard. The new packaging eliminates 10,000 pounds of plastic per year—the weight equivalent of 458,000 0.5L water bottles being removed from the waste stream.

### Our Pledge on Packaging

To make our packaging **reusable, recyclable or compostable by 2025**.

The Company recently made resource investments in sustainable packaging expertise to build out our capabilities in this vital area.

### Reducing Plastic Packaging

Our approach to combatting plastic pollution through innovative packaging also includes focusing innovation on the size of packaging, decreasing the amount of packaging material needed and increasing the number of products that fit on a pallet and in a shipping container. These actions ease both transportation costs and environmental impact.

For a company with more than 500,000 different types of products, making a shift to sustainable packaging doesn't happen overnight. We are working with retailers to remove single-use plastics from our ecosystem, helping us move toward a world with less plastic pollution. Together, we can make a difference through small changes that add up to big results.







## Engaging Our **Supply Chain** on Climate

We partner with suppliers to elevate their social and environmental performance along our supply chain, while supporting their pursuit of continuous improvement and operational excellence.

### 2030 PRODUCT GOAL



**Reduce Scope 3 emissions by 35% compared to a 2017 baseline**

**BY 2025** Two-thirds of supply chain by spend setting Scope 1 and Scope 2 science-based targets

### Building a Sustainable Supply Chain

We expect our suppliers to meet the highest standards of quality, ethics and sustainability as outlined in our [Stanley Black & Decker Supplier Handbook](#). We also encourage our suppliers to participate in our CDP Supply Chain Program.

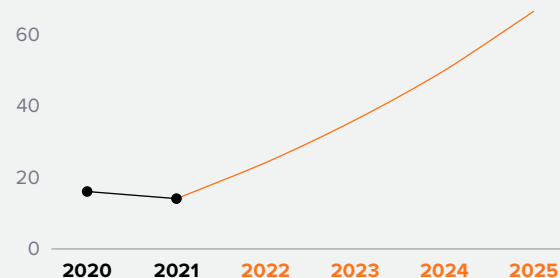
We are working to bring our supply chain along with us on the path to a Net Zero future, and to helping our suppliers achieve superior environmental performance. We have committed to ambitious targets for our supply chain in terms of emissions reductions.

Our first step in addressing the Scope 3 emissions related to our products and solutions has been to engage with our suppliers, all along our vast and complex supply chain, bringing them both demands and best practices for reducing their own Scope 1 and Scope 2 emissions. Simply put, our suppliers' Scope 1 and Scope 2 comprise much of our Scope 3.

The urgency we feel is working its way quickly and clearly through our networks of supplier relationships.

### SUPPLIER SUSTAINABILITY FOCUS

Percentage of Suppliers Who Have Set Scope 1 and Scope 2 Science-Based Targets by Spend



#### ONGOING

Current Suppliers Required to Reply to CDP Supply Chain Survey Indicating Adoption of Science-Based Targets



#### NEW

All New Suppliers With \$1M Spend Need Science Based Commitments in Contract  
Non-Compliant Suppliers Risk Loss of Contract

Glidepath supporting our public goal of 67% of our suppliers setting science-based targets by 2025

### SBD IS A CDP “SUPPLIER ENGAGEMENT LEADER”

CDP has been pushing for companies to cascade measurement and action across their supply chain. In CDP's 2021 evaluation, we received a Supplier Engagement Rating of A and were placed among the best performers as a Supplier Engagement Leader.

# Addressing the Climate Impact of Our Products

We understand the role our products play in the lives of makers around the world, and what creative and rebuilding efforts they make possible. We also understand that every product we sell has an environmental impact, in its creation, its use and its end of life.

Stanley Black & Decker is well positioned, as a leader in tools and especially now in outdoor lawn and garden equipment, to transform entire product categories to become more environmentally sound, as described in more detail in the Electrification discussion in the subsequent section of this report.

[For more on product innovation and electrification, see page 34 →](#)

Our approach to product innovation has evolved into *sustainability without compromise*—reducing the environmental impacts of our products without sacrificing their performance.

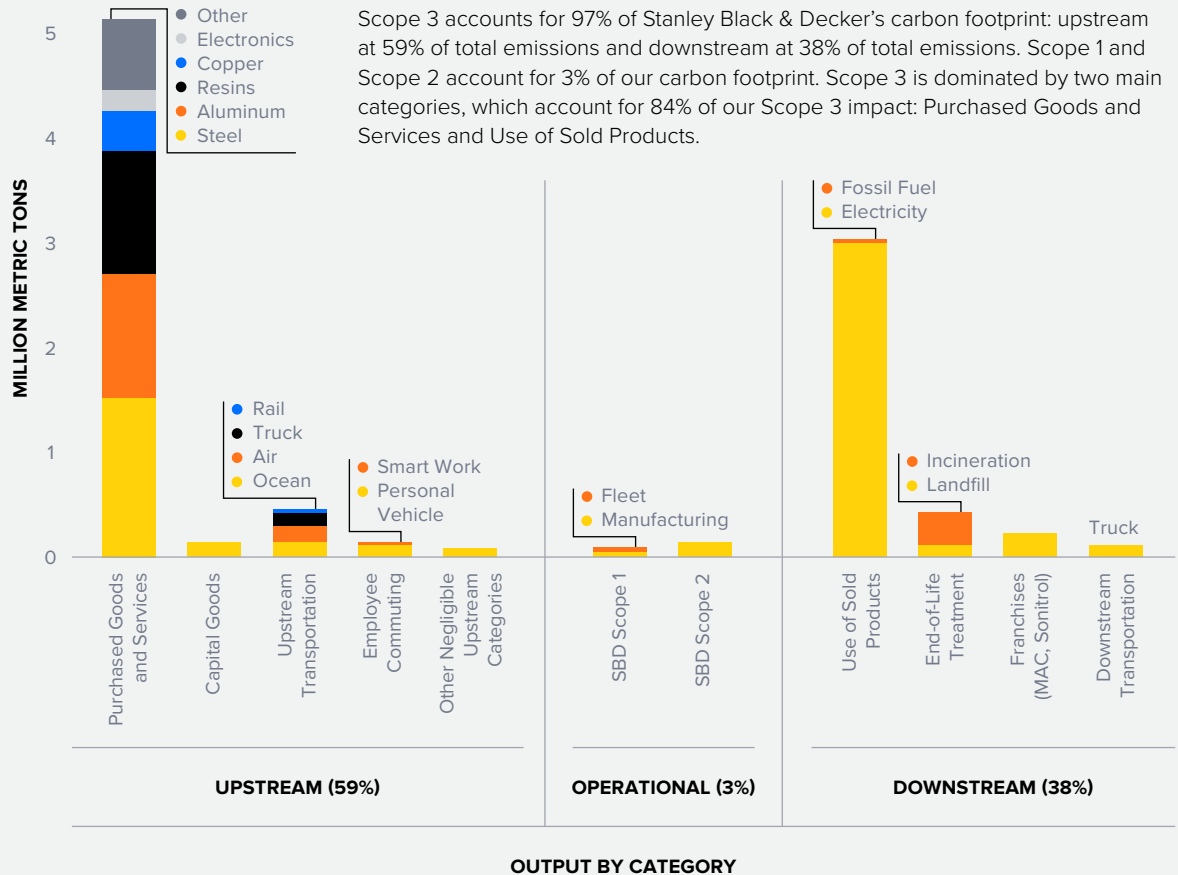
## Assessing the Emissions Profile of Our Products

Lifecycle assessments help us understand all the environmental impacts of our products, especially associated carbon emissions, and are embedded in our process of developing innovative products and bringing them to market.

Circular design has quickly become an integral part of our process of innovation. Our embrace of this principle means designing products for circularity across material selection, manufacturing, use and end-of-life considerations. We aspire to innovate with the product lifespan in mind, from how the raw materials get to us, to the entire process of making a finished product, to the packaging needed to bring it to market.

### STANLEY BLACK & DECKER'S 2020\* CARBON FOOTPRINT

\* Updated 2021 data to become available by 3Q22





The materials and components used to construct our products account for a large portion of the total emissions footprint associated with our business. Our strategy is to identify and incorporate better materials that deliver the functionality we're looking for, with lower impact. We're starting with procuring higher levels of recycled content in the materials we already purchase but are also exploring new material options.

Through this environmental performance lens and lifecycle assessments, we look to make both incremental and step-change differences in each new generation of tools and solutions for the makers of the world.

## Battery Metals Sourcing

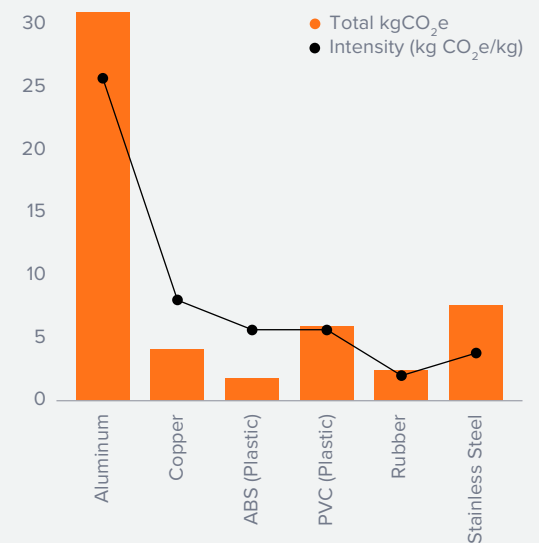
To ensure responsible battery metals sourcing, Stanley Black & Decker conducted a deep dive of our battery supply chain in 2021. We contracted leading responsible sourcing firm RCS Global to map and audit our battery supply chain, from mine to battery. The project determined the material flow of cobalt, lithium, graphite, manganese and nickel inputs into our batteries and assessed suppliers against responsible sourcing criteria to identify and mitigate human rights risks along the supply chain. The work was carried out in accordance with the World Economic Forum

Global Battery Alliance on transparent supply chains and the OECD Due Diligence Guidance on Responsible Sourcing principles.

We collaborated with three of our battery suppliers and worked with RCS Global to conduct 36 audits. The results showed no critical risks related to child labor, occupational health and safety or environment.

## LIFECYCLE ASSESSMENT

To help our product development teams better understand the impacts of their material selections we worked with Anthesis to develop an Excel-based Life Cycle Assessment Screening tool.





## Accelerating Electrification

Electrification and cordless power have become a focus for us as both the market adoption of and demand for these products are accelerating. In Power Tools, Outdoor Power Equipment and Engineered Fastening, the benefits today and in the future of further electrification are significant.

In outdoor power equipment, battery-operated products are safer, deliver significantly lower emissions and are much quieter versus their gasoline-powered counterparts. Our acquisitions of MTD and Excel create the ideal combination to electrify this \$25 billion and growing market. Our brands, channels and capabilities in battery technology, combined with acquired prowess in outdoor equipment manufacturing and product innovation, set us up nicely to capture this disruptive opportunity. In the coming years, one can expect a remarkable wave of emission reduction innovation in Tools & Outdoor industry electrification, led by Stanley Black & Decker.

The benefits of electrification also extends to our Stanley Engineered Fastening business. In the automotive world, the transition to plug-in hybrid and electric vehicle (EV) platforms represents a 3-to-6x dollar content per vehicle opportunity versus traditional combustion-powered vehicles. We expect that the market inflection point will occur in or around 2026, when we believe global production of EVs and hybrids will likely exceed combustion-powered autos. And as this shift occurs, approximately 27 million of these vehicles are likely to be produced annually; the future annualized potential for our business is measured in the billion dollar range. This is a compelling business opportunity, but more importantly the impact on the environment of helping to replace internal combustion engines on the roads of the world cannot be overstated.



See how we are addressing the climate impact of our products on page 32 →



### POWERSTACK™ BATTERIES

Our revolutionary FLEXVOLT battery continues to reshape the Power Tools marketplace in our favor. But our cordless tools innovation doesn't stop there. New in 2021, POWERSTACK™ brings breakthrough pouch battery cell technology to the jobsite. Winner of Popular Science's 2021 Best of What's New Award and called "among the 100 greatest innovations" of the year, the POWERSTACK 20V MAX\* Compact Battery delivers 50% more power and 2x the lifespan in a 25% more compact and 15% lighter package than conventional cordless batteries.





## EMPOWERING OUR PEOPLE, MAKERS AND COMMUNITIES

At Stanley Black & Decker, we see fostering an inclusive internal culture of empathy and innovation as a foundational element of our ESG strategy, making us capable of transforming lives both for our people and in the world around us, so we can deliver on our purpose,

**for those who  
make the world.™**







## PEOPLE OVERVIEW

**We aim to enable 10 million creators and makers to thrive in a changing world, with the following goals:**

Empower **10 million makers and creators** to thrive in a changing world by 2030

Achieve **50-50 gender parity** in leadership by 2030

Increase our spend with **certified Diverse Suppliers** to at least **10%** and develop diverse suppliers by 2025

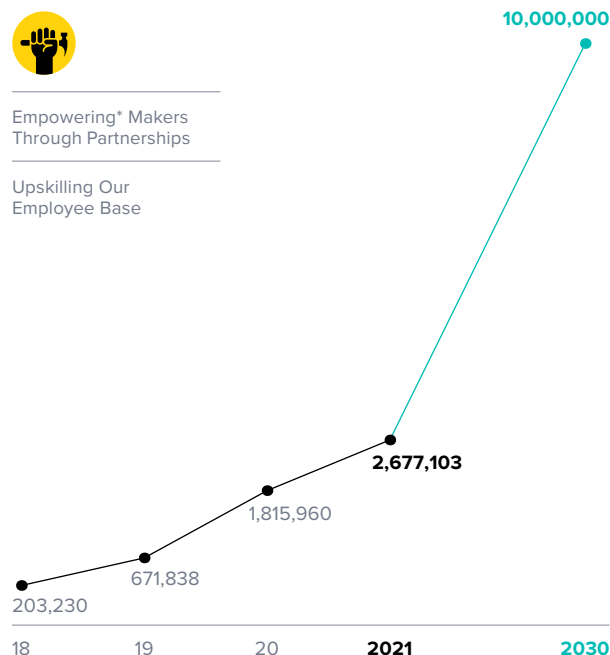
Our people embody a commitment to helping our communities, particularly the next generation, gain the skills and expertise needed to thrive in this changing world. We also continue to build on our human capital investments in diversity, equity and inclusion, health and safety, well-being, community engagement, supply chain management and human rights.

#### EMPOWER\* 10 MILLION MAKERS AND CREATORS BY 2030

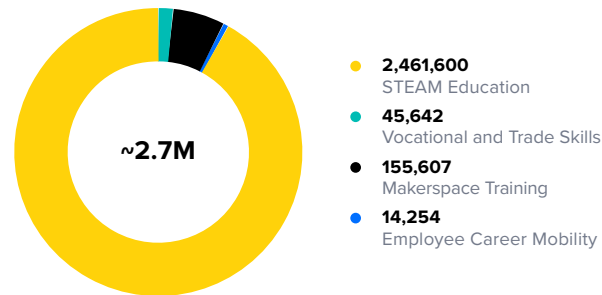


Empowering\* Makers Through Partnerships

Upskilling Our Employee Base



#### 2021 CUMULATIVE EMPOWERED MAKER BREAKDOWN



\* An empowered maker is a person whose capabilities or resources have been enhanced through education, equipment or experiences enabled by Stanley Black & Decker (SBD). To quantify the impact of our efforts to empower makers, we measure the number of people who have completed or participated in SBD-backed programs that have enhanced their capabilities related to advanced manufacturing, vocational training, trade skills, STEAM education and/or Makerspace engagement.

#### 2030 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Our approach to quality education, SDG 4, and economic growth through decent work, SDG 8, includes upskilling and reskilling as we strive to give people the right tools to make an impact, empowering individuals to find valuable work in skilled professions and supporting more equitable economic growth for their communities.



#### EMPOWER MAKERS GOALS

Provide **skill mobility** for all of our employees in a diverse, equitable and inclusive workplace

Increase access to **makerspaces**

Partner to drive **STEAM education**

Nurture **vocational and trade skills**



# Diversity, Equity and Inclusion

## 2030 PEOPLE GOAL



Achieve **50-50** gender parity in leadership

## Building a Thriving, Inclusive Workplace

We are building a thriving, inclusive workplace that attracts and amplifies the talents, perspectives and experiences of all employees. This is what we stand for and who we strive to be. And we connect our global employees to it through the hashtag: **#TogetherWeAreMore**. These words carry deep meaning for us.

**Together** we are working to make a difference—not just inside our Company but in our communities across the world. **We** means every one of us. **Are More** is about accelerating our pace and elevating our aspiration.

We continue to build out our Diversity, Equity & Inclusion (DE&I) infrastructure globally, regionally and within our businesses, for scalable impact across our enterprise. Our appointment of a Chief Diversity Officer in 2021 and the expansion of a global DE&I organization signals our growing commitment and investments to lead in this vital driver of responsible performance and social good.

*A copy of the Company's most recently filed Equal Employment Opportunity report to the U.S. government (EEO-1) can be found on the Company's website.*

“Stanley Black & Decker understands that DE&I is essential for fulfilling our purpose and being a sustainable company where the most talented people can thrive. We are excited about the possibilities, encouraged by our progress so far, and eagerly working to shape our future, together.”



**Joe Simms**  
Chief Diversity Officer

## DIVERSITY DATA

as of January 1, 2022



**33%**  
of the global workforce are women.



**34%**  
of the U.S. workforce are racially or ethnically diverse.

## An Ecosystem Approach to DE&I

The general principles of DE&I do not change, but how they are expressed at regional and country levels vary depending on local culture and demographics.

### 1. Scale for Exponential Growth

We are scaling our DE&I framework to ensure the right, context-specific strategies for our businesses and regional and local circumstances.

### 2. Drive Accountability and Advocacy

We will systematically engage our many thousands of people managers on the behaviors and expectations to enculturate inclusivity and allyship.

### 3. Engage External Best Practices and Partnerships

We adopt and share best practices and partner on differentiated solutions for engaging customers, our people and our communities, while building on DE&I opportunities within our supplier network.

## Employee Resource Groups (ERGs)

Stanley Black & Decker's extended ERG community has grown to more than 12,000 employees in nine global ERGs, two Inclusion Councils and more than 90 unique chapters worldwide since we launched our Women's Network in 2016.

These groups serve as powerful resources for our people, providing a focus for allyship and mentoring. They also act as agents of change in our surrounding communities, including serving as a direct link to support our social responsibility initiatives. Here, externally facing ESG strategies and DE&I sensibilities go hand in hand, amplifying our investments and support.

Our ERGs focus on what we call the “Four Cs”—Community engagement, Career development, Culture of inclusion and Commerce/business impact. ERGs have played guiding roles in establishing our scholarship programs for Historically Black Colleges and Universities (HBCUs), in supporting our RISE Community Program (Reach, Inspire, Support, Engage) for middle and high schoolers, and in partnering with groups such as [Greenlight for Girls](#) and [Girls for Technology](#) to create pathways to STEAM careers.







“From the moment I started at Stanley Black & Decker, I was immediately struck with the commitment to DE&I and knew it was where I needed to be. As a woman in a traditionally male-dominated field, I know how important it is for women to support, uplift and empower other women to break through barriers. Leading the Women’s Network has allowed me to not only build an internal community of incredible women—but to begin changing the status quo of women in the trades and STEAM careers. The Women’s Network is an incredible channel to do good for our employees as well as our communities and end users.”

**Audrey Van de Castle**

Senior Manager, Technology & Maker Initiatives, Workforce Readiness / Steering Committee Member and Chapter Co-Chair, Women’s Network ERG

“Stanley Black & Decker embraces diversity, equity and inclusion not only through words but through actions as an organization. It is the first time in my career where, as an employee, I can be more myself at work, my differences are taken as an asset, I can help reduce exclusion and fight discrimination. My Abilities ERG journey starts by awareness, acceptance of disabilities and differences and then embrace, inclusion and celebration. It is a long journey, but I hope to continue be successful and also bring other allies along the way with me.”

**Agathe Pachkoff**

Manager, Price and Margin Excellence Systems / Steering Committee Member, Abilities Network ERG



“I have been the most successful in my career in the last four years at Stanley Black & Decker because I’m not hiding who I am. I don’t have to work overtime to exclude the LGBTQ+ part of me to be successful in my role. In fact, who I am enhances my role, and it unleashes this power of individuality to be successful. The leadership opportunities I took on with Pride & Allies made me a more effective people and project manager.”

**Fiona Mohring**

Vice President, Health & Benefits / Steering Committee Chair, Pride & Allies ERG

“This is the passion work I choose every day—to serve as a connector, catalyst and change agent in advancing our DE&I vision and purpose. Representation and exposure matters, to share my stories and experiences in creating an environment of trust so that African American employees and allies find freedom in expressing theirs has been a launch pad for our African Ancestry Network’s impact. Together, we are creating corporate-wide programming, open dialogues and cross-ERG collaboration, strong community partnerships that are uplifting the communities where we work and live, and providing a trusted space for all employees to learn, grow and thrive personally and professionally.”

**Gaynelle Swann**

Vice President, Engineering, Productivity & Product Integrity / Steering Committee Chair, African Ancestry Network ERG





## DE&I-Focused Training and Mentorship

Our commitment to attract, develop and retain a diverse workforce is unwavering. Mentorship programs, employee development opportunities and welcoming untapped talent are wrapped within a strategy that includes DE&I education. Courageous conversation series, DE&I workshops and a self-service library influence employee knowledge and behavior in the areas of unconscious bias, gender equity, allyship, empathy and welcoming differences.

Multifaceted talent programs exist to provide equitable opportunity for growth across our enterprise. Access to coaching and sponsorship to reach several internal communities. Two highlights are: (1) The **NextGenERG** program partners employee resource group (ERG) Mentees with Leaders in a two-way mentoring experience. The Leader coaches on selected leadership competencies and the Mentee educates the Leader on all ERGs, eventually honing in on the Mentee's specific ERG; (2) the **Executive Sponsor Program** is a turbocharged experience for

Protégés to gain enterprise-wide exposure and stretch experience not likely to occur without a Sponsor. Protégés are directly aligned with diverse development programs such as the Leadership Academies for Black, Asian and Hispanic professionals, and to our gender equity commitment. Over 50% of our Protégés have been women.

Attracting employees from untapped talent pools is intentional. The SBD Returners Program helps mid-career professionals who have taken two or more years off from the workforce for personal reasons to get back into the workforce. The majority of our 2021 returners were women. Our Abilities initiative is attracting people with disabilities seeking to enter the workforce. Autism Speaks and the National Organization on Disability are partners to coach us about workforce readiness to help us welcome such an energized talent. We continue to enhance our workplace practices to help us become an employer of choice with Veterans.

Stanley Black & Decker has created and activated RISE (Reach. Inspire. Support. Engage.), an initiative that takes a comprehensive approach to race and gender equity. RISE fosters a culture of inclusion that unlocks human potential and uncovers the key drivers of a workplace where all employees can advance and thrive.



### PROMOTING VACCINE AWARENESS

Our African Ancestry and Hispanic Latino ERGs worked together on a COVID-19 Vaccine Awareness and Education campaign for their members, as well as the broader Stanley Black & Decker community. They provided access to virtual sessions with health professionals to answer questions about the vaccines, and also addressed the unique concerns communities of color have about getting vaccinated.



## Acting on Racial Equity

With executive sponsorship and input from the African Ancestry Network employee resource group, in 2020 we created a 10-point plan for racial equity and social justice that continues to evolve and be refined. This racial equity roadmap serves as a step-by-step guide for our leadership and employees focused on culture, career and community.



### Juneteenth

is now a Stanley Black & Decker employee holiday in the U.S.

## OUR 10-POINT PLAN FOR RACIAL EQUITY

## RECENT PROGRESS MADE

### CULTURE—EVOLVING WHO WE ARE AS A COMPANY

Expand our Stanley Black & Decker **Office of Diversity, Equity and Inclusion**.

Provide clear channel of communication for **reporting discrimination and retaliation**.

Develop a **comprehensive Racial Equity Library** for all employees and require **equity training for leaders**.

Support racial equity causes and minority-owned businesses through our employees' participation in **annual U.S. week of service**.

Appointed Chief Diversity Officer along with ensuring creation and scaling of DE&I resources and alignment across businesses and regions.

Empowered our people to report any work issue including discrimination, harassment or any behavior that does not align to our values or that may be against the law.

Race Forward Guide developed and made available to all employees through the DE&I SharePoint and Workplace Knowledge Library. All employees required to complete unconscious bias training and leaders are required to take an additional instructor led session.

In 2021 hosted first annual Juneteenth Week of Service. As of 2021, Juneteenth is a new, recurring holiday for all U.S. employees.

### CAREER—LAYING THE GROUNDWORK FOR SUCCESS

Build **deep and productive relationships** with **Historically Black Colleges and Universities** and other institutions that support equity through education.

Launch a multi-month, **best-in-class Black leadership development program** with high participation rate.

Reform our **performance review process** to ensure visibility to **Black and other diverse talent**.

Awarded \$400,000 to 22 students at five target HBCUs through the Stanley Black & Decker Leadership Scholarship. Hosted the inaugural Stanley Black & Decker Innovation Challenge with 30 students from 12 HBCUs partnering with the Thurgood Marshall College Fund, Lowe's, SteeleCase and McCormack.

77 Black leaders attended first-ever cohort of the McKinsey Black Leadership Academy. 44% of 2021 Executive Sponsor Program participants are racially or ethnically diverse. 105 Asian and Hispanic/Latino leaders participated in McKinsey's new Connected Leaders Academies in Q3 and Q4 of 2021 and in Q1 2022.

Launched the inaugural DE&I Quarterly review in December 2020, increasing diverse representation at all levels of the organization by:

- Tracking progress made with demographic data and trends
- Dedicated reviews of female and racially diverse talent to increase visibility to senior leaders
- Increasing leadership accountability for creating a diverse and inclusive workplace

### COMMUNITY—BUILDING A STRONG NETWORK THROUGH OUTREACH

Donate at least **\$10.5M by 2025** to strategically aligned racial equity-related organizations.

Create a **community-based strategy** to drive equity, inclusion and economic development for **Black youth and people of color**.

Expand our partnerships with minority- and women-owned businesses to increase **supplier diversity spend** from 3% to 10% by 2025.

\$1.6M donated by year-end 2021; \$3M commitment in 2022.

Launched RISE Community Program in greater Hartford, CT, that provided access and support to 39 students representing four community-based organizations.

Partnered with U.S. Chamber of Commerce Coalition to Back Black Business and Ureeka to mentor four black-owned enterprises qualifying as small businesses.



# Supplier Diversity

Stanley Black & Decker is committed to developing a diverse supply chain that contributes to successful and sustainable businesses. Through inclusive procurement practices we can create long-term value for our clients, while helping us remain agile and ahead of the market.

## 2025 PEOPLE GOAL



**Increase our spend with certified Diverse Suppliers to at least 10% and develop diverse suppliers**

In alignment with our supplier diversity policy, and with the guidance of our supplier diversity advisory council, we will include at least one diverse supplier in every Request for Proposal conducted in the U.S. To help drive expansion of diversity in our supply chain, we also partner with network organizations to ensure we are proactively and continuously connecting with diverse suppliers through outreach and mentorship. These practices help make a positive economic impact on the communities we and our suppliers represent.



## Partnering for Supplier Diversity

We have joined a number of network organizations who certify and match diverse-owned businesses with member corporations. These include:

### NATIONAL MINORITY SUPPLIER DEVELOPMENT COUNCIL

Providing access to more than 13,000 certified minority-owned businesses, NMSDC is committed to advance Asian-Indian, Asian-Pacific, African American/Black, Hispanic/Latin American and Native American suppliers in a globalized corporate supply chain.

### WOMEN'S BUSINESS ENTERPRISE NATIONAL COUNCIL

Providing access to more than 16,000 certified women-owned businesses, WBENC is the leading nonprofit organization dedicated to helping women-owned businesses thrive.

### NATIONAL LGBT CHAMBER OF COMMERCE

NLCC is our partner to help expand our existing supplier diversity program to include Certified LGBT Business Enterprise® suppliers, develop new clients, bring parity to diversity practices, benchmark with other corporate partners and top firms, influence essential inclusive public policy and recruit top LGBT talent.

### NATIONAL VETERAN BUSINESS DEVELOPMENT COUNCIL

NVBDC certification provides the assurance to us, as partners, that the veteran suppliers that we intend to contract with have gone through a rigorous vetting process. NVBDC's best-in-class supplier development and training program ensures we have access to a pool of contract-ready veteran suppliers.

### DISABILITY:IN

The leading nonprofit resource for business disability inclusion in corporate America, Disability:IN serves as the collective voice to effect change for people and businesses owned by people with disabilities.

As a corporate member of these organizations, we have become an integral part of shaping the global supply diversity landscape. We know that an inclusive workforce and supply chain leads to improved market share and reduced operating costs—a win-win scenario.



# Developing Our Talent

We continue to amplify our investments in our people, as each person’s individual growth and evolution contributes to our collective strength.

## Empowering Our People

At Stanley Black & Decker, across our global enterprise, we are working to create immersive and equitable employee experiences animated by our socially and emotionally intelligent culture of belonging—for productive, collaborative and shared excellence.

Recognizing that talent is a competitive advantage, we are investing in building a talent pipeline and a differentiated people experience. Unlocking the synergies of people and technology, we are democratizing training and development with AI-powered platforms and tools—all with the goal of giving our people more power over their work and personal growth trajectories.

Empowerment stems from measuring employee engagement in meaningful ways. We assess engagement at the team level through surveys and engagement tools and work with leaders to support the needs of a highly engaged workforce.

### SUPPORTING ENGAGEMENT AND CONNECTION

We prioritize connecting our people across businesses and geographies through social collaboration tools like Workplace by Meta. This tool has been especially meaningful during the pandemic to bring timely visibility to business priorities, ensure the health and safety of our employees and give our people access to important resources—and each other—in ways that improve productivity and keep people engaged.



### DEEPHOW USAGE

4,995 users	1,636 published videos	28,233 workflow views
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## DeepHow AI-Powered Video Learning Platform

Our learning platform, DeepHow delivers on-demand visual training, a digital resource for the workplace on how things get done and how to do them right. This powerful efficiency tool enables centralized operations training and Standard Operating Procedures (SOP) documentation, with efficient content creation and a tracking and skills matrix, for scalable best practices and communications as well as knowledge risk mitigation. An investment in the democratization of training and development, DeepHow supports multiple languages and features easy-to-navigate video segmentation and tools for sharing and tracking for individuals and teams. Based on DeepHow’s success with our people, we are expanding its use and integrating it into onboarding and mandatory safety training.



### INTERNAL COURSES OFFERED

16,000+ in LinkedIn Learning catalog	8,380 in Coursera catalog
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## Upskilling and Reskilling Our People—Workforce Readiness

We approach our internal talent as a marketplace for developing skills, deploying talent and mobilizing careers. We are working to establish an AI-enabled talent ecosystem to match internal skills and spare capacity with business projects and tasks. This will create more career paths, accelerate the rate of learning, fill critical roles at a faster rate and reduce the overall cost of labor.

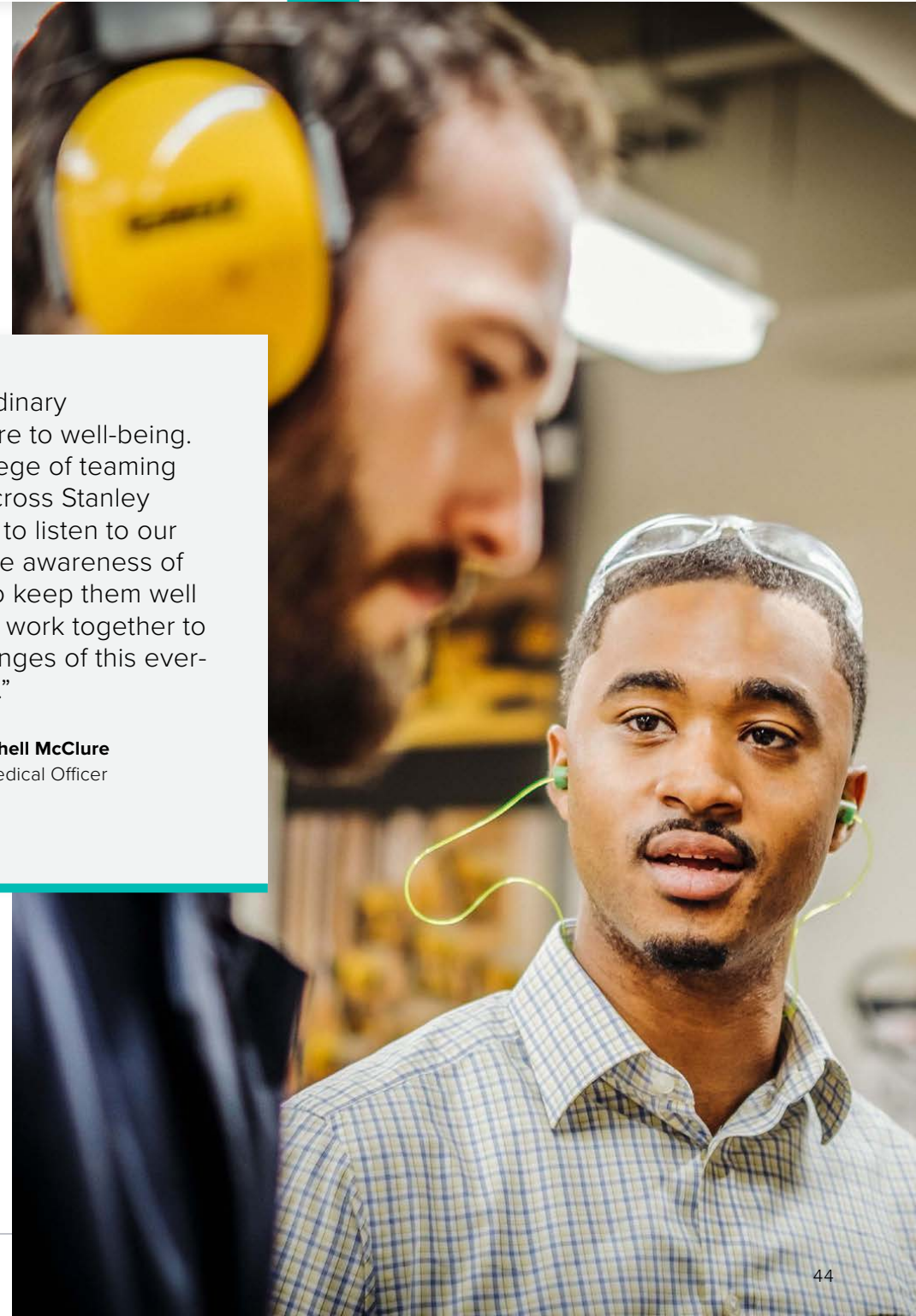
## Workplace Flexibility

Accelerated by the pandemic, we have entered a new era of work where business resiliency demands flexibility. Enabled by advanced technology with ubiquitous connectivity and collaboration, we are moving toward a hybrid of virtual and in-person experiences, especially within our offices but also reaching to the Advanced Manufacturing factory floor.



## Employee Health and Safety

Stanley Black & Decker is committed to supporting a thriving, productive, “stronger together” culture of safety, respect, inclusion, engagement and well-being for all.



### EVERY YEAR PEOPLE GOAL



**Zero life-changing events (LCE)**

### Thriving Through Well-Being

A healthy workforce is how we thrive. Our Wellness Toolkit, Healthy for Life program and other initiatives help employees take care of their physical, financial, mental and social well-being. And we support employees at all levels of the organization in developing their capabilities and careers.

In 2020, we appointed our first Chief Medical Officer, with a mission that includes optimizing the well-being of our employees as we build out our health and wellness infrastructure. While the position is not novel, we are rare in having a working physician in this role.

“

There’s extraordinary commitment here to well-being. I have the privilege of teaming and traveling across Stanley Black & Decker to listen to our people and raise awareness of what we offer to keep them well and safe, as we work together to meet the challenges of this ever-changing world.”



**Dr. Mitchell McClure**  
Chief Medical Officer



## SPOTLIGHT: VACCINE ACTIONS IN INDIA

Our vaccination efforts in India saw dramatic progress in a short time. During a countrywide lockdown amid a terrible surge, we went from an unvaccinated workforce to nearly all vaccinated in a short time period. One of the largest efforts was in Pune, where more than 600 employees and their family members received the COVID-19 vaccine at a one-day clinic held on-site. Following this clinic in July 2021, 98% of our employees in Pune had received at least one dose of the vaccine.

The Stanley Black & Decker Vaccine Task Force organized the event in partnership with Tech Mahindra and the Grant Medical Foundation Ruby Hall Clinic Hinjawadi at a time when vaccine availability was a serious challenge nationwide. We also maintained a continual effort on education and awareness around the vaccine science and effectiveness through Q/A sessions with medical professionals in local languages. Through the

work of the task force, we reached a > 90% fully vaccinated rate in India in October 2021 when the country was ~25% fully vaccinated.

Support options like travel assistance, oxygen concentrators for personal use, covering hospitalization costs after insurance and other health benefit options were put in place after a careful analysis of the local needs. Each employee in India also received COVID Care Kits directly shipped to their home. The kits included masks, face shields, hand sanitizers, gloves, thermometers, steam inhalers and oximeters. The kits were just one way our Company supported COVID-19 relief efforts in the region. We've also donated more than \$1 million to provide better vaccine access and have purchased oxygen concentrators specifically for medical centers in India.

## What the Pandemic Has Taught Us

COVID-19 and its tenacity over the last two years has brought many issues to the fore, including the necessity of addressing well-being and mental health as a business imperative. Isolation and physical separation as well as uncertainty related to the threat of contagion, have risen to crisis proportions. Our people feel it, and many, as caregivers, face it every day.

Our role as an employer and pillar of our many communities around the world is vital to the health of the society we share. As the pandemic has surged in various locales, we have focused our response to help not only our employees, but also their extended families.

In 2021, with Executive Safety Committee support, we created a global Vaccine Task Force.

We have had success in hotspots in Mexico, Malaysia and the U.S., including helping family members and children get the vaccine, and ensuring that those stricken with COVID-19 get the best of care. In some locales we put essential employees up in hotels near work and provided private transportation to ensure social distancing.

Also during 2021, our Employee Assistance Program went global. In Mexico, we extended health insurance to every employee, something many global businesses simply don't offer. With assistance from International SOS in Mexico, we also provided medical home-care visits and check-up calls for ill employees and a 24-hour call center available to employees and their families to answer medical questions or concerns.





## A Holistic Approach

As an employer, we care about the holistic well-being of every member of our extended family. As with diversity, equity and inclusion, we want our people to bring their whole selves to work, including their caregiving responsibilities, and for their worklife to help make their lives work.

All around the world, we quickly learned how to work remotely and the value of providing flexibility and support as we transitioned to new ways of connecting and getting things done. This has freed us to seek and find talent from geographies far and wide, and to open more opportunities to people who are differently abled. Of course, hybrid and virtual work create their own unique stressors. We have had to rethink the benefits we offer and deliver, including our commitments to childcare and elder care.

## Prioritizing Safety

We are intentionally striving to stay ahead of the curve in taking care of our employees and their needs, as they evolve. This includes how we educate our people on health and safety. We have instituted Safety Timeouts in our manufacturing and distribution sites to put everyone's attention on these vital matters. A Safety Timeout is an

all work stop period at our operational facilities to give leadership teams the opportunity to present leader-led, pre-defined EHS updates and information to the workforce and allow opportunity for the workforce to raise any questions or concerns in relation to EHS. In 2021, one of our top priorities for Safety Timeouts was vaccine access for employees and their families, while reinforcing health and safety protocols that have proven effective in mitigating the spread of the virus thus far.

## Our EHS Roadmap

Our Environmental, Health & Safety (EHS) performance has and continues to be measured against an organically grown Management System Plan, which we call our Roadmap. Based on the ISO 45001 & 14001 standards, this Roadmap is a way to measure a facility's ability to achieve a minimum standard of EHS compliance, while driving continuous improvement across a variety of safety topics. The Roadmap helps identify those areas that require additional resources, reduces program variability between facilities and advances best management practices throughout the organization. Periodically, and at the beginning of each calendar year, the Corporate EHS team identifies sector-specific "emphasis" Roadmaps. Each emphasis Roadmap is based on data-driven, high consequence activities, consultation with internal stakeholders, legislative frameworks and industry trends.

Our EHS Management System enables each facility to ensure routine assessment of safety hazards and compliance risk and to implement risk mitigation controls to prevent injury to employees. To engage all of our employees (makers) in this shared goal, we launched a series of Key Safe Behaviors globally, which raises awareness through short video vignettes that reinforce safe practices.



## SAFE FOR THE HOLIDAYS

As the end-of-year holidays approached, we distributed pandemic preparedness kits to our employees, including personal protective equipment (PPE) for the family, disinfectant cleaner and reminders of the protective safety measures to keep in practice—including social distancing, hand washing, sanitization of common touch items, fresh air ventilation, temperature taking and wellness checks, and wearing a mask when social distancing is not possible.

## Upskilling Tomorrow's Makers

At Stanley Black & Decker, we believe in strategic philanthropy: focusing our giving on practical initiatives with intentional outcomes tied to our purpose and relevant to our business and social ambitions.

### Empower Makers Global Impact Challenge

In 2021, Stanley Black & Decker announced a commitment to fund nonprofit initiatives to bring skills and upskilling to makers in communities of need. Through this program, we are committing up to \$25 million over a five-year period to fund the vocational and trade skilling and reskilling initiatives of select nonprofits and U.S. public schools. By focusing on displaced workers, the underserved and underrepresented, women, veterans and people of color, we see opportunities to bolster economic prospects and career pipelines.

The Empower Makers Global Impact Challenge took place in October during our annual Maker Month. In our inaugural year, we will be partnering with 86 nonprofits through donations of funds and tools. We expect to empower roughly 180,000 makers in 2022 as a result. Our grants will serve organizations in the U.S., as well as India, Uganda, Canada, England and Mexico.



Up to \$25M  
in Grants Over 5 Years

### Maker Month

Our fourth annual Maker Month in October celebrated the makers and creators shaping the world around us with a "Thank a Maker" theme, showing gratitude to the skilled trade workers playing an essential role in keeping services operational during the ongoing pandemic. The extended event spotlights careers in the trades, partnering with trade professionals to share their personal experiences and pathways.

Throughout Maker Month, Stanley Black & Decker also shone a light on the trade skills gap—a challenge facing today's global workforce. Due to a lack of skilled trade workers, there are 650,000 open construction jobs in the U.S. alone<sup>1</sup> and 10 million unfilled manufacturing jobs globally<sup>2</sup>.

- <sup>1</sup> ["Construction Industry Faces Workforce Shortage of 650,000 in 2022,"](#) Associated Builders and Contractors.
- <sup>2</sup> ["The Future of Manufacturing: Opportunities to drive economic growth,"](#) World Economic Forum.





## Empowering Our Communities

2021 saw Stanley Black & Decker's philanthropic focus broadening from the humanitarian crisis response triggered by the onset of the global pandemic to once again include a more proactive, strategic philanthropic program.

We thoughtfully aligned our giving and community support to strategically advance our purpose and impact. Our approach included empowering makers, advancing racial and gender equity with a focus on the workforce of the future, and engaging our employees as advocates and ambassadors.

In addition to providing financial support to deserving nonprofits and social programs, in 2021 we set aside tools with a retail value of over \$2 million for donation to makerspaces, schools and disaster recovery efforts.

Our people continue to work as catalysts for needed change with organizations such as Habitat for Humanity, United Way, Boys and Girls Clubs and Easterseals.

To amplify the generosity of our people, Stanley Black & Decker matches dollar for dollar up to \$20,000 per employee per year.

### Collaborating for Community Impact

Our strategic philanthropy team partners with our DE&I team to identify and activate nonprofit engagements to drive change, with focus on inclusion and racial equity. Working with ERGs helps to ensure we are engaging with organizations that matter most to our employees. This has led to scholarships at Historically Black Colleges & Universities (HBCUs) and focused initiatives with groups such as Out & Equal, Autism Speaks and A Better Chance.



Awarded **\$400,000** to **22 students** at **five target HBCUs** through the Stanley Black & Decker Leadership Scholarship.





\$2M+

retail value of tools set aside for **donation to makerspaces, schools and disaster recovery efforts**

## Disaster Relief

In the second year of the global pandemic, we maintained focus on relief, recovery and resilience, with additional efforts to support vaccination outreach. We joined Gavi's international effort to improve vaccine availability and contributed to the Ad Council initiative to educate people on the importance and safety of vaccination.

We streamlined our disaster response strategy for more rapid and efficient response to disasters as they occur. Around the world, we have partnered with international and country-specific Red Cross organizations to assist with local needs. Joining the American Red Cross Disaster Relief Program allows us to participate in immediate response efforts. We also expanded our relationship with ToolBank USA to assist with recovery from catastrophic events such as the tornadoes in Kentucky, Illinois and Tennessee, providing DEWALT and STANLEY tools at no cost to organizations and volunteers assisting with rebuilding efforts. We encourage employees who are able to donate to nonprofits supporting disaster recovery via our matching gifts program, where Stanley Black & Decker matches pledges dollar-for-dollar.

Our Helping Our Makers in Emergencies (HOME) Fund provides financial support to employees and their families in need. Fortunately, we noted a marked decline in requests in 2021 compared to the prior year as the impact of the pandemic eased, yet the Fund stands ready to serve when needed.



### IMMEDIATE RESPONSE TO TORNADOES

We initiated the HOME Fund's Immediate Response Program to support the urgent needs of our employees in Kentucky and Tennessee who were impacted by the tornadoes in 2021.

## STEAM Education for Girls

We have worked for years with [Greenlight For Girls](#) and [Girls for Technology](#) to close the technology and engineering gender gap, encouraging STEAM (Science, Technology, Engineering, Arts, Math) education and making learning fun, and our new partnership with Girl Scouts USA will further extend these efforts.

Stanley Black & Decker also supports the [United Nations' #EqualEverywhere](#) program as an active participant, raising awareness of the need to address gender parity around the world and make strides in supporting women and girls in STEAM careers.

Recently, in celebration of the International Girls Day, several of our ERGs (African Ancestry, Working Parents & Caregivers and Women's Network) partnered with MetroKids Africa to support Engaging Minds in Uganda (EMU). EMU is a STEAM development initiative based at Grace Learning Center in Uganda focused on teacher training to enhance the education of 10- to 12-year-olds throughout the country.

# Human Rights

Stanley Black & Decker commits to respect and support human rights in accordance with international standards and guidelines such as the Guiding Principles for Business and Human Rights and the Universal Declaration of Human Rights. We annually review and update our policies and commitments such as the [Modern Slavery Act Statement](#) and the [SBD Human Right Policy Statement](#).

We monitor and warrant our commitment to Human Rights with our internal [due diligence process](#). We request each of our sites to complete a two-step human rights risk assessment on our EHS roadmap system. This consists of acknowledging and confirming adherence to our Human Rights Policy Statement, and two risk assessments, one on individual (age, gender, disability, etc.) and one on situational (extreme weather, political landscape, etc.) risk to our employees' human rights and equal opportunities based on the ISO 26000 standard. Additionally, other standards (i.e., SA 8000) and surveys (i.e., EcoVadis, WCA, SMETA) are optionally used by local sites to satisfy our control mechanism.

We successfully exceeded our target of 70% of all sites completing the human rights risk assessments. In 2021, 79% of sites completed the risk assessment on the risk for the individual and 76% of sites completed the situational human rights risk assessment.

The current process allows for a representative sample to determine the number of findings and mitigations. In a sample ( $\sqrt{N} + 1$ ), 48% of sites noted improvement opportunities and derived mitigation action plans. The findings remediations are locally managed to closure. Continuing to improve the process, we currently evaluate different methods/processes to monitor and analyze human rights due diligence centrally versus current local management, regarding our reporting on assessment/audit numbers, quality, finding and mitigation actions.

Our Global Supply Management organization audits our suppliers to review their corporate social responsibility performance against the requirements of our Supplier Handbook including use of child labor, compensation, working conditions, forced and prison labor and basic worker/human rights. Their performance is graded on a traffic light basis so we can see where we need to focus any resource to help improve performance.

In 2021, we conducted 176 supplier sustainability audits, working with our suppliers to review their social responsibility performance, analyzing opportunities for improvement and helping implement action plans on a continuous improvement cycle.



176

supplier sustainability  
audits conducted in 2021







## ENSURING GOVERNANCE

# For **Responsible** Oversight

Our Board provides independent oversight to establish and review progress on short-term and long-term business strategy, risk management, executive compensation, corporate social responsibility and ESG.





## Ensuring Accountability to Our Shareholders



### THE FOLLOWING FRAMEWORK ALIGNS OUR GOVERNANCE POLICIES WITH BEST PRACTICES:

[Robust annual Director refreshment process](#)

[Independent Board, other than our Chief Executive Officer](#)

[Appointment of independent Chair](#)

[Proxy access](#)

[No Poison Pill](#)

[Proactive lowering of minimum threshold for shareholders to call special meeting from 35% to 25%](#)

[Annual Say-On-Pay vote](#)

[Code of Business Ethics for all Directors, Officers and Employees | Code of Ethics for the CEO and Senior Financial Officers](#)

[No excise tax gross-ups under change-in-control agreements with Executive Officers](#)

[Meeting of independent Directors in executive session at every Board meeting](#)

[Policy against hedging or pledging Company stock applicable to all Directors and Executive Officers](#)

[Recoupment policy related to unearned equity and cash incentive compensation](#)

[Robust stock ownership guidelines for Directors and Executive Officers](#)

[Shareholder right to act by written consent](#)

[Annual Board and committee self-assessments](#)

[Shareholder-approved director fee cap](#)

[Double trigger vesting provisions upon change in control and qualifying termination of employment for replacement awards to vest](#)



# ESG Governance and Oversight

ESG is well integrated into Stanley Black & Decker’s operations and management, across all functions and businesses, at every level from the C-suite to the factory floor. The role our Board plays, including actively overseeing our ESG performance, is described in detail in the following pages.

## Corporate Governance Committee

The Corporate Governance Committee of the Board oversees the Company’s policies, objectives and practices regarding environmental, social and governance strategy, and regularly reviews progress in quarterly Board meetings. The full Board reviews our long-term ESG strategies and goals as a component of the annual strategic plan review process.

Additionally, the full Board regularly reviews our human capital management strategy, focusing on areas such as culture; diversity, equity and inclusion; and talent acquisition, retention and development. Directors engage in employee listening sessions, particularly with ERGs.

## ESG Steering Committees

In 2021, Stanley Black & Decker formed an ESG Executive Steering Committee led by the CEO, which meets biannually to provide overarching strategic support and internal governance on matters related to ESG. Additionally, the business units participate quarterly in an ESG Business Steering Committee that provides a forum for ESG strategy alignment and feedback, review of progress and collaboration on opportunities.

## ESG External Advisory Board

We formed an external ESG Advisory Board to inform our sustainability and social impact strategies and performance, offer key perspectives on emerging issues and to make recommendations for how our strategy can remain current and relevant in relation to evolving circumstances and stakeholder expectations. The ESG Advisory Board meets quarterly.

### Alexander Amiri

Director of Sponsorship & Partnership, WorldSkills

### Amy Bailey

Director of Sustainability and Engagement, Center for Climate and Energy Solutions (C2ES)

### Chris Cassell

Senior Director of Corporate Sustainability, Lowe’s Home Improvement

### Al Ianuzzi

Vice President of Sustainability, Estée Lauder

### Margo Mosher

Global Sustainability Director | Corporate Affairs, Mars Veterinary Health

## ESG GOVERNANCE

Board of **Directors**  
and **C-Suite**



ESG **Executive**  
Steering Committee



ESG **Business**  
Steering Committee



External ESG  
**Advisory Board**



Pillar **Leads**



All **Employees**



See 2022 Proxy for more on our Code of Business Ethics, data privacy and cybersecurity →

## Board of Directors

Our Board is committed to maintaining a diverse membership of qualifications, skills, perspectives and experiences that support the Company's strategy and evolving approach to our business model, and to position the Company for the future.

Our Board has developed a deep and varied skillset, with a membership that reflects a diverse spectrum of professional and personal experiences. Key aspects of the Board's structure include:

- Independent Chair or Independent Lead Director since 2000
- Offices of Chair and CEO separated in January 2017
- Independent Directors meet in executive session every Board meeting
- Board adopted independence and corporate governance guidelines
- 55% of Directors have CEO experience
- Four independent Directors added in the last three years\*
- Fully independent Audit, Governance, Compensation and Finance Committees

### A Diverse, Independent Board Aligned With Our Strategies

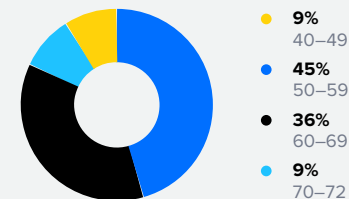
We are committed to maintaining a diverse, well-rounded and independent Board. The Board is committed to diversity and inclusion at the Board level and throughout the Company and its leadership.

In July 2018, the Board amended the charter of the Corporate Governance Committee to formally confirm its commitment to the consideration of diversity in the process of identifying Director candidates. Specifically, the Corporate Governance Committee will take reasonable steps to include diverse candidates with respect to gender, ethnicity, race, nationality, age, skills and experience in the context of the needs of the Board in the pool of potential candidates for consideration.

#### AVERAGE TENURE OF 7 YEARS\*

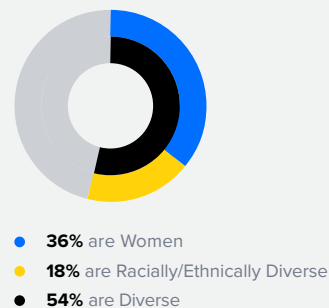


#### BOARD AGE DIVERSITY\*

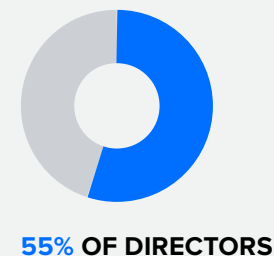


#### AVERAGE AGE OF 59\* YEARS

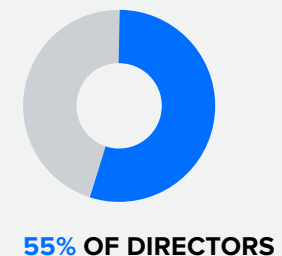
#### GENDER AND RACIAL/ETHNIC DIVERSITY\*(a)



#### GLOBAL EXPERIENCE\*(b)



#### CEO EXPERIENCE\*



\* As of 2022 Proxy

(a) The Board includes four women, including a woman of diverse national origin and a veteran, and two racially/ethnically diverse Directors, an African American man and an Asian man

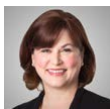
(b) Our Directors whose global experience includes living outside the U.S. and/or who hold dual citizenship





## Our Directors

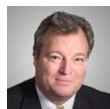
[For full bios on our Directors, see our Board website →](#)



**Andrea J. Ayers**  
Chair, Stanley Black & Decker,  
Inc. / Retired President  
and Chief Executive Officer,  
Convergys Corporation

Expertise in multichannel customer experience, customer management analytics and technology

Led transformation of Convergys from a company with three business lines to a customer management solutions company with nearly 125k employees worldwide



**Patrick D. Campbell**  
Retired Senior Vice President  
and Chief Financial Officer of  
3M Company

Expertise in finance, mergers and acquisitions, and information technology  
25 years at General Motors with extensive international CFO experience



**Carlos M. Cardoso**  
Principal, CMPC Advisors LLC

Expertise in managing the daily operations of a complex company  
Former Chairman, President & CEO at Kennametal



**Robert B. Coutts**  
Retired Executive Vice  
President, Electronic  
Systems of Lockheed Martin  
Corporation

Expertise in manufacturing, program and supply chain management, cyber technology and government contracting  
20 years in management positions with General Electric



**Debra A. Crew**  
President, North America and  
Global Supply, Diageo plc

Expertise in consumer/retail, branding, marketing, operations and strategy

Global perspective with proven commercial capabilities and exposure to world-class innovation planning processes



**Michael D. Hankin**  
President and Chief  
Executive Officer, Brown  
Advisory Incorporated

Expertise in financial and investment planning, capital structure, valuation and cybersecurity  
Grew Brown Advisory from \$1.5B to over \$84B in assets under management



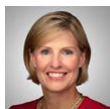
**James M. Loree**  
Chief Executive Officer,  
Stanley Black & Decker, Inc.

Integral knowledge of the daily workings of the Company enhanced by prior roles as CFO and COO  
19 years in financial and operating management positions at General Electric



**Adrian V. Mitchell**  
Executive Vice President and  
Chief Financial Officer of  
Macy's, Inc.

Leads all of Macy's finance functions  
Expert knowledge in corporate strategy and finance coupled with operations experience and extensive experience with technology, digital, data and advanced analytics



**Jane M. Palmieri**  
President, Industrial  
Intermediates &  
Infrastructure, Dow Inc.

Oversees a leading portfolio of industrial operating segments and has executive oversight for Dow business in Asia Pacific

Experienced in sales, digital marketing innovation, mergers and acquisitions, and operations, with background in engineering and product design



**Mojdeh Poul**  
Executive Vice President,  
Health Care Business Group,  
3M Company

Leads 3M's Health Care Business Group, which includes medical solutions, health information systems, drug delivery systems and food safety  
Prior to 3M, led teams in highly regulated industries and businesses requiring strong product engineering and market development expertise



**Irving Tan**  
Executive Vice President,  
Global Operations, Western  
Digital Corporation

Expertise in operating strategy, mergers and acquisitions, innovation and digitization  
Global perspective and deep knowledge of Asian markets



## Board Committees

Our Board administers its strategic planning and risk oversight function as a whole and through its Board committees. It is the policy of the Board that every member of the Audit, Corporate Governance, Compensation, and Finance and Pension Committees should be independent.

As of 2021, the Corporate Governance Committee's charter was formally amended to add ESG oversight to its purview.

### Key responsibilities of these committees include:

- Talent Development and Succession Planning
- Board and Committee Self-Evaluation
- Risk Oversight and ESG Risk Oversight
- Seeks individuals qualified to become Board members and recommends Directors for re-nomination to the Board
- Evaluating and recommending to the Board regarding executive compensation plans
- Reviewing Company's financial condition and capital allocation strategy

The composition of all Board committees can be referenced in our [Proxy](#).

\*As of 2022 Proxy

## Board of Directors Experience Matrix\*

### Skills and Experience

	Andrea J. Ayers	Patrick D. Campbell	Carlos M. Cardoso	Robert B. Coutts	Debra A. Crew	Michael D. Hankin	James M. Loree	Adrian V. Mitchell	Jane M. Palmieri	Mojdeh Poul	Irving Tan
<b>Active Executive</b> experience provides current insight into the best practices and challenges of leading a complex organization.	—	—	—	—	✓	✓	✓	✓	✓	✓	✓
<b>CEO</b> experience provides insight into leading a complex organization like ours with transparency and integrity.	✓	—	✓	—	✓	✓	✓	✓	—	—	—
<b>Public Company/Corporate Governance</b> furthers our goals of transparency, protection of shareholder interests and implementation of best practices in corporate governance.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>ESG/Corporate Social Responsibility</b> experience is important in managing risk and furthering long-term value creation for shareholders by operating in a sustainable and responsible manner.	✓	✓	—	—	—	✓	✓	—	✓	✓	✓
<b>Digital</b> experience is relevant to understanding and evaluating the Company's efforts in areas such as eCommerce and data and analytics.	✓	—	—	✓	—	—	✓	✓	✓	✓	✓
<b>Finance/Capital Allocation</b> experience enables effective monitoring of the Company's financial reporting and control environment; assessment of its financial performance; oversight of mergers and acquisitions; and ensuring appropriate shareholder return.	✓	✓	✓	✓	—	✓	✓	✓	—	✓	✓
<b>Legal/Regulatory/Government Affairs</b> experience enhances understanding of legal matters and public policy issues.	—	—	—	—	✓	✓	—	—	—	✓	✓
<b>Human Capital</b> experience is relevant to effective review of our efforts to recruit, retain and develop top talent.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Product Development</b> experience provides insight into ideation, research and development, and commercialization of products and services.	—	✓	✓	✓	✓	—	✓	✓	✓	✓	—
<b>Manufacturing/Logistics/Supply Chain</b> experience enhances the Board's ability to oversee cost-effective, technology-driven manufacturing and logistics processes.	—	✓	✓	✓	✓	—	✓	✓	✓	✓	—
<b>Global Operations</b> experience facilitates assessment of the Company's complex, international operations.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Mergers and Acquisitions and Corporate Strategy</b> experience provides insight into assessing mergers and acquisitions opportunities for a strategic fit, strong value creation potential and clear execution capacity.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Risk Management</b> experience is important to the identification and mitigation of significant risks.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
<b>Innovation/Technology/Cybersecurity</b> experience enhances the Board's ability to appraise our progress in executing the strategy of becoming known as one of the world's leading innovators.	✓	✓	✓	✓	✓	✓	✓	✓	—	✓	✓
<b>Sales/Marketing/Brand Management</b> experience provides insights into the sales and marketing process and increasing the perceived value of our brands in the marketplace.	—	✓	✓	—	✓	—	✓	✓	✓	✓	✓

# Management Compensation

Our compensation programs are designed to incentivize our employees to achieve or exceed pre-established objective financial and performance goals established for the Company and deliver superior returns to our shareholders.

The philosophy underlying our executive compensation program is to provide a competitive, performance-based compensation package that allows us to attract, motivate and retain high caliber executives who drive our success and embody our purpose.

The Compensation Committee will evaluate the potential addition of ESG metrics to the executive incentive program as early as 2023. In order to more fully assess the most appropriate, quantifiable metrics aligned with our long-term

ESG and broad Company strategy, we will further embed and monitor ESG performance in business reviews throughout 2022, as our baseline year, as we anticipate more formally incorporating ESG within our incentive program. This will enable a more accurate reflection of the recent, significant business portfolio changes driven by mergers, acquisitions and divestitures.



## The following are the primary tenets of our executive compensation philosophy:

### PAY FOR PERFORMANCE

Pay is strongly aligned with financial performance, including TSR relative to our compensation peer group

Rewards long-term growth and value creation and limits pay in case of underperformance

Annual incentives based on financial performance metrics of EPS, cash flow multiple, gross margin expansion and organic sales growth

Long-term incentive based on pre-established performance goals on cash flow return on investment (CFROI), EPS and relative TSR

### ALIGN PAY WITH SHAREHOLDER INTERESTS

Alignment through stock-based compensation, stock ownership requirements and performance metrics

Robust stock ownership guidelines for all executive officers

“Hold Until Met Ownership Policy” requires post-vesting share retention

Executive compensation opportunity is benchmarked at the 50th percentile of compensation peer group

### MANAGE RISK

Compensation committee conducts annual risk assessment

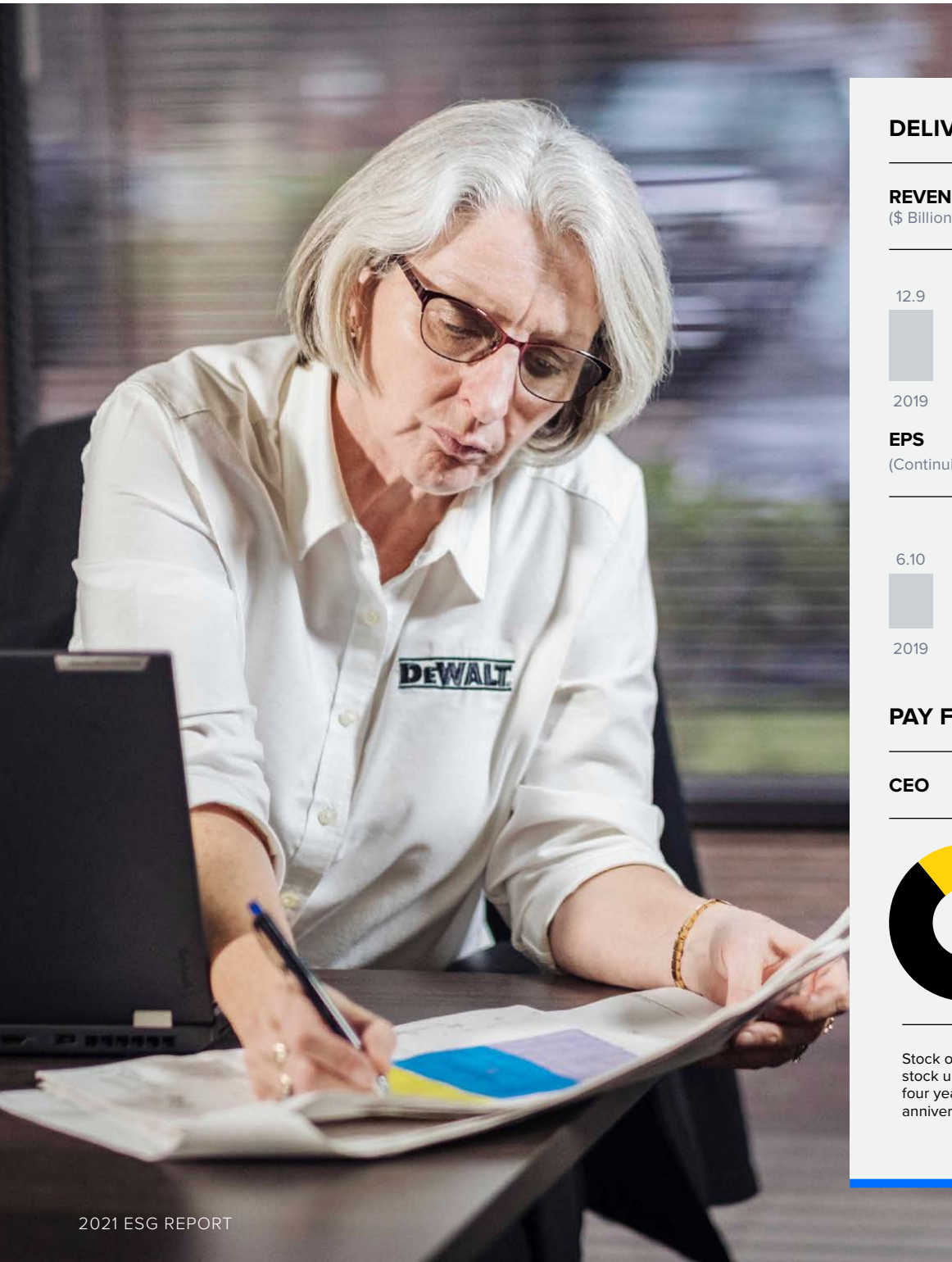
Independent compensation consultant, Pay Governance

Prohibits hedging and pledging of stock

Prohibits option repricing and cash buy-outs of “Out of the Money” options without shareholder approval

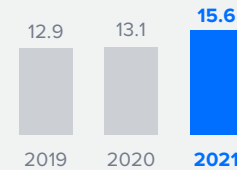
Recoupment policy relating to unearned equity and cash incentive compensation of all executive officers



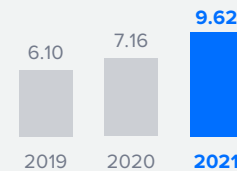


## DELIVERING VALUE FOR OUR SHAREHOLDERS

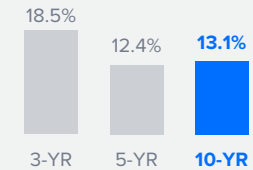
### REVENUE (\$ Billions)



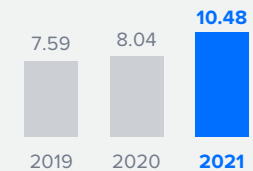
### EPS (Continuing Operations)<sup>(b)</sup> (\$ GAAP)



### TOTAL SHAREHOLDER RETURN Annualized

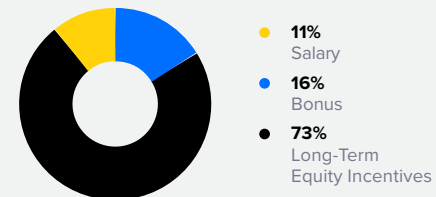


### EPS (Continuing Operations)<sup>(b)</sup> (\$ Adjusted)



## PAY FOR PERFORMANCE PHILOSOPHY

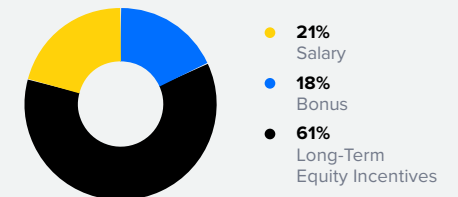
### CEO



Stock options and restricted stock units vest ratably over four years (25% on each anniversary of grant date)

Long-term performance units (three-year plan) tied to preestablished financial goals linking pay with our strategic initiatives

### OTHER NAMED EXECUTIVE OFFICERS



Robust stock ownership guidelines  
CEO long-term incentive at least 50% performance units



## Guiding Our Actions

Stanley Black & Decker has always been firmly committed to strong governance. Our business culture is rooted in ethical behavior, with a strong Code of Conduct that continues to serve us and our stakeholders well.

Please refer to our [Proxy](#) which includes additional disclosures explaining how our governance and compensation practices are linked to the corporate vision, strategy and long-term financial objectives.

## Our Corporate Values

We aim to be bold and agile, yet thoughtful and disciplined. Knowing that each of us influences our Company's success, we aspire to make a positive difference in the world.

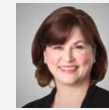
[Our Values and Culture →](#)

“On behalf of Stanley Black & Decker's Board of Directors, thank you for your continued investment in the Company. I am honored to work with my colleagues on the Board to ensure that the Company is managed with integrity and strong corporate governance to optimize value for all our shareholders.”



**George W. Buckley**  
Retired Chairman,  
Stanley Black & Decker,  
Inc. (Retired April 2022)

“I am honored that I became the independent Chair of the Board at the Annual Meeting, and in that new role, I look forward to working with my fellow Directors to ensure that the Company continues to be managed with integrity and strong corporate governance to optimize long-term value for all of our stakeholders. My fellow Directors and I value your ongoing investment in the Company and thank you for the confidence you have placed in us.”



**Andrea J. Ayers**  
Assumed Chair Role April 2022

[Chair's Full Letter \(See pages 3–4\) →](#)

## For those who make the **world.**<sup>TM</sup>

WE ARE BOLD AND AGILE, YET THOUGHTFUL AND DISCIPLINED



WE'RE BOLD  
TO BREAK  
THE MOLD

### COURAGE & INNOVATION

Bravely Innovate Without Boundaries  
Generate And Embrace New Ideas  
Drive Cutting-Edge Digital Solutions  
Foster Creativity For Exponential Growth



WE CUT  
THROUGH  
CHALLENGES

### AGILITY & PERFORMANCE

Simplify To Accelerate Business Results  
Anticipate, Quickly Adapt To And Lead Changes  
Focus On The Right Things And Take Action  
Perform In Ways That Exceed Expectations



WE JOIN  
FORCES FOR  
SUSTAINABILITY

### INCLUSIVITY & COLLABORATION

Respect And Leverage All Aspects Of Diversity  
Make Decisions With An Inclusive, Global View  
Collaborate To Amplify Customer Value  
Communicate To Drive Meaning Outcomes



WE ARE  
RELIABLE TO  
THE CORE

### INTEGRITY & ACCOUNTABILITY

Operate With Highest Ethical Standards  
Be Who You Are, Build Trusted Relationships  
Act With Transparency And Positive Intent  
Live Up To Commitments And Own The Results



## Code of Business Ethics

Our Code of Business Ethics reinforces the values and principles of Stanley Black & Decker and guides how we conduct business. All of our Directors, executive officers and employees must know, understand and follow this Code and our policies, with no exceptions.

The Code is available in 31 languages for our global employee base (this includes English). In 2021, ~25,000 global employees (online/salaried) completed a Code of Business Ethics e-learning in the appropriate languages. At completion of the training, all acknowledged having read and agreed to abide by our Code of Business Ethics.

All new hires meeting our salaried/online criteria are expected to complete this course within 60 days of hire. This includes employees of newly acquired businesses.

[Our Code of Business Ethics →](#)

## Anti-Corruption

We have strengthened our anti-corruption policies and increased communication regarding anti-corruption worldwide. We abstain from corrupt practices and always compete fairly for our business opportunities. We do not give or offer gifts, travel, entertainment, or anything of value to gain an improper business advantage. And gifts of cash or cash equivalents are never acceptable.

In 2021, ~22,000 global employees (online/salaried) completed an introduction to Anti-Bribery and Corruption e-learning. Training was provided in 31 languages. At completion of the training, all acknowledged having read and agreed to abide by our Global Anti-Bribery and Anti-Corruption policy.

This training was intended to provide all salaried/online employees with a general understanding of one of the Company's highest risk areas. Our intention is to roll out additional, more detailed training to targeted employees based on their specific roles and level of risk.

[Our Anti-Corruption Principles →](#)





# Integrity at Stanley Black & Decker

## Integrity Helpline

We offer a 24/7 confidential Integrity Helpline staffed and managed by an independent third party, Convercent. This comprehensive reporting tool allows employees and our compliance team to work together to address any concern, including discrimination, harassment, health and safety issues, conflicts of interest, fraud, bribes, inappropriate gifts, or any behavior that does not align to our values or that may be against the law. Employees are encouraged to raise any concerns, without fear of retaliation or retribution.

Our strategic communication strategies have increased awareness of our Integrity Helpline and have helped educate our employees that this resource is available for all types of concerns. Channels include leader videos, new training, mailings to all manufacturing employees globally and new badging, to name just a few. Additionally, posters, digital boards, Helpline FAQ—all were made available in 31 languages.

A QR Code makes it easy for employees to access the Helpline to raise concerns.

## Integrity Insights

A key communication channel for our global employee audience is Workplace, and it includes a dedicated channel to focus and highlight “Integrity@SBD.”

This includes Integrity Insights, which uses real examples of employee actions—both when something goes right and when there are missteps—to talk in an authentic way about integrity and what it means to do the right thing. Many examples come directly from our Integrity Helpline.

### Integrity Insights include three key elements:

- Will it resonate/apply to the general employee population?
- What is the section of our Code or policy that applies?
- What is the key takeaway?

### Each Integrity Insights ends with this reminder:

*Integrity is a foundational value that every Stanley Black & Decker employee is expected to uphold every day. Through Integrity Insights we highlight real situations with teachable moments for living with integrity. Every employee at our Company is not only encouraged, but required, to speak up when they suspect wrongdoing. You can do so via the confidential Integrity Helpline, to report any work issue including discrimination, harassment, health and safety issues, conflicts of interest, falsification of documents, bribes, inappropriate gifts, or any behavior that does not align to our values or that may be against the law.*

In 2021, we shared nine Integrity Insights with real scenarios in some of our top risk areas. These written insights were also augmented with videos of senior leaders discussing issues that have arisen and encouraging employees to speak up with concerns.



## Policies Aligned With Shareholders

We place a high priority on continual, proactive engagement with our shareholders to better understand their perspectives about Stanley Black & Decker and the general market. Throughout 2021, we reached out to shareholders representing greater than 60% of our outstanding shares to engage on a broad range of Environmental, Social and Governance (ESG) topics.



The feedback we received from our shareholders was evaluated by management and the Board. The input we received from these engagements helps us better understand our shareholders' perspectives and to evaluate and improve our governance policies. In recent years, the following enhancements were made to our governance policies and disclosures as a result of our extensive engagement:

Proactively adopted a Proxy access provision

Added [SASB Disclosure](#) as an enhancement to our existing [GRI-Based CSR Reporting](#)

Proactively amended our Bylaws to reduce minimum aggregate stock ownership threshold for calling a special meeting from 35% to 25%

Enhanced disclosures on Board refreshment and qualifications through the Board Skills Matrix

Enhanced disclosures on the Board's commitment to diversity—the charter of the Corporate Governance Committee confirms the Board's commitment to consideration of diversity in the process of identifying Director candidates

Additional disclosure within the Proxy explaining how our governance and compensation practices are linked to the corporate vision, strategy and long-term financial objectives

Enhanced disclosure of Corporate Governance Committee oversight of the Company's policies, objectives and practices regarding environmental, social and governance strategy

Advanced disclosures relative to disaggregated employee diversity data and made our EEO-1 report public

We aim to further embed and monitor ESG performance in business reviews throughout 2022, as our baseline year, as we anticipate more formally incorporating ESG within our incentive program in future years.

In addition to these governance enhancements, and following extensive shareholder engagement, the Board recommended and shareholders approved at the 2021 Annual Meeting to amend the Company's Certificate of Incorporation and Bylaws in order to:

Permit shareholders to act by written consent

Eliminate all express or default supermajority voting requirements

Adopt a majority voting standard for uncontested Director elections





## APPENDIX

**64** About **This Report**

**65** **GRI** Index

**69** **SASB** Index

**72** **UN Global Compact** Index

**77** Endnotes







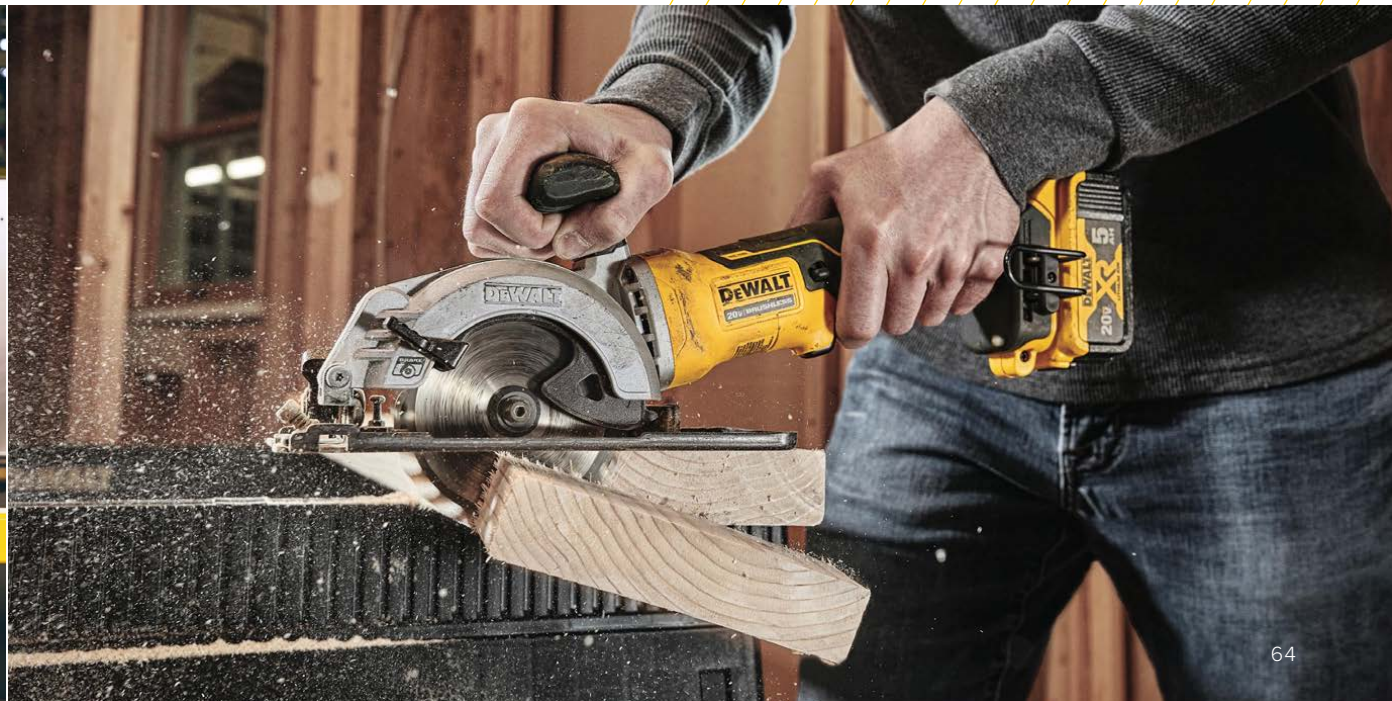
## About This Report

Stanley Black & Decker's ESG report updates stakeholders on our strategies and progress toward our commitments and is organized in four main subsections: Combatting Climate Change; Driving Product Responsibility; Empowering Our People, Makers and Communities; and, Ensuring Governance. It also includes an ESG scorecard of key performance indicators and an updated materiality assessment.

Stanley Black & Decker has a longstanding commitment to environmental, social and governance issues, including human rights, fair labor practices, the environment and anti-corruption. As a signatory to the United Nations Global Compact (UNGC), Stanley Black & Decker supports the UNGC's 10 principles. We have applied these principles in the strategy and operations of our Company, and our action on these topics is expressed throughout our reporting materials—including the CEO message in this report.

This report has been prepared in accordance with Global Reporting Initiative (GRI) Universal Standards, which continues to guide the evolution of our reporting on ESG performance. We also publish disclosures under three Sustainability Accounting Standards Board (SASB) sections: Industrial Machinery and Goods Manufacturing; Appliances Manufacturing; and Electrical and Electronic Equipment Manufacturing.

This report includes forward-looking statements about our business plans, initiatives and objectives, which may change based on subsequent developments.





# GRI Index

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	GRI 3-3 Management of Material Topics	KPI
Customer Satisfaction	N/A	N/A	<p>SBD brands are a meaningful part of people's lives, from professionals to tradespeople to do-it-yourselfers. SBD works with brand partners to extend the power and impact of its brands to their fans and audiences around the globe.</p> <p><b>Publicly Available Data:</b> <a href="#">Our Brands</a>, <a href="#">2021 ESG Report - Brand Highlights - Pages 14–15</a></p>	<p>2021 consolidated annual revenues of \$15.6 billion.</p> <p><b>Publicly Available Data:</b> <a href="#">2021 Annual Report Form 10-K - Page 3</a></p>
Product Safety	416-1 416-2	Full	<p>SBD's businesses follows quality policies consistent with ISO9001 that requires third-party approval demonstrating safety. Organizations including Underwriter's Laboratories (UL), CSA, DEKRA and VDE are used for these approvals. There are a few exemptions for low risk products such as flashlights. In those cases, safety tests and design requirements are met and documented internally.</p> <p><b>Publicly Available Data:</b> <a href="#">Product Safety and Marketing</a></p>	<p>100% of products assessed for health and safety improvements; 0\$ in non-compliance penalties</p> <p><b>Publicly Available Data:</b> <a href="#">2021 Annual Report Form 10-K - Risk Factors - Page 23</a></p>
Responsible Business Practices	205-1 206-1 307-1 413-1	205-1, 206-1, 307-1 - Full; 413-1 - Partial - Limited Data	<p>SBD's Code of Business Ethics reinforces the values and principles of the organization, and SBD policies and procedures provide more specific guidance on the proper way to comply with standards and to complete many tasks. All employees are expected to know, understand and follow this Code and policies, with no exceptions. Our Code applies to all employees, officers, directors, contractors, vendors and suppliers. Managers and board members annually acknowledge their understanding of this Code and its tenets. SBD's reputation, culture and values are important to its success; any violations of the Code, or the law, will result in disciplinary action, up to and including termination.</p> <p>In as much as ISO 14001 certification requires stakeholder &amp; community engagement, SBD's EHS Management System and the pursuit of ISO certification, require our sites to conduct stakeholder &amp; community outreach as outlined in 413-1.</p> <p><b>Publicly Available Data:</b> <a href="#">Code of Business Ethics</a></p>	<p>205-1 - SBD retained a leading global law firm to conduct an assessment of our anti-bribery program's effectiveness, and the Compliance Department is making continuous improvements to SBD's policies, procedures, and controls in response to the assessment recommendations. To further understand and mitigate the risk of bribery and corruption, SBD's Compliance Department plans to conduct a global risk assessment in 2021 that will cover all SBD entities and regions globally. In terms of known risks- as a global company, SBD sells products into markets that are rated medium and high for corruption on the Transparency.org corruption perception index. Many of our products are sold by distributors acting on SBD's behalf- sometimes in the aforementioned higher risk regions. Additionally, SBD sells products to governments and government-owned entities both directly and through distributors. These risks are mitigated through our Code of Business Ethics, ABAC-related contractual language , third party due diligence, and training.</p> <p>206-1 - 0.</p> <p>307-1 - 0.</p> <p>413-1- 52% of SBD locations hold external ISO certifications.</p> <p><b>Publicly Available Data:</b> <a href="#">2021 ESG Report - ESG Scorecard - Page 10</a></p>
Customer Privacy	418-1	Partial - Limited Data	<p>SBD has implemented reasonable technical, administrative and physical measures designed to protect the personal information in SBD's custody or control from unauthorized access, use, modification and disclosure. The SBD store accepts orders only from Web browsers that permit communication through Secure Socket Layer (SSL) technology, which encrypts information during transmission.</p> <p><b>Publicly Available Data:</b> <a href="#">Privacy Policy</a></p>	1
Responsible Marketing	417-1	Full	<p>Supplier Code of Conduct Stanley Black &amp; Decker is committed to engage in business relationships with partners who share our values. Therefore, our suppliers are required to acknowledge and comply with Stanley Black and Decker's Code of Business Ethics, legal obligations and industry standards and establish a sustainable procurement policy (addressing regulations such as the UK Modern Slavery Act, Guiding Principles on Business and Human Rights etc.) regarding their suppliers' operational practice and supply chain.</p> <p><b>Publicly Available Data:</b> <a href="#">Supplier Handbook</a></p>	<p>100% of new suppliers were evaluated in 2021; 176 suppliers had onsite evaluations.</p> <p><b>Publicly Available Data:</b> <a href="#">Responsible Sourcing</a></p>



# GRI Index

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	GRI 3-3 Management of Material Topics	KPI
Health & Safety/ Wellbeing	403-1 403-9	Full	<p>The Company's Environmental, Health, and Safety ("EHS") Management System Plan describes the core elements of health and safety responsibility and accountability, including policies and procedures, designed in alignment with global standards, the Company's Code of Business Ethics, applicable law and individual facility needs. Health and safety requirements apply to all employees and operating unit locations worldwide, including all manufacturing facilities, distribution centers, warehouses, field service centers, retail, office locations and mobile units, as well as to the Company's subsidiaries and joint ventures (in which the Company exercises decision making control over operations).</p> <p><b>Publicly Available Data:</b> <a href="#">SBD EHS Management System Plan</a></p>	<p>52% certified to EHS-CSR related ISO standards</p> <p>2021 TRIR = 0.65 (+17% YOY)</p> <p>2021 LTIR = 0.22 (+.05% YOY)</p> <p><b>Publicly Available Data:</b> <a href="#">2021 ESG Report - ESG Scorecard - Page 10</a>, Employee Safety Data Assurance Statement to be published June 2022*</p>
Employee Engagement	401-1 404-2	Partial	<p>SBD strives to create a culture of diversity, equality, and inclusion that unlocks human potential and uncovers the key drivers of a workplace in which everyone can advance and thrive. The Company is executing initiatives across the global workforce designed to foster an inclusive workplace and facilitate equitable career development opportunities.</p> <p><b>Publicly Available Data:</b> <a href="#">2021 Annual Report Form 10-K - Page 8</a></p>	<p>401-1 - As of January 1, 2021, the Company's CEO and his direct staff reside in the U.S. and are comprised of 36% women and 36% of the CEO and his direct staff are racially or ethnically diverse. Women represent approximately 33% of the global workforce. As stated in the Company's Equal Employment Opportunity reporting to the U.S. government, in the U.S., approximately 34% of employees are racially or ethnically diverse.</p> <p>404-2 - In 2021, SBD reported 14,254 SBD employees that were upskilled to address changing technologies.</p> <p><b>Publicly Available Data:</b> <a href="#">2021 ESG Report - ESG Scorecard - Page 10</a></p>
Restricted & Hazardous Substances	301-1	Partial	<p>SBD's CSR Strategy Innovate Products with Purpose focuses on ensuring improved sustainability within all product lifecycles by incorporating ground-breaking circular design and processes including everything from material selection to operation to end-of-life considerations.</p> <p><b>Publicly Available Data:</b> <a href="#">Innovate with Purpose</a>, <a href="#">REACH Declaration</a>, <a href="#">Conflict Mineral Policy</a>, <a href="#">Restricted Mineral Policy</a></p>	<ul style="list-style-type: none"> <li>• 85% recyclable/compostable paper-based packaging</li> <li>• 11% non-reusable, non-recyclable, non-compostable plastic based packaging</li> <li>• 4% recyclable plastic-based packaging</li> <li>• 134 million pounds of batteries reclaimed since 1994</li> </ul> <p><b>Publicly Available Data:</b> <a href="#">2021 ESG Report - Investing in Circular Design - Page 30</a></p>
Supply Chain Responsibility	308-1 308-2 414-1	Full	<p>SBD transmits its Sustainability knowledge and business principles to Suppliers by developing Sustainable Product Roads. The Supplier Sustainability Audit Process and training program go hand in hand with SBD's EHS principles through which Suppliers are able to assess their position on the Sustainability road and gain the tools necessary in eliminating waste and continuously improving their business processes.</p> <p><b>Publicly Available Data:</b> <a href="#">Supplier Handbook</a></p>	<p>100% of new suppliers assessed against social and environmental criteria.</p> <p>6 Suppliers have been identified as having significant impact, including the following: No regular noise monitoring report, Pollutant Discharging License expired, Firefighting equipment is available but blocked by material, No site evacuation map shown for employees, and no spill containment in place for hazardous materials. We work with our suppliers to correct any issues that may be found during any ESG audit processes. This includes the construction and implementation of corrective action plans.</p> <p><b>Publicly Available Data:</b> <a href="#">Supplier Handbook</a>, <a href="#">2021 ESG Report - Our Goals and Commitments - Page 10</a></p>
Waste	306-1 306-2 306-3 306-4 306-5	Full; Target and Management Approach established	<p>SBD continues on a path toward achieving zero waste to landfill (ZWTL) across daily, direct operations (one-off construction and other events may be excluded). SBD implements waste minimization, reuse and recycling practices.</p> <p>As we continue our journey to Zero Waste to Landfill across our operations, we have introduced a third-party assurance program to strengthen our approach. In 2021, we partnered with our existing environmental assurance auditors, to include a ZWTL audit. The first year involved the selection of 10 operations facilities, chosen at random, to demonstrate that their 2021 waste profile was managed in accordance with Stanley Black &amp; Decker's ZWTL criteria. The audit involved a thorough review of waste by disposition and verifiable evidence provided by each vendor that each designated waste stream was diverted away from landfill. As we continue to advance toward our goal, we aim to evolve both our internal and external audit criteria, ensuring all ZWTL sites receive the necessary assurances.</p> <p><b>Publicly Available Data:</b> <a href="#">Create A More Sustainable World</a></p>	<ul style="list-style-type: none"> <li>• 87% diverted from landfill*</li> <li>• 13% Landfilled*</li> <li>• 4,639 mt hazardous waste disposed*</li> </ul> <p><b>Publicly Available Data:</b> <a href="#">2021 ESG Report - Waste Impacts - Page 24</a>, AA1000AS Assurance Statement to be published June 2022*</p>

\*Reflecting previously reported 2020 data. Forthcoming data & assurance to be published Spring 2022.





# GRI Index

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	GRI 3-3 Management of Material Topics	KPI
Localization and Partnerships	204-1	Partial	<p>SBD provides high quality, reliable solutions and products, and has been since 1843. SBD serves the makers and creators, the builders and shapers. Part of this service means supporting local communities and employees in local jurisdictions. SBD has a strong focus on "Make Where We Sell" in order to further this commitment.</p> <p><b>Publicly Available Data:</b> <a href="#">Make Where We Sell</a></p>	Data not aggregated company-wide
Global Diversity and Non-Discrimination	405-1 406-1 - Partial - no data	Partial	<p>The Company's management Executive Committee, Board of Directors and workforce are dedicated to diversity, equity and inclusion and work to ensure that all employees feel valued, heard and are positioned to succeed. The Company launched a racial equity roadmap in 2020 with ten actions to confront racism and social injustice throughout its communities and across the world, which includes specific goals across culture, career, and community focus areas. Each of the ten items were initiated in 2021. Through the RISE (Reach. Inspire. Support. Engage.) Community program the Company provides Scholar students access to expanded experiential learning beyond their classrooms. The Company's mission is to help its RISE Scholars discover their passions, expose them to business, technology, potential STEM career opportunities, and help to develop them as leaders. The Company is a signatory of Paradigm for Parity committing to addressing the gender gap in corporate leadership. The Company also participates in the Business Roundtable Diversity &amp; Inclusion Index, where many of the largest U.S.-based employers are committed to building a more inclusive environment. The Company's CEO was among the signatories of the CEO Action for Diversity &amp; Inclusion.. The Company has nine employee resource groups ("ERGs") with more than 90 local chapters across the globe, and two regional inclusion councils newly formed in 2021. These ERGs are formed around various dimensions of diversity and participation across groups is encouraged. The ERGs include Abilities (including cognitive, social-emotional, and physical abilities), African Ancestry, Asian Heritage, Hispanic/Latinx, Developing Professionals, Pride &amp; Allies (LGBTQ+), Veterans, Women, and Working Parents.</p> <p><b>Publicly Available Data:</b> <a href="#">2021 Annual Report Form 10-K - Page 8</a></p>	<p>As of January 1, 2021, the Company's CEO and his direct staff reside in the U.S. and are comprised of 36% women and 36% of the CEO and his direct staff are racially or ethnically diverse. Women represent approximately 33% of the global workforce. As stated in the Company's Equal Employment Opportunity reporting to the U.S. government, in the U.S., approximately 34% of employees are racially or ethnically diverse.</p> <p>No data for Total number of incidents of discrimination during the reporting period.</p> <p><b>Publicly Available Data:</b> <a href="#">2021 Annual Report Form 10-K - Human Capital Management - Page 7</a></p>
Air Pollution	305-1:5	Full	<p>By 2030, SBD plans to have reduced operational carbon emissions to zero and eliminate additional emissions through means of carbon capture, such as carbon removal technologies.</p> <p><b>Publicly Available Data:</b> <a href="#">Create A More Sustainable World</a></p>	<ul style="list-style-type: none"> <li>• Scope 1: 99,558 mt CO<sub>2</sub>e*</li> <li>• Scope 2: 147,279 mt CO<sub>2</sub>e (market-based)*</li> <li>• Scope 3: 9,677,694 mt CO<sub>2</sub>e*</li> <li>• Emissions Intensity: 2.47 mt CO<sub>2</sub>e/thousand hours worked*</li> <li>• Emissions Reductions: 8% (Scope 1+2 YOY reduction)*</li> </ul> <p><b>Publicly Available Data:</b> <a href="#">2021 ESG Report - ESG Scorecard - Page 10</a>, AA1000AS Assurance Statement to be published June 2022*</p>
Water	303-1 303-3 303-5	Partial	<p>SBD aims to use water sustainably in all of its operations. SBD's focus is on identifying water risks and setting context-based targets that address site-specific concerns in each river basin, a key consideration due to localized water availability and risk.</p> <p><b>Publicly Available Data:</b> <a href="#">Create A More Sustainable World</a></p>	<ul style="list-style-type: none"> <li>• Total withdrawals 428,468,570 gallons*</li> <li>• Total use 428,468,570 gallons (including process, non-contact sanitary)*</li> <li>• In 2020 our water use decreased 3%, we attribute this to the decrease in sanitary water used related to stay at home COVID restrictions placed on SBD employees*</li> </ul> <p><b>Publicly Available Data:</b> AA1000AS Assurance Statement to be published June 2022*</p>

\*Reflecting previously reported 2020 data. Forthcoming data & assurance to be published Spring 2022.



# GRI Index

[GRI Material Issue](#) [GRI Disclosure](#) [Full or Partial Disclosure](#) [GRI 3-3 Management of Material Topics](#)

KPI

Climate Change	305-1:5	Full	<p>Climate change is the defining issue of our time. By 2030, SBD plans to have reduced operational carbon emissions to zero. In addition, we are investing in transforming our operations to go beyond carbon neutral, and vastly reducing the carbon impact of our products while leading our supply chain to do the same.</p> <p><b>Publicly Available Data:</b> <a href="#">Create A More Sustainable World</a></p>	<ul style="list-style-type: none"> <li>• Scope 1: 99,558 mt CO<sub>2</sub>e*</li> <li>• Scope 2: 147,279 mt CO<sub>2</sub>e (market-based)*</li> <li>• Scope 3: 9,677,694 mt CO<sub>2</sub>e*</li> <li>• Emissions Intensity: 2.47 mt CO<sub>2</sub>e/thousand hours worked*</li> <li>• Emissions Reductions: 8% (Scope 1+2 YOY reduction)*</li> </ul> <p><b>Publicly Available Data:</b> <a href="#">2021 ESG Report - ESG Scorecard - Page 10</a>, AA1000AS Assurance Statement to be published June 2022*</p>
Socioeconomic Development	203-2 413-1	Partial	<p>SBD has an expectation that all operations engage in the communities and markets they are part of; this is incorporated into SBD's CSR Strategy Empower Makers and incorporated into site-specific expectations and measurements around community engagement. SBD also engages as a corporation in the global community including continuation of actively addressing two significant issues in 2021; the COVID-19 pandemic, and racism &amp; brutality globally and in the US in particular. SBD published a Statement of Solidarity along with a 10-point racial equity roadmap to confront racism and social injustice, and created an Executive Safety Committee to lead the company's policy, internal, and outreach actions during the Pandemic.</p> <p><b>Publicly Available Data:</b> <a href="#">2021 ESG Report - Diversity, Equity and Inclusion: Acting on Racial Equality - Page 41</a></p>	<p>Launched Empower Makers Global Impact Challenge to fund nonprofit initiatives up to \$25M over 5 years. Launched RISE Community Program in greater Hartford, CT, that provided access and support to 39 students representing four community-based organizations.</p> <p>Partnered with Chamber of Commerce Coalition to Back Black Business and Ureka to mentor four black-owned enterprises qualifying as small businesses. Expand our partnerships with minority- and women-owned businesses to increase supplier diversity spend from 3% to 10% by 2025.</p> <p>In 2021, with Executive Safety Committee support, we created a global Vaccine Task Force. Furthermore, our Employee Assistance Program went global. In Mexico, we extended health insurance to every employee. \$10M contributions to pandemic relief efforts Prograssive Action made on our 10-point Plan on Gender and Racial Parity.</p> <p><b>Publicly Available Data:</b> <a href="#">2021 ESG Report - People - Page 35</a>, <a href="#">2021 ESG Report - Diversity, Equity and Inclusion - Page 37</a></p>
Philanthropy and Volunteerism	N/A	N/A	<p>The diverse, purpose-driven people of Stanley Black &amp; Decker share a unified passion for creating products, tools and solutions for those who make the world. Wherever you go in our company, you'll find uncompromised devotion to performance, innovation, customer satisfaction and social responsibility.</p> <p><b>Publicly Available Data:</b> Public Philanthropy Report to be published May 2022</p>	<ul style="list-style-type: none"> <li>• In 2021, Stanley Black &amp; Decker donated nearly \$16M in direct donations and set aside tools with a retail value of over \$2 million for donation to nonprofits around the world, including:</li> <li>• American Red Cross Disaster Relief Program*</li> <li>• Girls for Technology*</li> <li>• UN #EqualEverywhere Program*</li> <li>• In the last two years, we donated \$16M to strategically aligned racial equity-related organizations, with a commitment to donate a further \$3M in 2022, in line with our cumulative goal to contribute \$10.5M by 2025*</li> </ul> <p><b>Publicly Available Data:</b> Philanthropy Report to be published June 2022, <a href="#">2021 ESG Report - People - Page 35</a></p>
Innovation	N/A	N/A	<p>We know that breakthrough innovation will inspire our people and shape our future. So we are developing an innovation ecosystem and cultivating our innovation culture to realize our vision to become known as one of the world's great innovators. We are pursuing this goal by applying advanced technologies to our products, processes and business models. Our ecosystem harnesses the potential of internal and external resources through collaborative relationships with entrepreneurs, academic institutions, research labs and others.</p> <p><b>Publicly Available Data:</b> <a href="#">How We Innovate</a></p>	<p>Long-term potential to generate annual revenue in excess of \$100 million.</p> <p><b>Publicly Available Data:</b> <a href="#">How We Innovate</a></p>

\*Reflecting previously reported 2020 data. Forthcoming data & assurance to be published Spring 2022.



# SASB Index

Topic	Accounting Metric	Code	Management Narrative	SASB
Energy Management	1. Total Energy Consumed 2. Percentage Grid Electricity 3. Percentage Renewable	RT-EE-130a.1 & RT-IG-130a.1 (Partial)	At Stanley Black & Decker ("SBD" or "the Company"), our commitment to environmental sustainability remains core to the way we operate, particularly with regard to combating climate change. One of our 2023 operational goals is to reduce energy intensity by 5% against our 2020 baseline and maintain an ~8% annual reduction trajectory in our absolute carbon emissions from our 2015 baseline.	Total Consumption 2020: 643,816 MWh* AA1000AS Assurance Statement to be published June 2022* Renewable Energy: 35% <a href="#">2021 ESG Report - ESG Scorecard - Page 11</a>
Employee Health and Safety	1. Total Recordable Incident Rate (TRIR) 2. Fatality Rate 3. Near Miss Frequency Rate (NMR)	RT-IG-320a.1	The Company's Environmental, Health and Safety ("EHS") Management System Plan describes the core elements of health and safety responsibility and accountability, including policies and procedures, designed in alignment with global standards, the Company's Code of Business Ethics, applicable law and individual facility needs. Health and safety requirements apply to all employees and operating unit locations worldwide, including all manufacturing facilities, distribution centers, warehouses, field service centers, retail, office locations and mobile units, as well as to the Company's subsidiaries and joint ventures (in which the Company exercises decision making control over operations).	TRIR: 0.65 No Fatalities in 2021. NMFR: 13.2 (Incidents/100 heads) <a href="#">2021 ESG Report - ESG Scorecard - Page 12</a> <a href="#">2021 Annual Report Form 10-K - Business - "Employee Wellness, Health and Safety" - Page 9</a>
Hazardous Waste Management	Amount Of Hazardous Waste Generated, Percentage Recycled	RT-EE-150a.1	SBD continues on a path toward achieving zero waste to landfill (ZWTL) across daily, direct operations (one-off construction and other events may be excluded). SBD implements waste minimization, reuse and recycling practices.	Hazardous Waste 2020: 4,639 Metric Tones* AA1000AS Assurance Statement to be published June 2022* Total Waste (including hazardous): 91% Recycle-Reuse - diverted from landfill <a href="#">2021 ESG Report - ESG Scorecard - Page 11</a> and <a href="#">Products Overview - Page 27</a> <a href="#">Create A More Sustainable World</a>
	Number And Aggregate Quantity Of Reportable Spills, Quantity Recovered	RT-EE-150a.2		
Material Sourcing	Description Of The Management Of Risks Associated With The Use Of Critical Materials	RT-IG-440a.1 & RT-EE-440a.1	The raw materials required are procured globally and generally available from multiple sources at competitive prices. As part of the Company's Enterprise Risk Management, the Company has implemented a supplier risk mitigation strategy in order to identify and address any potential supply disruption or material scarcity issues associated with commodities, components, finished goods and critical services.	<a href="#">2021 Annual Report Form 10-K - Business - "Raw Materials" - Page 5</a> <a href="#">2021 Annual Report Form 10-K - Risk Factors - "The Company's business is subject to risks associated with sourcing and manufacturing." - Page 10</a> <a href="#">Supplier Handbook</a>

\*Reflecting previously reported 2020 data. Forthcoming data & assurance to be published Spring 2022.





# SASB Index

Topic	Accounting Metric	Code	Management Narrative	SASB
Product Safety	Discussion Of Process To Identify And Manage Safety Risks Associated With The Use Of Its Products	CG-AM-250a.2	SBD maintains an awareness of and responsibility for the potential health and safety impacts on its customers. SBD's product development processes include tollgates for product safety review, and extensive testing is conducted on product safety.	<a href="#">2021 Annual Report Form 10-K - Risk Factors - "The Company's products could be recalled." - Page 23</a>
	Number Of: 1. Recalls Issued 2. Total Units Recalled	CG-AM-250a.1 & RT-EE-250a.1	SBD's businesses follows quality policies consistent with ISO9001 that requires third-party approval demonstrating safety. Organizations including Underwriter's Laboratories (UL), CSA, DEKRA and VDE are used for these approvals. There are a few exemptions for low risk products such as flashlights. In those cases, safety tests and design requirements are met and documented internally.	<a href="#">Product Safety and Marketing</a>  DeWalt DWOAS6PS pole saw attachment: 257 units DeWalt DWCS600 AC Chain Saw: 2,313 units Black & Decker BES720 Table Saw: 33,929 units
	Total Amount Of Monetary Losses As A Result Of Legal Proceedings Associated With Product Safety	CG-AM-250a.3 & RT-EE-250a.2		These recalls did not materially impact our financial results.
Business Ethics	Description Of Policies And Practices For Prevention Of: 1. Corruption And Bribery 2. Anti-Competitive Behavior	RT-EE-510a.1	SBD's Code of Business Ethics reinforces the values and principles of the organization, and SBD policies and procedures provide more specific guidance on the proper way to comply with standards and to complete many tasks. All employees are expected to know, understand and follow this Code and policies, with no exceptions. Our Code applies to all employees, officers, directors, contractors, vendors and suppliers. Managers and board members annually acknowledge their understanding of this Code and its tenets. SBD's reputation, culture and values are important to its success; any violations of the Code, or the law, will result in disciplinary action, up to and including termination.	<a href="#">Code of Business Ethics</a> <a href="#">2021 Annual Report Form 10-K - Risk Factors - "The Company has significant operations outside of the United States, which are subject to political, legal, economic and other risks arising from operating outside of the United States" - Page 13</a>
	Total Amount Of Monetary Losses As A Result Of Legal Proceedings Associated With Anticompetitive Behavior Regulations	RT-EE-510a.3		Applicable, Not Material.
	Total Amount Of Monetary Losses As A Result Of Legal Proceedings Associated With Bribery Or Corruption	RT-EE-510a.2		Applicable, Not Material.
Product Lifecycle Environmental Impact	Description Of Efforts To Manage Products' End-Of-Life Impacts	CG-AM-410a.3	SBD's CSR Strategy "Innovate Products with Purpose" focuses on ensuring improved sustainability within all product lifecycles by incorporating ground-breaking circular design and processes including everything from material selection to operation to end-of-life considerations.	<a href="#">Innovate with Purpose</a> <a href="#">2021 ESG Report - Investing in Circular Design - Page 30</a>
	Percentage Of Eligible Products Certified To An Association Of Home Appliance Manufacturers (AHAM) Sustainability Standard	CG-AM-410a.2		Applicable, Not Material.
	Percentage Of Eligible Products By Revenue Certified To The ENERGY STAR Program	CG-AM-410a.1		Not Applicable

\*Reflecting previously reported 2020 data. Forthcoming data & assurance to be published Spring 2022.



# SASB Index

Topic	Accounting Metric	Code	Management Narrative	SASB
Product Lifecycle Management	Percentage Of Products By Revenue That Contain IEC 62474 Declarable Substances	RT-EE-410a.1	SBD's CSR Strategy "Innovate Products with Purpose" focuses on ensuring improved sustainability within all product lifecycles by incorporating ground-breaking circular design and processes including everything from material selection to operation to end-of-life considerations.	Percentage Of Products By Revenue That Contain IEC 62474 Declarable Substances in 2020: 12.66% (Represents portion of Power Tools and Equipment revenue)* <a href="#">Restricted Materials Policy</a> <a href="#">Innovate with Purpose</a>
	Revenue From Renewable Energy-Related And Energy Efficiency-Related Products	RT-EE-410a.3		Revenue From Renewable Energy-Related And Energy Efficiency-Related Product in 2020: \$2.8 Billion*
	Percentage Of Eligible Products By Revenue Certified To The ENERGY STAR Program	RT-EE-410a.2		Not Applicable
Fuel Economy and Emissions in Use-phase	Sales- Weighted Emissions Of: (1) Nitrogen Oxides, And (2) Particulate Matter (PM) For: (A) Marine Diesel Engines, (B) Locomotive Diesel Engines, (C) On-Road Medium- And Heavy-Duty Engines, And (D) Other Non-Road Diesel Engines	RT-IG-410a.4	Sustainability is a fundamental part of our culture, we work actively toward cleaner water, minimizing waste generation and landfilling, and reducing our greenhouse gas emissions to lessen climate risk and find climate opportunity.  Climate change is the defining issue of our time. By 2030, SBD plans to have reduced operational carbon emissions to zero. In addition, we are investing in transforming our operations to go beyond carbon neutral, and vastly reducing the carbon impact of our products while leading our supply chain to do the same.	Not Applicable
	Sales-Weighted Fleet Fuel Efficiency For Medium- And Heavy-Duty Vehicles	RT-IG-410a.1 (Partial)		Global Mobile Fleet Emission in 2020: 36,893 Metric Tons CO <sub>2</sub> e* AA1000AS Assurance Statement to be published June 2022*
	Sales-Weighted Fleet Fuel Efficiency For Non-Road Equipment	RT-IG-410a.2		Not Applicable
	Sales-Weighted Fleet Fuel Efficiency For Stationary Generators	RT-IG-410a.3		Not Applicable
Remanufacturing Design and services	Revenue From Remanufactured Products And Remanufacturing Services	RT-IG-440b.1	SBD's CSR Strategy "Innovate Products with Purpose" focuses on ensuring improved sustainability within all product lifecycles by incorporating ground-breaking circular design and processes including everything from material selection to operation to end-of-life considerations.	Revenue From Remanufactured Products And Remanufacturing Services: \$11.4M (2020 Data for a portion of the Company only).*
Information on Employees & Other Workers	Number of employees	RT-IG-000.B RT-EE-000.B	As of January 1, 2022, the Company had approximately 71,300 employees, inclusive of recently acquired businesses and approximately 8,000 employees included in the pending sale of the CSS business, in over 60 countries. Approximately 37% of total employees were employed in the U.S. In addition, the Company had approximately 10,400 temporary contractors globally, primarily in operations.	Total Employees: 71,300 <a href="#">2021 Annual Report Form 10-K - Business - "Human Capital Management" - Page 7</a>

\*Reflecting previously reported 2020 data. Forthcoming data & assurance to be published Spring 2022.



# UN Global Compact Index

Stanley Black & Decker has a longstanding commitment to environmental, social and governance (ESG) issues, including human rights, fair labor practices, the environment and anti-corruption. As a signatory to the United Nations Global Compact (UNGC), Stanley Black & Decker supports the UNGC's 10 principles.

We have applied these principles in the strategy and operations of our company, and our action on these topics is expressed throughout our reporting materials—including the CEO letter in our annual ESG report.

This index below describes our commitment and actions including the location of relevant content in our reporting, and our reports, documents and policies that govern our company and put our values into action. Qualitative and quantitative measurements of our targets and performance

indicators are included within applicable links contained within this index. Our actions to advance the Sustainable Development Goals (SDGs) are also included within applicable links contained within this index.

## Human Rights

### UNGC Principles 10 Principles of the UN Global Compact

### Commitment and Actions

### System, Procedures, Reports and Values

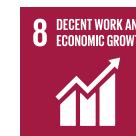
### SDG

#### Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

We recognize that human rights are an integral part of corporate citizenship and we respect and support the Universal Declaration of Human Rights.

[Human Rights Policy Statement - Page 1-2](#)  
[Human Rights Due Diligence Framework - Pages 1-3](#)  
[UK Modern Slavery Transparency Statement - Pages 1-2](#)  
[Supplier Handbook - Page 6](#)  
[Code of Ethics - Page 11](#)  
[SBD External Website - Human Rights Section of Empower Makers](#)  
[2021 ESG Report - CEO Letter - Page 3](#)  
[2021 ESG Report - Diversity, Equity and Inclusion: Our 10-Point Plan for Racial Equality - Page 41](#)  
[2021 ESG Report - Human Rights - Page 50](#)



#### Principle 2

Businesses should make sure that they are not complicit in human rights abuses.

Human Rights complicity is comparable with direct human rights violation, it is directly addressed in main guidance documents the SBD Code of Business Ethics, in the Human Rights Policy and internally through our due diligence process. Complicity is addressed with zero tolerance, we encourage anyone to report any complicity concern through our non-retaliation anonymous Integrity@SBD Ombud's process.

[Human Rights Policy Statement - Page 1-2](#)  
[Human Rights Due Diligence Framework - Pages 1-3](#)  
[UK Modern Slavery Transparency Statement - Pages 1-2](#)  
[Supplier Handbook - Page 6](#)  
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[SBD External Website - Human Rights Section of Empower Makers](#)  
[2021 ESG Report - CEO Letter - Page 3](#)  
[2021 ESG Report - Diversity, Equity and Inclusion: Our 10-Point Plan for Racial Equality - Page 41](#)  
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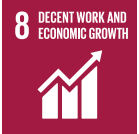








# UN Global Compact Index

## Labor Standards

UNGC Principles	10 Principles of the UN Global Compact	Commitment and Actions	System, Procedures, Reports and Values	SDG
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	SBD respects and supports employees freedom to associate and will engage in constructive dialogue with employees or their chosen representative.	<a href="#">2021 Annual Report Form 10-K - Human Capital Management - Page 7</a> <a href="#">2021 Proxy - Human Capital Management - Page 19</a> <a href="#">Supplier Handbook - Equal Opportunities and Freedom of Association - Page 6</a> <a href="#">Code of Ethics - Page 11</a> <a href="#">Human Rights Policy Statement - Page 1</a> <a href="#">2021 ESG Report - Human Rights - Page 50</a>	 
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	SBD actively takes measures against the use forced, compulsory or child labor in its own organization and expects the same throughout its value chain, such as SBD CSR supplier questionnaires and audits as described in the SBD Supplier Handbook.	<a href="#">Supplier Handbook - Forced and Prison Labour - Page 6</a> <a href="#">Code of Ethics - Page 11</a> <a href="#">Human Rights Policy Statement - Page 1</a> <a href="#">Supplier Handbook - Page 6</a> <a href="#">Supplier Audits - Pages 12, 22–35</a> <a href="#">2021 ESG Report - Human Rights - Page 50</a>	 
Principle 5	Businesses should uphold the effective abolition of child labor.	SBD commits in its Human Rights Policy to ensure the eradication from child labor with in its organization, SBD expects the same diligence from it's suppliers as outlined in the Supplier Handbook.	<a href="#">Supplier Handbook - Child Labor - Page 6</a> <a href="#">Code of Ethics - Page 11</a> <a href="#">Human Rights Policy Statement - Page 1</a> <a href="#">Supplier Handbook - Page 6</a> <a href="#">Supplier Audits - Pages 12, 22–35</a> <a href="#">2021 ESG Report - Human Rights - Page 50</a>	



# UN Global Compact Index

## Labor Standards

### UNGC Principles 10 Principles of the UN Global Compact

### Commitment and Actions

### System, Procedures, Reports and Values

### SDG

Principle 6  
Businesses should uphold the elimination of discrimination in respect of employment and occupation.

SBD believes it's fundamental to create a global culture of inclusion and diversity with zero tolerance for discrimination. SBD reflects this in its Policies and internal communication, we support the individuality and differences of our employees, and to create an inclusive work environment. SBD support Employee Resource Groups (ERG's) which encourage and support employees to live and share their different background and experiences to support one another.

Achieve 50-50 gender parity in leadership by 2030.

Increase our spend with certified diverse suppliers to at least 10% and develop diverse suppliers by 2025.

[Supplier Handbook - Equal Opportunities and Freedom of Association and Compensation and Working Hours - Page 6](#)

[2021 ESG Report - Diversity, Equity and Inclusion: Our 10-Point Plan for Racial Equality - Page 41](#)

[2021 ESG Report - People - Page 35](#)

[2021 ESG Report - CEO Letter - Page 3](#)

[2021 ESG Report - Human Rights - Page 50](#)

[2021 Annual Report Form 10-K - Human Capital Management - Page 7](#)

[Code of Ethics - Page 11](#)

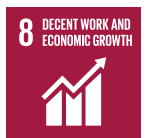
[SBD External Website - Diversity and Inclusion](#)

[Human Rights Policy Statement - Page 1](#)

[Supplier Handbook - Supplier Diversity - Page 13](#)

[Supplier Handbook - Page 6](#)

[Supplier Audits - Pages 12, 22–35](#)





# UN Global Compact Index

## Environmental Standards

### UNGC Principles 10 Principles of the UN Global Compact

### Commitment and Actions

### System, Procedures, Reports and Values

### SDG

Principle 7	Businesses should support a precautionary approach to environmental challenges.	We believe that proactively conducting risk assessments such as climate-related scenario analysis allows us to proactively plan for future environmental challenges.	<a href="#">SBD External Website - Our Mission - Climate Scenario Planning</a> <a href="#">SBD External Website - Our Mission - Implementing CSR in Acquired Companies</a> <a href="#">EHS MS - Hazards and Risks &amp; Aspects and Impacts – Assessment, Prevention and Control - Page 12</a> <a href="#">2021 Annual Report Form 10-K - Risk Factors - Page 10</a>
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Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Go beyond Carbon Neutral across our operations by 2030. This goal is purpose driven and supports the need to limit global warming to well below 2 degrees C.
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[2021 ESG Report - Climate - Page 19](#)



Set and meet context based water targets, where relevant and necessary by 2030. Although SBD isn't a water intensive organization, we fully believe that setting locally relevant context based water targets will ensure a focused data driven response to where it is most needed.

[2021 ESG Report - Climate - Page 19](#)



Achieve zero waste to landfill across our operations by 2030. Our Zero Waste to Landfill Goal not only aims to divert waste away from landfill it also supports the need to reduce waste at source and instill a culture of 'Responsible Consumption & Production.'

[2021 ESG Report - Climate - Page 19](#)



Enhance the lives of 500 million people with products that meet social needs by 2030.

[2021 ESG Report - Products - Page 26](#)

Make our packaging reusable; recyclable or compostable by 2025.

[2021 ESG Report - Products - Page 26](#)

Ensure that two thirds of our supply chain set science based targets.

[2021 ESG Report - Products - Page 26](#)

[2021 ESG Report - ESG Governance and Oversight - Page 53](#)

[2021 ESG Report - Our Business - Page 4](#)

[SBD External Website - Create More Sustainable World - Carbon Positive Across Operations by 2030](#)

[SBD External Website - Create More Sustainable World - Sustainable Water Use](#)

[SBD External Website - Create More Sustainable World - Zero Waste to Landfill](#)

[EHS Management System Plan](#)

[2021 Annual Report Form 10-K - Pages 8, 11, 18](#)

[2021 Proxy - Pages 3, 16–19](#)





# UN Global Compact Index

## Environmental Standards

### UNGC Principles 10 Principles of the UN Global Compact

### Commitment and Actions

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### SDG

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

"Innovate with Purpose" is a commitment to invest in circular design, embrace new technologies and procedures, and elevate the sustainability of our complete supply chain to improve the products and services we deliver to society.

[2021 ESG Report - Products - Page 26](#)



In a major step toward achieving our 2030 carbon neutral and beyond goal, Stanley Black & Decker has executed its first virtual power purchase agreement (VPPA) with Engie North America, a global leader in low-carbon energy solutions, to develop new wind energy in Texas.

[Virtual Power Purchase Agreement With ENGIE North America to Develop Renewable Energy](#)

[2021 ESG Report - Climate - Page 19](#)

[2021 ESG Report - Our Business - Page 4](#)

[Stanley Ventures](#)

[Greentown Labs](#)

[Stanley Black & Decker and Eastman Partner To Create Power Tools with a Sustainable Focus](#)

[Stanley Black & Decker's Jim Loree Has Big Plans To Electrify Gas-Powered Tools, Trimmers, and Mowers](#)

[STANLEY+Techstars Accelerator Announces Class of 2022](#)

## Anti-Corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

We have strengthened our anti-corruption policies and increased communication regarding anti-corruption worldwide. We abstain from corrupt practices and always compete fairly for our business opportunities.

[2021 ESG Report - Governance - Page 51](#)

[2021 ESG Report - CEO Letter - Page 3](#)

[Code of Ethics - Bribery and Corruption - Pages 16–19](#)

[Conflict Minerals Policy - Pages 1–3](#)



# Endnotes

Page Number	Superscript	Note
<a href="#">5</a>	(a)	2019 as previously reported, and as such, has not been adjusted for discontinued operations. Organic sales growth, or organic growth, is defined as the difference between total current and prior year sales less the impact of companies acquired and divested in the past 12 months and any foreign currency impacts divided by prior year sales.
<a href="#">5</a> , <a href="#">58</a>	(b)	The Company has excluded \$142 million of after-tax charges (\$0.86 of diluted EPS) related to acquisitions, a non-cash fair value adjustment, functional transformation initiatives and restructuring, partially offset by a gain on investment, in the 2021 calculation of diluted EPS. The Company has excluded \$143 million of after-tax charges (\$0.88 of diluted EPS) related to a cost reduction program, charges related to the extinguishment of debt, acquisitions, margin resiliency initiatives, a net loss on the sales of businesses and a charge related to the Company's share of equity method investment earnings, partially offset by a release of a contingent consideration liability relating to the CAM acquisition and a one-time tax benefit related to a supply chain reorganization, in the 2020 calculation of diluted EPS. The Company has excluded \$232 million of after-tax charges (\$1.49 of diluted EPS) related to restructuring, acquisitions, charges related to the extinguishment of debt, margin resiliency initiatives and a gain on a sale of a business, in the 2019 calculation of diluted EPS. These amounts were excluded because the Company believes doing so provides a better indicator of operating trends when analyzing diluted EPS, due to the fact that they are expected to be non-recurring. Therefore, the Company has provided these measures both including and excluding such amounts.
<a href="#">5</a>	(c)	"EBITDA" (earnings before interest, taxes, depreciation, and amortization) and "Adjusted EBITDA" are non-GAAP measurements. Management believes Adjusted EBITDA, which excludes the impacts of acquisition-related and other charges, is important for the ability to determine the earnings power of the Company. Adjusted EBITDA for 2021 results exclude \$195 million of (pre-tax) charges related to acquisitions, a non-cash fair value adjustment, functional transformation initiatives and restructuring, partially offset by a gain on investment. Adjusted EBITDA for 2020 results exclude \$326 million of (pre-tax) charges related to a cost reduction program, charges related to the extinguishment of debt, acquisitions, margin resiliency initiatives, and a net loss on the sales of businesses, partially offset by a release of a contingent consideration liability relating to the CAM acquisition. Adjusted EBITDA for 2019 results exclude \$262 million of (pre-tax) charges related to restructuring, acquisitions, charges related to the extinguishment of debt, margin resiliency initiatives, and a gain on a sale of a business.

**StanleyBlack&Decker**

[STANLEYBLACKANDDECKER.COM](https://www.stanleyblackanddecker.com)

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