SOCIAL RESPONSIBILITY AND SUSTAINABILITY

2018 HIGHLIGHTS

StanleyBlack&Decker

2018yearinreview.stanleyblackanddecker.com/CSR
The worldwide leader in tools and storage, we create the tools that build and maintain the world. Tradespeople and Do-It-Yourselfers alike rely on us every day for the toughest, strongest, most innovative hand tools, power tools and storage solutions in the market.

Science-Based Targets
Stanley Black & Decker aims to reduce Absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions 100% by 2030, using a 2015 base year, and to reduce Scope 3 GHG emissions 35% by 2030, using a 2017 base year. As much as possible, we express our strategic goals in numbers that can be verified and in concepts that are based on scientific consensus. For example, our long-term environmental sustainability goals have been approved by the Science Based Targets initiative, a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

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

We believe this format best conveys our current approach to responsibility reporting and our commitment to creating a strong business and to building a better, more sustainable world.
OurMission: Be A Force For Good

At Stanley Black & Decker, we are focused on inspiring makers and innovators to create a more sustainable world. It’s the way we put our purpose into action, and it’s integral to our 22/22 Vision. Our commitment to becoming a force for good builds on our legacy of keeping a keen focus on environment, health and safety, sustainability and community engagement.

We believe now is the time for companies like ours to step up and show leadership in social responsibility. Society needs us. We’re here to be successful and, to us, that includes generating a positive impact for society at large as well as for our shareholders and our people — creating value, including environmental and social value. Our business has the reach, product innovation and mindset to be a powerful force for good, especially in today’s world where so much is changing and being disrupted by technology and new ways of doing business. Putting our skills and resources to work, our corporate social responsibility strategy is delivering programs to empower those who seek to create and shape the world around us — the makers and creators.

James M. Loree
President & Chief Executive Officer

Our ECOSMART™ Advantage

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

Our ECOSMART™ Advantage

PILLARS OF OUR 2030 CORPORATE SOCIAL RESPONSIBILITY STRATEGY

**EMPOWER MAKERS**

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

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

**INNOVATE WITH PURPOSE**

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

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

**CREATE A MORE SUSTAINABLE WORLD**

Positively impact the environment through our operations

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

We are working to enable 10 million creators and makers to thrive in a changing world. As the pace of technological change — particularly digital transformation — increases at an exponential rate, society as a whole is facing challenges navigating this. We are committed to helping our employees and the people of the world, particularly youth, master the skills and expertise needed to secure productive jobs and revitalize communities, now and well into the future.

“Technology, industry, urbanization and our climate are changing at an unprecedented rate, and will present societies and individuals with both challenges and opportunities. By providing people with the corresponding talents and skills, society can respond and embrace these changes, with huge economic and humanitarian benefits. Stanley Black & Decker is uniquely influential in this space.”

DEB GEYER
VP, Environment, Health, Safety and Corporate Social Responsibility

OUR 2030 GOAL

Enable 10 Million Makers and Creators by 2030

Actions to 2030 Goal:

- **Employee Career Mobility**: Prepare employees for career mobility relevant for Industry 4.0 by supporting their upskilling and repurposing.
- **STEAM Education**: Enable people to access STEAM education and training to improve livelihoods and help support the workforce of tomorrow.
- **Vocational and Trade Skills**: Help people develop cutting-edge vocational and trade skills.
- **Makerspace Training**: Enrich the education, creativity and hands-on job experience of people through makerspaces around the world.

**Enable 10 Million Makers and Creators by 2030**

**Actions to 2030 Goal:**

**Employee Career Mobility**
Prepare employees for career mobility relevant for Industry 4.0 by supporting their upskilling and repurposing.

**STEAM Education**
Enable people to access STEAM education and training to improve livelihoods and help support the workforce of tomorrow.

**Vocational and Trade Skills**
Help people develop cutting-edge vocational and trade skills.

**Makerspace Training**
Enrich the education, creativity and hands-on job experience of people through makerspaces around the world.

**Relevant UN 2030 Sustainable Development Goals**

- **Education**
- **Decent Work and Economic Growth**
- **Industry, Innovation, and Infrastructure**

**1,000+ educators in 40 countries connected during global maker day**
Engaging Our People
We are investing in and fostering a highly engaged workforce, in which our people feel heard, valued and positioned to do their best work every day.

Career Mobility
Upskilling employees and supporting local communities.

Diversity & Inclusion
Nurturing a culture where inclusiveness is a reflex, not an initiative.

Harnessing the Power of 61,000 Employees
Creating a more informed and engaged workforce.

Human Rights
Early in 2018, we launched a global Human Rights Road Map Due Diligence Process. By the end of 2018, it has been applied to over 50% of our sites and no Human Rights concerns were identified in our assessments.

For the full stories on these and other topics, including Maker Month / Innovation Generation and On the Global Stage, please visit:

2018yearinreview.stanleyblackanddecker.com/empowering-makers
INNOVATING WITH PURPOSE

Innovation is a pillar of our 2030 Corporate Social Responsibility strategy — harnessing one of our signature strengths for the purpose of contributing to a better world. We are looking to address unmet societal needs through innovative products, invest in circular design, improve the sustainability of our supply chain, and explore new business models that decouple revenues from resource use.

“Innovations with purpose utilize the creative spirit of our diverse and talented minds to deliver socially responsible solutions for a sustainable planet.”

DR. MARK MAYBURY
Chief Technology Officer

OUR 2030 GOAL

Innovate Our Products to Enhance the Lives of 500 Million People by 2030

Sustainable Innovation Through Collaboration

Sustainable Innovation from Within

500,000,000 People Impacted

31,000 People Impacted

2018 Year 2030

ACTIONS TO 2030 GOAL:

Addressing Unmet Societal Needs
Deliver “innovation with purpose” projects, which address unmet societal needs, improve the lives of 500 million people, and contribute 10% of Stanley Black & Decker revenue.

Circular Design
Design products for circularity across material selection, use and end-of-life considerations.

Sustainable Supply Chain
Source from suppliers that meet environmental and social sustainability criteria; reduce supply chain emissions by 35% by 2030, based on a 2017 baseline. Complete CDP Supply Chain Climate Change assessments for 80% of our supplier spend by 2020.

New Business Models
Decouple revenue from resource use by increasing the share of revenue from services versus products.

RELEVANT UN 2030 SUSTAINABLE DEVELOPMENT GOALS

Stanley Black & Decker Responsibility 2018 Highlights
Combatting Plastic Pollution Through Innovative Packaging

Stanley Black & Decker has committed to make all of our plastic and non-plastic packaging reusable, recyclable or compostable by 2025. We believe that a world without plastic pollution is possible, and are taking action to ensure we are part of that solution by joining forces with leading businesses and governments, and by signing the New Plastics Economy Global Commitment.

The Global Battery Alliance

Due to the importance of batteries in our business, we joined the World Economic Forum’s Global Battery Alliance. The Alliance is a global public-private partnership that seeks to catalyze, connect and scale-up efforts to ensure that the battery value chain is innovative, socially responsible, and environmentally and economically sustainable.

STANLEY Earth® in India — Project Update

NADI, our first product under the STANLEY Earth® brand, is an innovative response to a problem that has plagued rural India: the lack of reliable, clean energy to drive irrigation. This clean-technology solution combines our core competency in brushless DC motors with solar power, creating an off-the-grid water pump solution for rural farmers.

Sustainable Sourcing

We aspire to source our raw materials, finished goods, components and services from suppliers that meet our evolving sustainability criteria. We are committed to working with our suppliers of products, goods and services to reduce supply chain emissions by 35%, by 2030. In 2018, 100% of new suppliers in China and India were assessed for adherence to our social and environmental expectations; 234 assessments were completed.

For the full stories on these and other topics, including Cordless Generator Powers Disaster Relief in Carolinas, and Sponsorship with Virgin on Formula E, please visit: 2018yearinreview.stanleyblackanddecker.com/innovating-purpose
CREATING A MORE SUSTAINABLE WORLD

At Stanley Black & Decker we have a longstanding commitment to “Create a More Sustainable World” by staying ahead of climate-, waste- and water-related influences. Our 2030 targets of becoming carbon positive, achieving zero waste to landfill and sustainable water use across our operations is our response to making a lasting positive difference for communities and our world.

**OUR 2030 GOAL**

**Carbon Positive Across Our Operations by 2030**

- **8,840 metric tons** of CO2e reductions in 2018 resulting from ongoing ECOSMART projects
- **4,000 metric tons** of CO2e reductions targeted in 2019 from additional projects

**RELEVANT UN 2030 SUSTAINABLE DEVELOPMENT GOALS**

**8,840 metric tons** of CO2e reductions in 2018 resulting from ongoing ECOSMART projects

**4,000 metric tons** of CO2e reductions targeted in 2019 from additional projects

**Carbon Positive Across Our Operations by 2030**

- **Legacy Baseline**
- **Re-Baseline**
- **Total**

**ACTIONS TO 2030 GOAL:**

**Carbon Positive Operations**

By 2030, we plan to be carbon positive in our operations on a global basis, meaning our carbon capture is greater than carbon emissions.

**Sustainable Water Use**

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

**Zero Waste to Landfill**

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

> Over 100,000 mT CO2e Reductions through:

- ECOSMART™ Projects
- Energy Attribute Certificates
- Utility-Specific Programs
- Renewable Energy Self Generation

25% Year over Year reduction (2017>2018)
6% Reduction vs. 2015 Legacy Baseline

*Our 2030 CSR Carbon | Water | Waste goals exclude those Factory Outlets | Service Centers | Offices where we are unable to directly influence the purchase of energy, water, and disposal of waste.*
Renewable Energy

We have always focused on sustainable operations and are proud to expand those efforts to support renewable energy.

100% Wind-Powered Plant in Mission, Texas
Our new Global Tools and Storage facility in Mission, Texas, is powered 100 percent by renewable energy.

Suzhou Solar
Our solar roof topped Tools & Storage Plant in Suzhou, China is expected to generate 2,500MWh of electricity per year, equal to 35 percent of their total electrical demand.

Renewable Energy Certificate Investment
At the close of 2018, for the first time, we acquired 158,000 MWh of Green-e® certified renewable energy certificates (RECs) – the environmental equivalent of taking over 25,000 cars off the road for one year.

Sustainable Water Use
We continue our strong practice of reducing water consumption across our global operations and we are developing context-based water targets as part of our 2030 CSR ambitions. To further this approach, we will continue developing partnerships with peers including World Wide Fund for Nature (WWF), World Resources Institute (WRI) and CDP.

For the full stories on these and other topics, including Our Lighthouse factory in Tennesee, please visit:

2018yearinreview.stanleyblackanddecker.com/sustainable-world
SUSTAINABILITY SCORECARD

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

**People**

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

**Planet**

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

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

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

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

**Product**

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

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

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**RECOGNITION GROWING**

- Dow Jones Sustainability World Index 2018
- Barron’s Top 100 Sustainable Companies at #30
- CDP “A” List in both Climate Change and Water Security

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**MANAGEMENT SYSTEM**

- External Certifications (% MFG | DC)

  - 2015: 49
  - 2016: 51
  - 2017: 57
  - 2018: 57
  - Goal: 59
**ECOSMART™ SCORECARD**

**Energy Intensity** (KBTU / HR)
- 2018: 32.0, 31.2, 29.7, 28.0, 28.05
- 2016: 32.4
- 2015: 31.2
- Goal: 32.4

**2018 RENEWABLE SOURCE %**
- Renewable Energy: 17%
- Non-Renewable Energy: 83%

**Carbon** (MT / KHR)
- 2018: 3.34, 3.34, 3.18, 2.94, 3.03
- 2016: 3.49
- 2015: 3.34
- Goal: 28.05

**Energy Intensity** (KBTU / HR)
- 2018: 32.0, 31.2, 29.7, 28.0, 28.05
- 2016: 32.4
- 2015: 31.2
- Goal: 32.4

**2018 RENEWABLE SOURCE %**
- Renewable Energy: 17%
- Non-Renewable Energy: 83%

**Carbon** (MT / KHR)
- 2018: 3.34, 3.34, 3.18, 2.94, 3.03
- 2016: 3.49
- 2015: 3.34
- Goal: 28.05

**Water** (GAL / HR)
- 2018: 4.11, 3.76, 3.43, 3.18, 3.62
- 2016: 4.09
- 2015: 3.43
- Goal: 4.52

**2018 PROCESS | SANITARY WATER USES %**
- Process: 49%
- Sanitary: 51%

**Waste** (LBS / HR)
- 2018: 1.86, 1.78, 1.61, 1.53, 1.63
- 2016: 1.86
- 2015: 1.78
- Goal: 1.90

**2018 WASTE RECYCLE %**
- Non-Recycled: 19%
- Recycled: 81%

**2018 % WASTE GENERATION BY CLASS**
- Hazardous: 4.6%
- Mfg Solid: 34.4%
- Non-Mfg Solid: 61%

**Hazardous Waste** (LBS / HRS)
- 2018: 0.089, 0.070, 0.073, 0.070, 0.074
- 2016: 0.089
- 2015: 0.089
- Goal: 0.089

**SAFETY INJURY / ILLNESS RATES**

**2018 Total Recordable Rate** (Incidents / 100 Heads)
- 2018: 0.65
- 2017: 0.67
- 2016: 0.67
- 2015: 0.71

**2018 Lost Time Rate** (Incidents / 100 Heads)
- 2018: 0.20
- 2017: 0.24
- 2016: 0.24
- 2015: 0.22

**2017 LOST TIME INCIDENTS %**
- Non-Lost Time
- Lost Time
- Life Change*
- Goal: 0%