



# FOCUSED ON IMPACT

2022 ESG REPORT

**StanleyBlack&Decker**

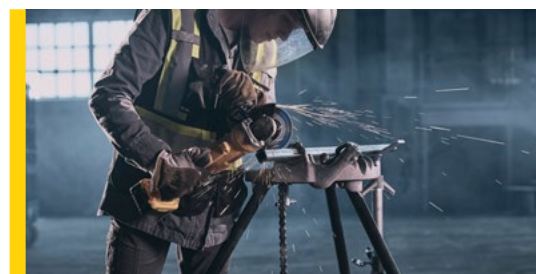
*For those who make the world.™*



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Our environmental and social efforts are focused on where we believe we can make the greatest positive impact. With a streamlined portfolio and purposeful strategy, we are on a mission to be a force for good.

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# Dear Stakeholders,

Welcome to our ESG Report for 2022, a year of transformation for our Company where we focused on our core strengths, our commitment to customers and the industry, and the unique contributions we can make to improve our world.

## Transforming and Simplifying Our Business to Drive Value for All Stakeholders

Over the past 12 months, Stanley Black & Decker has undertaken a significant business transformation to strengthen our core business in tools, outdoor products, and industrial solutions, allowing us to focus our portfolio and our business on sustainable growth over the long term. We have made meaningful progress by focusing on meeting the needs of our employees, customers, and end users, optimizing our operations, divesting non-core businesses, reducing complexity to enable speed and agility, and investing in innovation and growth. These changes will streamline our operations, simplify our organization, and increase our responsiveness to geopolitical and macroeconomic volatilities.

Through our transformation, we are optimizing our operations and our relentless pursuit of meeting stakeholders' needs, starting with our customers and end users to deliver sustainable growth. We will strive to meet their needs through providing critical support to tradespeople, accelerating our electrification journey throughout our product portfolio, and building a more sustainable, agile, and efficient supply chain.

## Aligning Our Commercial Strategy and Purpose to Achieve Our Sustainability Goals

Amid these changes, our commitment to ESG remains central to our success. This includes our longstanding commitment to health and safety, integrity, sustainability, and diversity, equity, and inclusion (DE&I). Focusing on ESG matters is not only integral to being a good corporate citizen but is also key to managing risks and supporting long-term value creation for our stakeholders. Our recent portfolio transformation, including the significant Outdoor acquisitions and the divestiture of our Security and Oil & Gas businesses, has prompted our Company to reassess our ESG strategy and goals. We have updated our ESG targets to align with our more focused Company, while maintaining continuity with our original ESG pillars of people, products, and planet. Our ESG goals remain firmly rooted in Stanley Black & Decker's purpose — **For those who make the world™** — as well as our unique industry expertise, the people we serve, and our enduring mission to maintaining a culture of excellence and striving, as always, to be a force for good.



**Don Allan, Jr.**  
President & Chief Executive Officer



Our purpose, brands, and innovation remain the foundation on which our business transformation and our aligned ESG priorities are built. We believe that with our business and ESG priorities focused on the core of what we do best, we are better able to leverage our great brands, and position our Company for impactful achievements in the years ahead.

## Refined Focus Areas

I am pleased to share our refined areas of ESG focus, aligned to both our go-forward business strategy as well as to the UN Sustainable Development Goals (SDGs):

- PEOPLE: DE&I and Growing the Trades;
- PRODUCT: Sustainable Innovation; and
- PLANET: Sustainable Operations

## Executing on Our Focus Areas

We continue to promote a culture of excellence, where all our employees can thrive. To that end, we believe investment in our future talent and the diversity of our leaders are critical components of our efforts, whether it is through our early career and next generation leadership programs or additional skilling or upskilling opportunities. We have committed to improve our gender representation at the Vice President level and above, and to achieve our racial equity roadmap by 2027, recognizing that when we have more diverse perspectives, we advance as a company.

Health and safety are foundational to the success of our business strategy. We believe the best way to support employee health and safety is to foster a thriving culture focused on the holistic wellness of each of our over

50,000 employees. We are mindful of the toll that the pace of change in the world around us can take on the physical, mental, and emotional health of our employees and their families. To enable employee resilience, we are creating a comprehensive, cross-company employee well-being strategy that will provide employees specific resources inside and outside the Company to optimize their health, energy, and productivity. We look forward to launching this program in the months ahead.

As we continue to build a strong foundation for our business, we are also supporting the future of our industry by committing \$30 million to fund initiatives that help grow skills for tradespeople by 2027. With our end user focus, we will strengthen our support for tradespeople and provide platforms for reskilling and catalyzing well-paying jobs that positively contribute to society through better infrastructure and economic prosperity for communities.

## Investing in Sustainable Innovation and Operations

Going forward, through our refreshed and more focused approach to our ESG strategy and goals, we have modified our GHG emissions reduction goals, aligned with the Science Based Targets Initiative (SBTi), to set our Company on a path to create a sustainable supply chain and reduce our GHG emissions. In parallel with reductions of GHG emissions in our internal operations, we are working to reduce our Scope 3 emissions by engaging with our suppliers to reduce their Scope 1 and 2 emissions. These goals will build on progress we have made toward the ESG goals we launched in 2017, as detailed within this report.

Electrification is a powerful secular driver across our businesses, and we are investing to accelerate our efforts in this important area as this technology continues to shift and adoption of electrification increases. Expanding our electrification leadership across our product lines — including to new markets like large-format ride-on mowers and better serving our automotive and aviation customers' needs for industrial solutions to support electrification — are key drivers of margin growth while also driving GHG emissions reductions across our value chain.

We also remain focused on reducing waste, continuing to work on sustainable packaging improvements and zero waste-to-landfill for our global manufacturing and distribution sites by 2040.

## Looking Ahead

Our Executive Leadership Team, our team of ESG experts, and business teams are energized, optimistic, and focused on achieving our updated ESG goals, which will build upon our progress made to date. We look forward to continuing to keep our stakeholders updated as we advance our new plan. And as we evolve and grow, we welcome your interest and thoughts as we, together with our partners, navigate a better shared future.

**Don Allan, Jr.**  
President & Chief Executive Officer



“Our success going forward will be powered by our end user obsession, sustainable innovation, and a thriving, inclusive culture of excellence that embodies these clear priorities.”

**Don Allan, Jr.**

President & Chief Executive Officer

### Transforming to Accelerate Organic Growth

Executing Against a Clear Vision and Three-Year Strategy

#### REDUCING COMPLEXITY

**Optimize** Corporate Structure

**Simplify** Operating Model

**Transform** Supply Chain

**~\$2B**

Pre-Tax Annualized Cost Savings By 2025

#### INVESTING IN CORE GROWTH

**Innovation**

**Electrification**

**Market Leadership**

**More Responsive Supply Chain**

**\$300M–\$500M**

Strategic Investment Through 2025

#### ENHANCING SHAREHOLDER RETURN

Organic Revenue Growth<sup>1</sup> **2–3X** Market

**35%+** Adjusted Gross Margin<sup>1</sup> by 2025

**100%+** Free Cash Flow<sup>1</sup> Conversion

Powerful **Innovation**

Customer Fill Rate **Improvement**

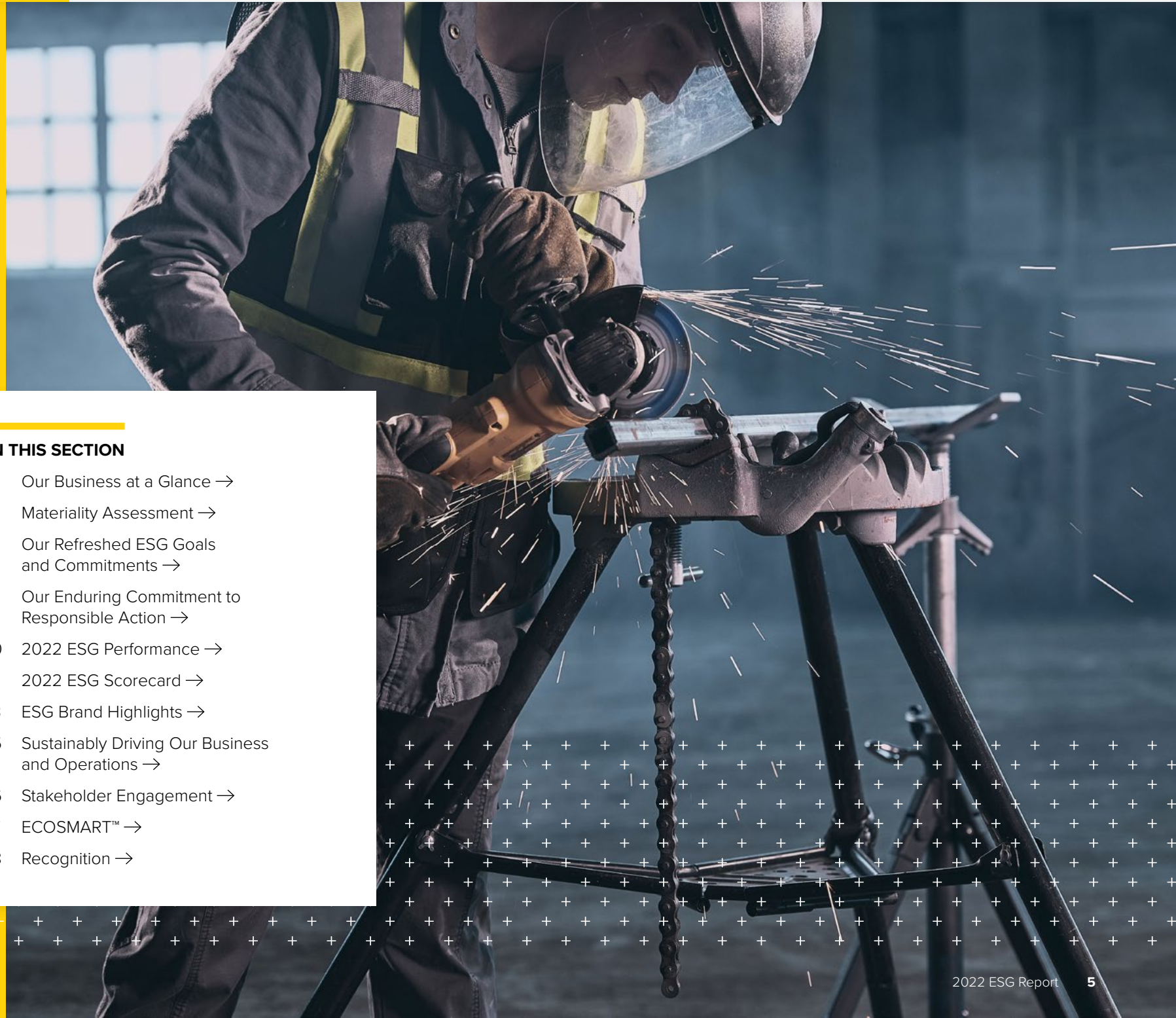


# Our Business

We are a global leader in power tools, hand tools and outdoor power equipment, combined with industry leadership in highly engineered industrial fastening and infrastructure solutions. Our iconic brands speak for themselves.

## IN THIS SECTION

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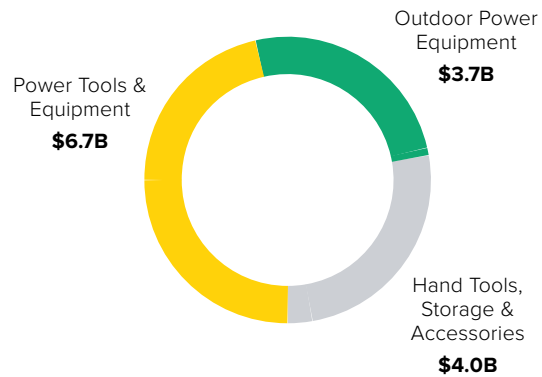


# Our Business at a Glance

## Our Business Overview

### Tools & Outdoor

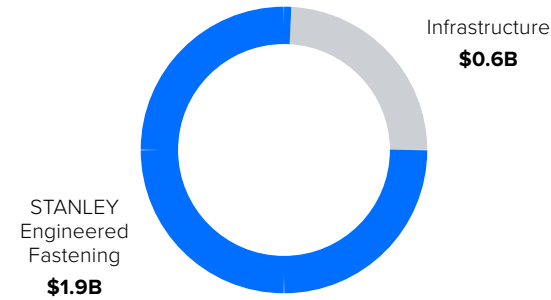
2022 Revenue: \$14.4 Billion



A 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

2022 Revenue: \$2.5 Billion



Our **innovative 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.

WORLD'S LARGEST  
Tool & Outdoor Company

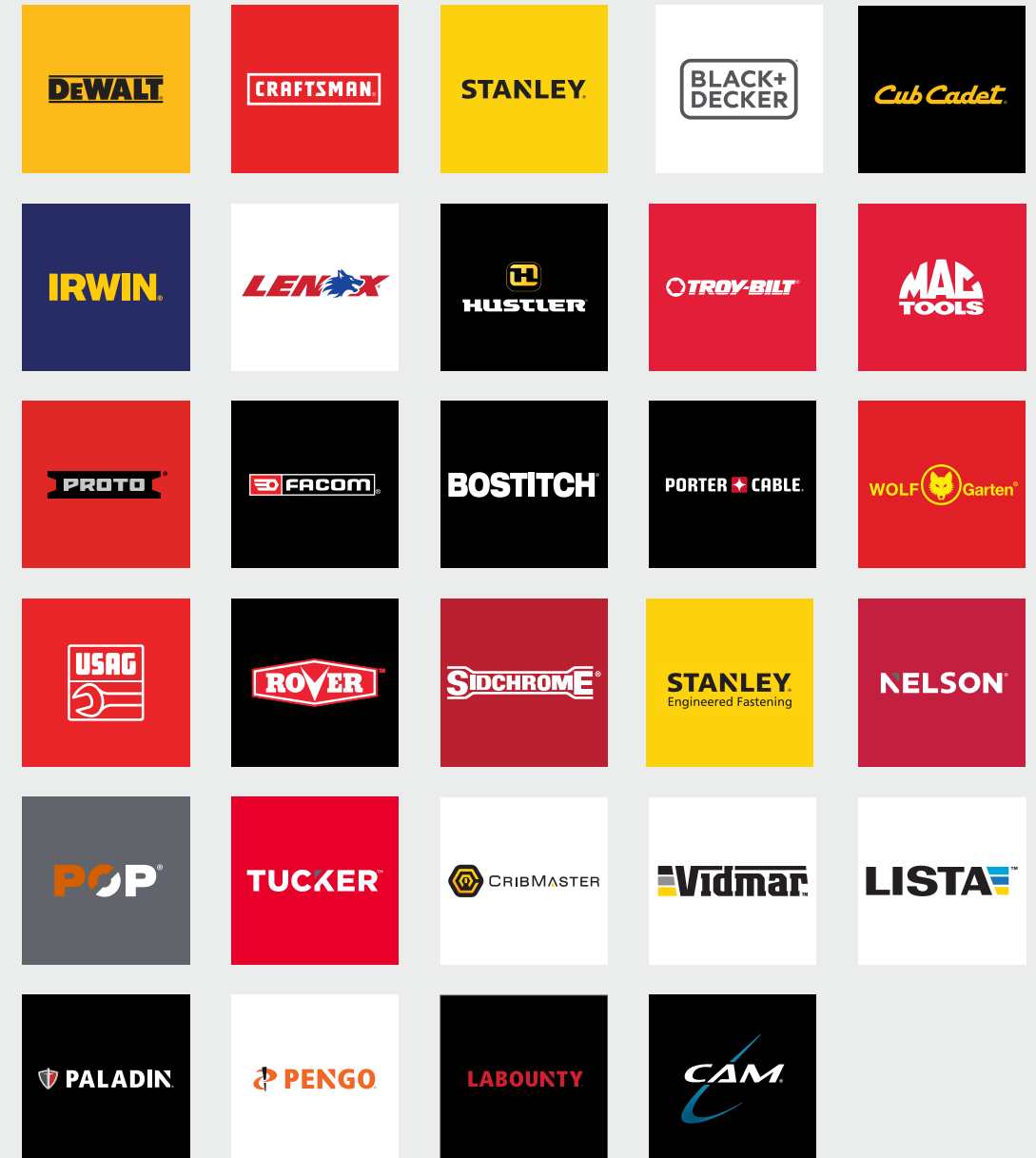
A GLOBAL LEADER  
in Engineered Fastening

5 CONSECUTIVE YEARS  
CDP "A" List for Climate and Water

5 CONSECUTIVE YEARS  
Dow Jones Sustainability World Index

12 CONSECUTIVE YEARS  
Dow Jones Sustainability NA Index

## Iconic Brands





# Materiality Assessment

Our data-driven materiality assessment, performed by a third party in late 2021, established an understanding of what ESG issues are of top importance to both our internal and external stakeholders. This assessment helped to guide the evolution, and sharpen the focus, of our ESG strategy going forward.

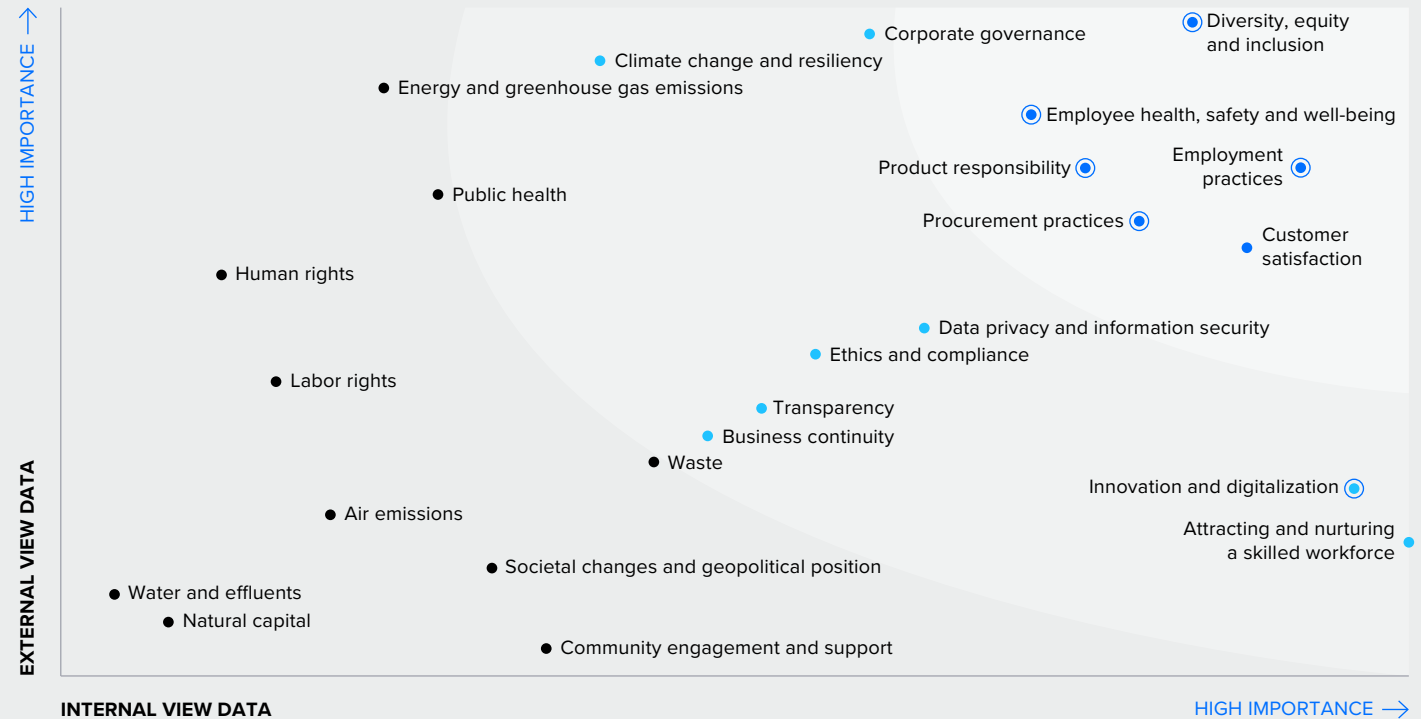
## MATERIALITY MATRIX

Our review identified **six tier one priority issues** for both internal and external stakeholders, which informed 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.

### **PRIORITY ISSUES**

- Diversity, Equity and Inclusion
- Employment Practices
- Employee Health, Safety and Well-Being
- Product Responsibility
- Procurement Practices
- Innovation and Digitalization

- TIER 1**
- TIER 2**
- TIER 3**





# Our Refreshed ESG Goals and Commitments

Over the years, we have established a number of goals across our ESG pillars of people, product and planet. As part of our ongoing business transformation, we have undertaken a strategic review of our outstanding ESG goals, resulting in a decision to modify or eliminate those goals.<sup>2</sup> Moving forward, we plan to tackle a more focused set of ESG goals that better align with our updated near- and long-term business strategies.

As we focus our efforts on our new ESG goals aligned to our business transformation, we remain committed to the pillars of people, planet and product and we will continue our progress in addressing carbon emissions and waste and supporting our employees, suppliers and the trades. While not a part of our formal goals, we will also continue to address issues including employee health, safety & wellbeing, and water as detailed in this report. These efforts build on the measurable progress we have made toward our original set of goals launched in 2017.

Going forward, we are pursuing the following goals.

## People

<b>DE&amp;I</b>	Achieve our <b>10-POINT</b> racial equity roadmap and improve our gender representation at the Vice President level and above by 2027
<b>Grow The Trades</b>	Commit <b>\$30 million</b> to initiatives that grow skills for tradespeople by 2027 <sup>3</sup>



## Product

<b>Scope 3</b>	<b>67%</b> of suppliers by spend will set Scope 1 and 2 Science Based Targets by 2027 <sup>4</sup>
	<b>52%</b> reduction in Scope 3 GHG emissions intensity by 2030 from a 2022 baseline <sup>5</sup>
<b>Circular Design</b>	We plan to continue to engage our customers, suppliers, and other stakeholders to prioritize the reduction and elimination of problematic plastics and improve packaging sustainability, with a specific commitment forthcoming by 2025.



## Planet

<b>Scope 1 &amp; 2</b>	<b>42%</b> reduction in absolute Scope 1 and 2 GHG emissions by 2030 from a 2022 baseline <sup>6</sup>
<b>Zero Waste to Landfill</b>	<b>100%</b> Zero waste to landfill for global manufacturing and distribution sites by 2040 <sup>7</sup>



# Our Enduring Commitment to Responsible Action

On our path to fully embed an ESG focus into our operations and products, milestone by milestone, we have always stood out as a responsible business, one that has made it possible for the builders and makers we serve to make their positive contributions to the world.

**1997** Developed our own Environment, Health and Safety (EHS) data management platform for the capturing, storing, and analyzing of EHS information.

**1999** Developed an EHS scorecard to provide visibility of qualitative and quantitative EHS results by site.

**2012** First third party assurance audit of EHS data.

**2013** ECOSMART™ product initiative launched across Stanley Black & Decker, responding to end user needs for more sustainable products and packaging.

**StanleyBlack&Decker**



ECOSMART Is Our Commitment To A Sustainable Future

**2015** Set first public five-year goals on EHS. All goals were achieved a year ahead of time.

**2016** Conducted our first Materiality Assessment.

**2017** Articulated CSR (precursor to ESG) strategy, in alignment with the UN 2030 Sustainable Development Goals (SDGs). Introduced purpose, **For those who make the world.™**



**2018** Approved Science Based Targets.



**2020** Named Chief Medical Officer and launched HOME program to support employees & communities.

**2021** Named Chief Diversity Officer and continued investment in DE&I program. Refreshed materiality assessment.

**2022** Initiated ESG strategy and goal update to reflect the significant Outdoor acquisitions and the Security business divestitures, as well as to align with our strategy as a more focused company.

**2023** Building on the updated strategy, we have rebaselined and set new targets for our ESG pillars of people, product, and planet.





# 2022 ESG Performance<sup>8</sup>

Stanley Black & Decker has delivered well against our previously established goals. For consistency, as we begin a new phase in our sustainability journey, the following charts show our progress through 2022 on our prior overall goals.

## People

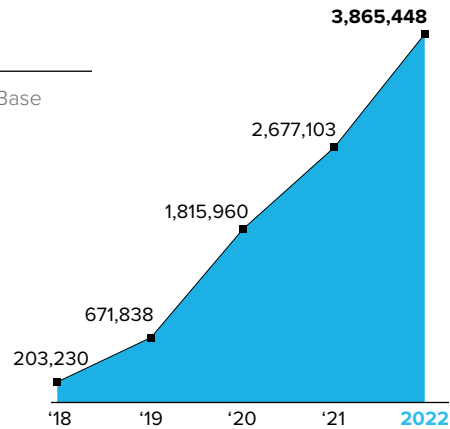
### Empower Makers

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

#### PEOPLE EMPOWERED<sup>9</sup>

Empowering Makers Through Partnerships

Upskilling Our Employee Base



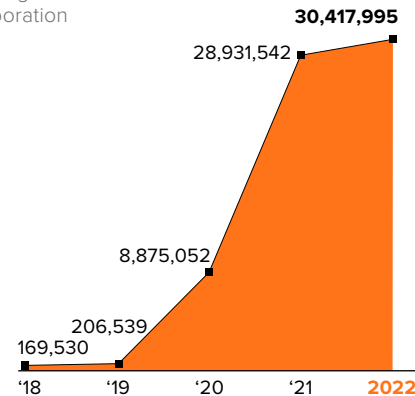
## Product

### Innovate with Purpose

Innovate our products to enhance the lives of 500 million people

#### LIVES ENHANCED<sup>10</sup>

Sustainable Innovation Through Internal and External Collaboration



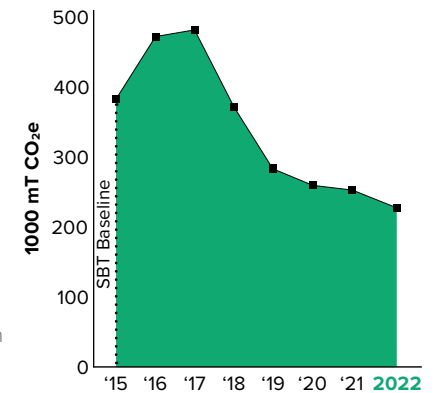
## Planet

### Create a More Sustainable World

Positively impact the environment through our operations

#### ■ Scope 1 & 2 Emissions

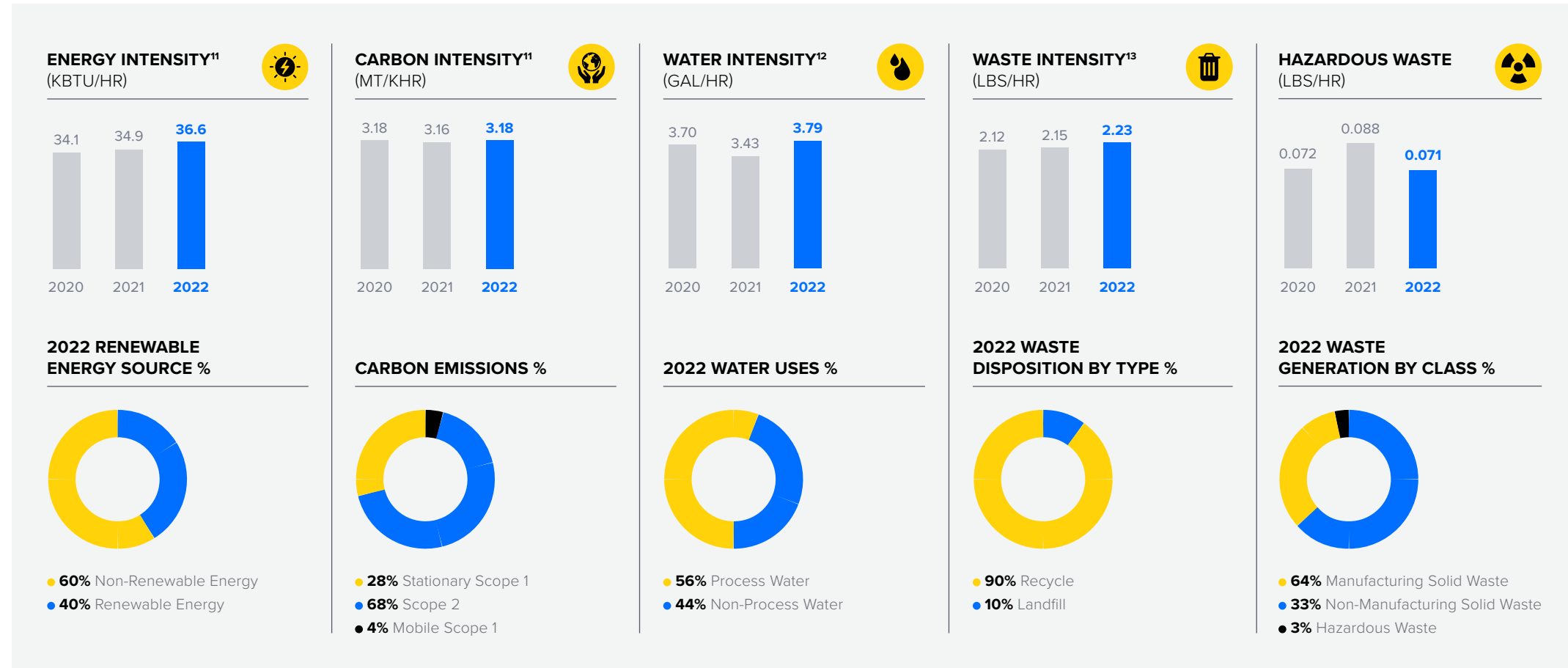
Science-Based Target (SBT) trajectory—starting in 2018, maintain an ~8% annual reduction in our absolute carbon emissions from our 2015 baseline



# 2022 ESG Scorecard

## Environmental Performance<sup>8</sup>

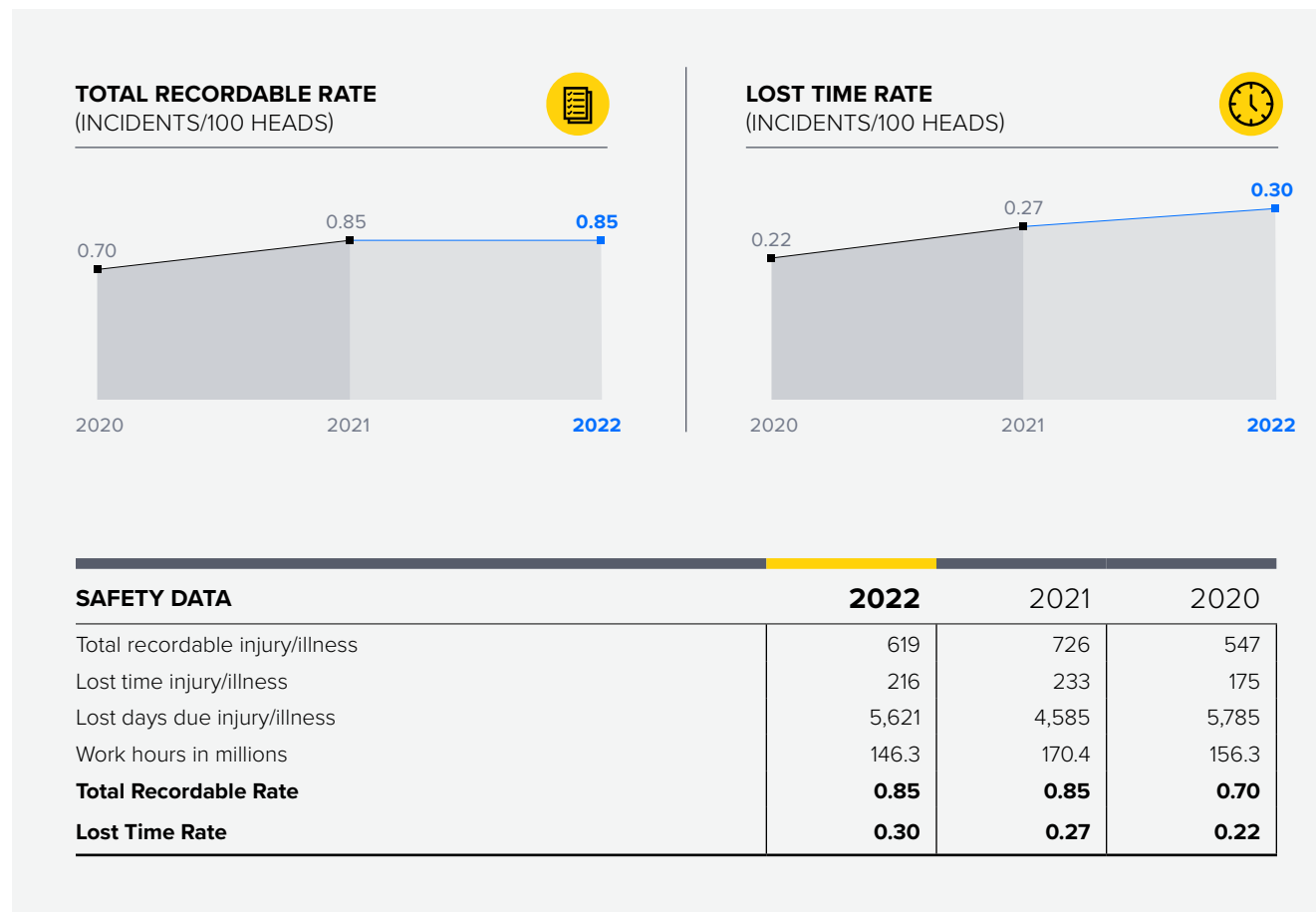
Our sustainability journey continues to evolve, and our investments in and actions regarding climate change mitigation, water stewardship and waste reduction demonstrate how we measure progress to hold ourselves accountable.





## Health & Safety Performance<sup>14, 15</sup>

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



# ESG Brand Highlights

• PEOPLE / • PRODUCT / • PLANET

Our brands work in concert and individually to make a positive impact. The following highlights demonstrate how our brands take action on our shared commitments to our customers, our communities, and the future we look to build.

## DEWALT

### • DEWALT Power the Possibilities / Trade Scholarship

As part of its commitment to empower the next generation of workers, DEWALT has opened the [DEWALT Trades Scholarship](#), which will award students a \$5,000 grant in pursuance of a skilled trade educational program. Eligible candidates include high school seniors, graduates, or current undergraduate students majoring in a degree/certificate program such as trade construction, motor/power specializations, mechanics, or technology.

Stanley Black & Decker continues our multi-year commitment to skilling tradespeople through the Global Impact Challenge which provides grants to nonprofits supporting skilling programs for tradespeople, including vocational skills training and retraining.

### • CONVERGE System with DEWALT Signal Sensor

Converge, a leading concrete material and operations optimization company, and DEWALT, a leader in total jobsite solutions, released a strategic partnership to help decarbonize construction through Converge's revolutionary AI-based platform, ConcreteDNA, powered by data from DEWALT's new wireless concrete sensor, the [DEWALT Signal Sensor](#). ConcreteDNA interprets real-time data from the DEWALT Signal Sensor allowing users to observe compressive strength gain of concrete, and to predict when it will reach critical strength through advanced AI and local weather data. This allows concrete professionals to begin work sooner as users can directly measure hardening rather than relying on estimation and, in addition, to tailor the exact amount of cement needed in the mixture which helps reduce unnecessary carbon emissions.

### • Miter Saw Regen Braking

CUT.CAPTURE.CHARGE™ Regenerative Braking Technology extends runtime by redirecting lost energy back into the battery. The BEVEL-GEAR TRANSMISSION delivers fast, reliable cutting and is designed to reduce the power losses that may occur with belt-drive designs.



## STANLEY TOOLS

### • Habitat for Humanity

Stanley Black & Decker has been a longstanding partner of Habitat for Humanity. This year we were recognized with a Lifetime Achievement Award during their 40th Anniversary Celebration for Habitat of the Chesapeake. Additionally, the Stanley team engaged with the community, building homes in partnership with Habitat's FALL BUILD program.



### • Emergency Volunteer Project

Stanley Black & Decker has teamed with the Baltimore County Volunteer Firefighters Search & Rescue Mission in Maryland to send a large supply of hand tools, accessories and storage to Ukraine to support search and rescue operations. About 10 pallets of tools were pulled and packed to be taken to Ukraine by a team of 63 firefighters. The firefighters are not only delivering the tools but are also joining in the rescue efforts.

### • STANLEY Scholarships

To assist employees' children in pursuing post-secondary education in college and vocational programs, in 2022 STANLEY awarded 25 scholarships worth \$1,000 each, as well as one \$5,000 scholarship to a student with an engineering major.



## CRAFTSMAN

### ● 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 2022 Racing for a Miracle program. With a donation of \$100,000 to the ACE Foundation, the Company supported the hospital network’s vital work. 2022 marks the 16th year of Stanley Black & Decker supporting the Racing for a Miracle program, donating more than \$1.6M over that time.



## MAC TOOLS

### ● Mac Tools Breast Cancer Awareness Partnership

Mac Tools donated \$28,000 to The American Cancer Society through our “Wrenching for the Cure” program. We sold a special line of utility carts, straight edges, and apparel.

## STANLEY ENGINEERED FASTENING

### ● INTEGRA

To support the sustainable development of electric vehicles, the highly engineered Integra product range includes lightweight parts and employs production strategies with the lowest possible material requirement, such as drawn arc weld NoHole fastening. By transitioning to a recycled feedstock, we provide a more sustainable solution down to the smallest fastener.

### ● NeoBolt® Cordless Lockbolt Tool

The NeoBolt® Lockbolt system features the latest in STANLEY® Engineered Fastening cordless technology and is ideal for outdoor and off-site assembly applications. This cordless, hand-held, battery-operated tool does not require support equipment, reducing the need for generators, hydraulic compressors, and long hoses. The result—significant efficiencies for solar infrastructure installations requiring mobility and portability, while reducing associated greenhouse gas emissions.



## OUTDOOR

### ● Cub Cadet INFINICUT® mowers

[INFINICUT®](#) Professional Sports Turf products are considered to be the most technically innovative in our industry. The majority of our products are “smart” lithium powered. This is not only a testament of our commitment to utilizing the latest technology, but also a commitment to providing turf managers with the most efficient solutions that are more environmentally friendly and enjoyable to use.



## STANLEY BLACK & DECKER

### ● Stanley Black & Decker Website Accessibility

Across our brand websites, as we institute ongoing iterative optimization of our new integrated digital platform, we have created a foundation for WCAG 2.1, Level AA optimization and compliance. Combining performance and compliance, our sites have earned 90+ (out of 100) accessibility ratings to support a broad customer base.

# Sustainably Driving Our Business and Operations

**ESG integration within our business processes and operations continues to strengthen.** Stanley Black & Decker strives to be a sustainable, engaged and responsible global business leader that incorporates ESG to deliver value for our stakeholders. We see these efforts as a conscious, deliberate investment in our business success.

Recent efforts include the following:

## Business ESG Workshops

Toward the end of 2021, our Tools business conducted an ESG workshop to brainstorm projects that would accelerate ESG activation. The projects would help our people throughout the business—including manufacturing, sales and office personnel—understand how their individual and team roles tie into our commitments and efforts. One outcome was the formalization of a network of materials providers so that our teams can better leverage sustainable components within our products.

Early in 2022, leveraging learnings from the Tools workshop, our Industrial business conducted a similar workshop, involving both a supplier and customer focus for sustainable innovation and sustainable operations. The workshops spurred follow-up conversations on how to activate these practical ideals. We continue to partner up and down the supply chain for perspective.

## Engineering — Sustainable Materials Catalog

As an outgrowth of our Tools ESG workshop, our engineering team launched a digital Sustainable Materials Catalog for use by our innovation, design and supply chain teams across Stanley Black & Decker. The catalog brings a sustainability lens to our product cost and demand analyses, detailing approved materials with strong sustainability characteristics, their relative cost factors, and how they can be sourced and integrated into our products and processes. In particular, use of the catalog has allowed our engineers to quickly locate sustainable materials with proven properties, while saving them weeks of valuable research and test time. Incorporating environmental impact into our analyses allows decision-makers to clearly highlight the comparison of financial and environmental impacts to both traditional and sustainable components.

## ESG Supporting Decision-Making

Sustainability has been formally embedded into our capital expenditure process as one of many weighted factors governing our investments. Our standardized fixed asset request process includes several considerations to support sustainable capital purchases.

## Education — Advancing ESG Through Lunch & Learns

Our longstanding Lunch & Learn series helps employees understand issues of interest and importance. Throughout 2022, five of our eighteen sessions were devoted to sustainability and how it relates to one's role and the shared commitments we make to advance ESG. Sessions engaged approximately 350 employees and included topics such as:

- Our product sustainability strategy
- reviva,<sup>™</sup> the new sustainable power tool line from BLACK+DECKER
- Sustainable materials
- Sustainable packaging
- Supply chain sustainability

## Employee Engagement — 2023 Home Energy Challenge Pilot

We are helping to put energy savings into our people's own hands. Partnering with MeterLeader, a STANLEY + TechStars startup, we are launching a three-month pilot in 2023, initially with employees who are customers of Baltimore Gas & Electric (BG&E). After enrolling in the pilot, employees will receive weekly emails from MeterLeader on how to reduce their home energy usage. The top five employees with the greatest energy reduction will receive one BLACK+DECKER reviva<sup>™</sup> product. The program includes ESG learning opportunities to expand understanding of sustainability strategies and practices, as well as function-specific training to be able to tie ESG into daily work.

“

At Stanley Black & Decker, we believe that ESG is not a disparate initiative, but should be engrained in everything that we do. Whether you're a product designer looking to increase the sustainable components of our products, an HR professional looking to attract and engage employees, or a commercial sales leader looking for a competitive edge, ESG is relevant to everyone's role today. Going forward, we aim to further engage our employees in ESG and sustainability through both broad and functional training programs as well as involvement in our Employee Resource Groups and giving-back initiatives. In fact, in early 2023, we are launching a home energy savings pilot to help our employees reduce their carbon emissions while working from home.”



**Natasha Harvey,**  
Sr. Manager, ESG



# Stakeholder Engagement

In acting to support our ESG priorities, 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.

Our annual ESG investor engagement and one-on-one meetings provide multiple opportunities to share perspectives on topics of mutual interest. We conduct employee surveys and offer many avenues of direct and discrete communication to ensure all our voices can be heard. We invest time and focus on our relationships with stakeholders and value their input and perspectives, to continuously advance as global corporate citizens and to improve the world we share.

## Learning from Our External Stakeholders

### INVESTORS

We place a high priority on regular, year-round proactive engagement with our shareholders to better understand their perspectives about our Company, including our ESG strategy and priorities. All of our investor communications, including our Form 10-K, Proxy Statement and Annual Report, contain ESG-relevant information.

### CUSTOMERS AND END USERS

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

### SUPPLIERS

We engage with existing suppliers to understand what their plans are to advance sustainability and let them know we are seeking opportunities to deploy ESG innovations in our products. Furthermore, we are also on the lookout for new, innovative sourcing partners.

### 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 commitment to growing the trades.

### 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 that are important for the long-term success of our business.

### PARTNERSHIPS

We partner with global associations of economic and political leaders such as CEO Action for Diversity & Inclusion, United Nations Global Compact, Paradigm for Parity, Portable Rechargeable Battery Association, Women's Business Enterprise Council, European Power Tool Association and others working to advance solutions to shared challenges.

[See our Endorsements & Memberships →](#)

## 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.

### EMPLOYEES

With more than 50,000 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.

# ECOSMART™

At Stanley Black & Decker, we continually assess our environmental footprint to identify and act on opportunities for improvement, particularly regarding energy, carbon, waste, and water reductions. Our longstanding internal ECOSMART program, launched in 2013, ensures funding for sustainability projects and awards recognition to facilities, business units, and teams that implement impactful projects aligned with our sustainability commitments.

Our continuing focus on internal recognition helps drive enculturation of—and innovation to advance—the principles of ESG. Our ECOSMART Awards recognize Stanley Black & Decker locations, business teams or functions that exemplify our social responsibility commitments to our communities and our people.

## 2022 ECOSMART Awards

### PEOPLE

Global Impact Challenge<sup>17</sup>

**\$3M**

cash and **\$690K** (retail-value) in-kind investments empowering 313K tradespeople in 2022.

**91**

nonprofits awarded cash and in-kind tool grants to serve the US and 12 countries in 2022.

[For more on the Global Impact Challenge, please see p. 25 →](#)

### PRODUCT

Sustainable Packaging in Tools

**300K lbs**

of PVC eliminated from over 300 SKUs

**Overhauled**

packaging data infrastructure and automated design solutions

[Please see packaging innovation story p. 34 →](#)

### PLANET

Hopkinsville, Kentucky Industrial Facility Solar Array

**4.6 mega-Watt**

solar array providing power to a 280,000 square-foot industrial facility

Optimized for

**100%**

renewable energy infrastructure

**5,500 metric tons**

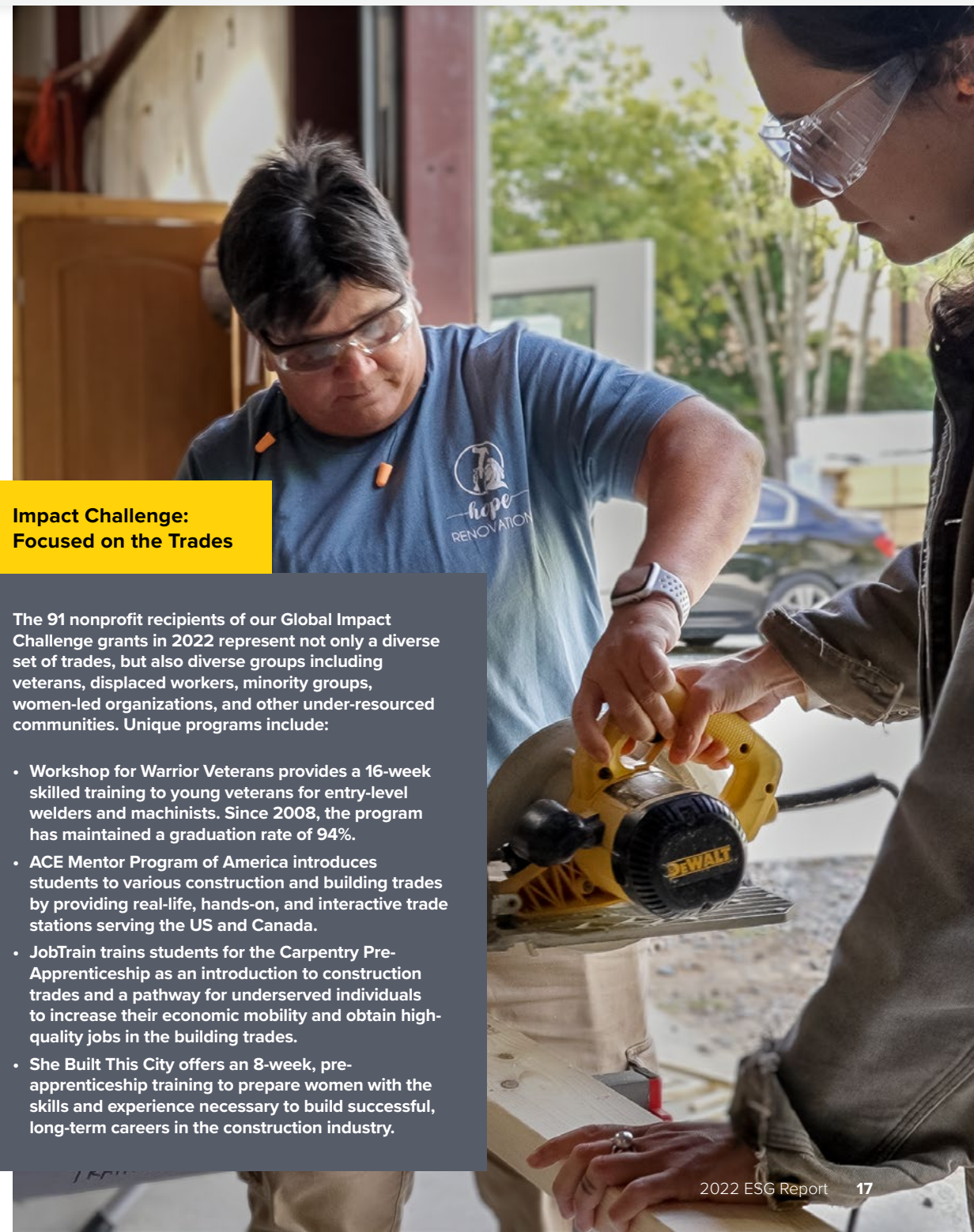
annual carbon emissions reduction

[Please see spotlight story on p. 40 →](#)

### Impact Challenge: Focused on the Trades

The 91 nonprofit recipients of our Global Impact Challenge grants in 2022 represent not only a diverse set of trades, but also diverse groups including veterans, displaced workers, minority groups, women-led organizations, and other under-resourced communities. Unique programs include:

- Workshop for Warrior Veterans provides a 16-week skilled training to young veterans for entry-level welders and machinists. Since 2008, the program has maintained a graduation rate of 94%.
- ACE Mentor Program of America introduces students to various construction and building trades by providing real-life, hands-on, and interactive trade stations serving the US and Canada.
- JobTrain trains students for the Carpentry Pre-Apprenticeship as an introduction to construction trades and a pathway for underserved individuals to increase their economic mobility and obtain high-quality jobs in the building trades.
- She Built This City offers an 8-week, pre-apprenticeship training to prepare women with the skills and experience necessary to build successful, long-term careers in the construction industry.



# Recognition

Each year, multiple external reporting agencies review our sustainability strategies and accomplishments. At the close of 2022, Stanley Black & Decker was awarded renowned ESG awards.



## 5TH CONSECUTIVE YEAR

Dow Jones Sustainability World Index



## 12TH CONSECUTIVE YEAR

Dow Jones Sustainability NA Index

We were named to the 2022 Dow Jones Sustainability World Index (DJSI) for the fifth consecutive year, and their North America Index for the twelfth consecutive year. Only three U.S.-based companies in our sector made both the World and North America Index. Out of nearly 14,000 companies invited to participate, we were one of only 35 companies in the capital goods industry to make the World Index.



## 100 BEST CORPORATE CITIZENS

3BL Media



## 5TH CONSECUTIVE YEAR

CDP Climate and Water “A List” Company

For the fifth consecutive year, the CDP (formerly known as the Climate Disclosure Project) recognized us with two A-list awards, in Climate Change and Water Security. The CDP A-Lists highlight companies leading the way in transparency and performance as they set ambitious ESG targets. Of the 13,800 companies invited to participate in 2022, we are one of only 283 to make A-List in Climate Change and one of only 103 to make A-List in Water Security.



## DEDICATION TO WORKFORCE WELFARE

Taqdeer Award

As part of our Makers Month initiative, several thousand construction workers in the United Arab Emirates (UAE) were upskilled. In recognition, Taqdeer Award cited our dedication to workforce welfare.



## MOST RESPONSIBLE COMPANY

Newsweek



## PERFECT SCORE

Human Rights Campaign Foundation’s 2022 Corporate Equality Index



## WORLD’S MOST ADMIRABLE COMPANIES

FORTUNE

A ranking determined by thousands of executive votes of the world’s most respected and reputable companies.



## 30 BEST COMPANIES FOR LATINOS TO WORK

Latino Leaders magazine

Based on Company diversity and efforts to develop Latino talent.



## BEST EMPLOYERS FOR DIVERSITY 2022

Forbes



This external recognition is meaningful because it is based on direct feedback from our own employees. Together we’ve made progress. But we recognize that we must continue our collective work to provide a diverse and inclusive environment across our Company. We strive to create year-over-year improvement and continue moving up the rankings in future years by focusing on being the most equitable and inclusive organization that we can possibly be.”



**Joe Simms,**  
Chief Diversity Officer

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



**PEOPLE:**

# Advancing DE&I, Empowering Our People, and Growing the Trades

We have heightened our focus on tradespeople who now more than ever are key to our purpose, business and social ambitions. With that focus, we continue to advance our DE&I strategies and empower our people. Through strategic giving and involvement, we also continue to elevate our communities and those who make the world.

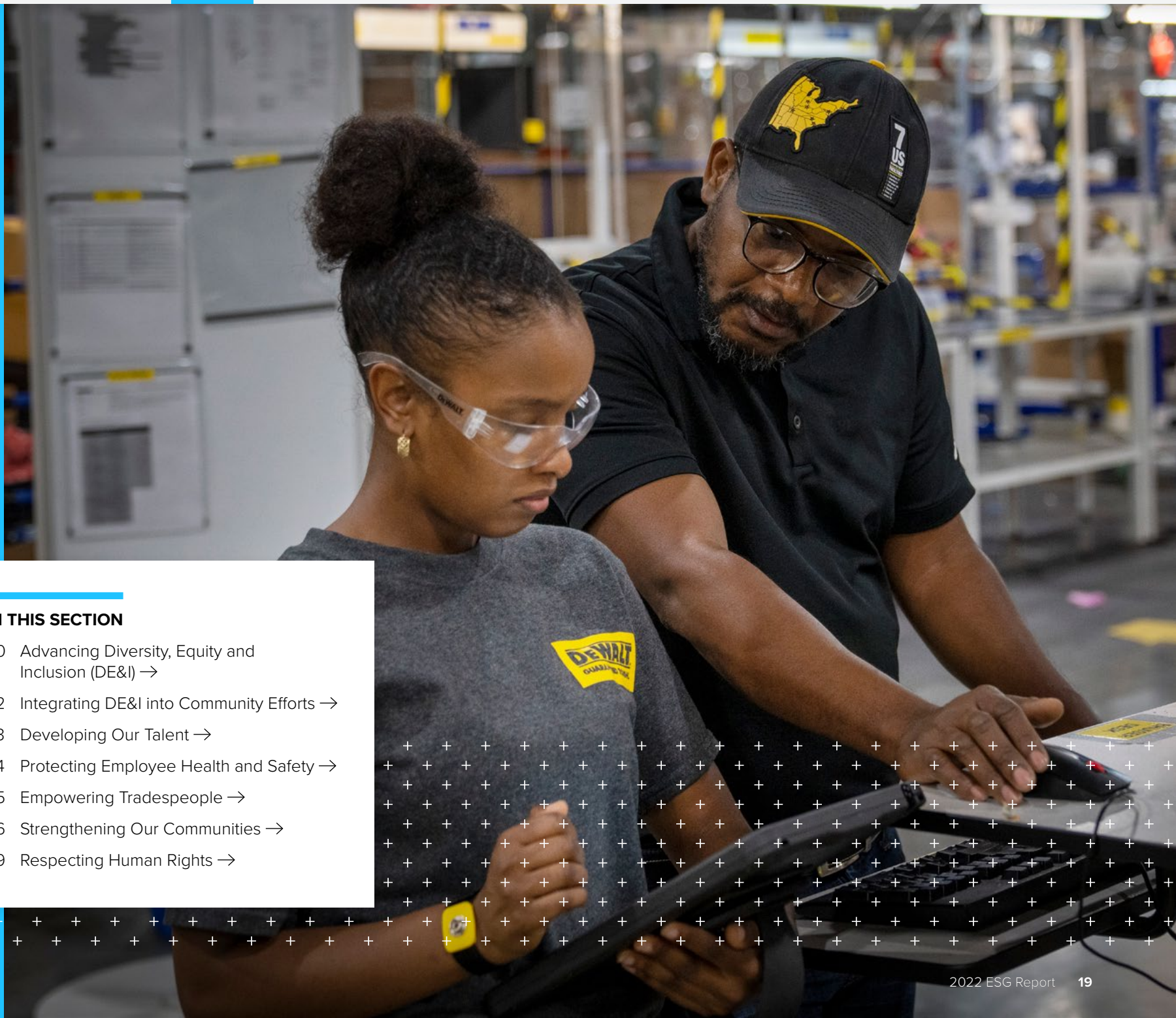
**PRIORITY ISSUES**

- Diversity, Equity and Inclusion
- Employee Health, Safety and Well-Being
- Employment Practices
- Attracting and Nurturing a Skilled Workforce

See our [Materiality Assessment](#)

**IN THIS SECTION**

- 20 Advancing Diversity, Equity and Inclusion (DE&I) →
- 22 Integrating DE&I into Community Efforts →
- 23 Developing Our Talent →
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- 29 Respecting Human Rights →



# Advancing Diversity, Equity and Inclusion (DE&I)

We believe a thriving, inclusive workplace is foundational to our success going forward. That’s what attracts and amplifies the talents, perspectives and experiences of all our people, and it’s who we strive to be.

## EEO-1 Highlights

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](#).



Even as we continue to refine our ESG strategy, our DE&I vision remains the same: to cultivate a thriving, inclusive workplace that amplifies the talents, perspectives, and experiences of all employees. Our unwavering focus on DE&I guides our strategies and actions which is why we count DE&I among our foundational commitments.”



**Joe Simms,**  
Chief Diversity Officer

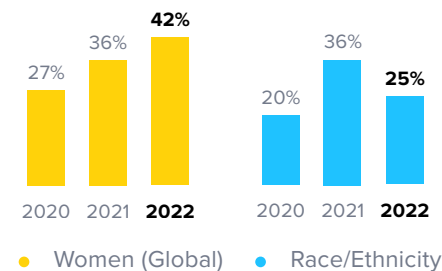
## Finding New Ways of Inclusion and Hybrid Work

We continue to support the hybrid work model and continue to provide flexibility and support in the transition to new ways of connecting and getting work done. This has freed us to seek and find talent from geographies far and wide. Of course, hybrid and virtual work create their own unique stressors, leading us to maintain benefits we offer and deliver, including commitments to childcare, elder care in the U.S., and mental well-being resources, globally.

## Supporting Champions and Allies

Our nine global Employee Resource Groups (ERGs) and two Inclusion Councils serve as powerful resources for our people, providing a focus for allyship and mentoring, and also as agents of change in our surrounding communities. Our ERGs

### 3-YEAR ACTUALS 2020–2022 CEO DIRECTS

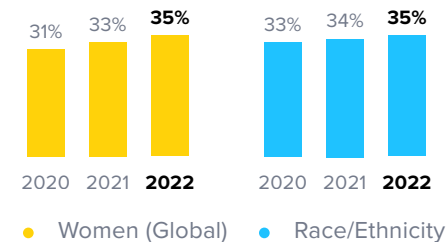


focus on what we call the “4 Cs”—Community engagement, Career development, Culture of inclusion, and Commerce, with increasing focus on our business impact.

## DE&I-Focused Training and Mentorship

DE&I education is an inextricable part of employee development at Stanley Black & Decker. Multifaceted talent programs provide equitable opportunity for growth across our enterprise. New hires are introduced to unconscious bias as part of the on-boarding experience. An internal knowledge library of DE&I resources is available on our intranet. Mentorship programs cultivate talent by pairing women, people of color, early career talent and DE&I leadership development program participants with our leaders to influence leadership growth and mentor allyship.

### 3-YEAR ACTUALS 2020–2022 OVERALL WORKFORCE



Stanley Black & Decker promotes an environment in which people from different backgrounds feel welcome, included, and empowered to bring their best self to work every day. Being part of the Hispanic Latino Network has allowed me to promote culture awareness and participate in programs that elevate the Stanley Black & Decker Hispanic community and its allies. My work with HLN has given me a platform to unite and empower the Hispanic community, which I deeply care about. I have made deep, lifelong friends as part of this journey that I will take with me wherever I go. My role as Co-Chair of HLN has been transformative for me both professionally and personally.”



**Nidia Valenzuela,**  
Chief of Staff  
Human Resources



## Acting on Racial Equity

Combating inequity and working for social justice are integral parts of our longstanding and growing commitment to broad economic development and shared opportunity.

Our 10-point racial equity roadmap has guided our progress in this space since we launched it in 2020, and we have refined it to align our timing and progress to our ongoing business transformation. We have made great strides by meeting 8 of the 10 points in our racial equity roadmap.<sup>18</sup> In light of our business transformation, we are now revising the two outstanding points of the roadmap to align with our plan to build a new, resilient supply chain and to continue to strengthen and sustain our relationships with

“

I'm grateful for Stanley Black & Decker's investment in the McKinsey Academy Black Executive Leadership Program to help employees hone their leadership capabilities through peer coaching in support of achieving our professional aspirations.”



**Karen Price-Ward,**  
Director of Social Impact

external partners supporting our DE&I efforts. Our revised racial equity roadmap will now reflect our plan to: (1) Donate at least \$10.5 million by 2027 to strategically aligned racial equity-related organizations, and (2) Set a revised supplier diversity metric aligned with our supply chain transformation by 2027.

### PROGRESS ON OUR 10-POINT PLAN FOR RACIAL EQUITY

CULTURE EVOLUTION	Status
1. Expand Office of DE&I and appoint Chief Diversity Officer.	✓
2. Provide clear channel for reporting discrimination and retaliation.	✓
3. Require unconscious bias training.	✓
4. Create annual Juneteenth Week of Service.	✓
CAREER SUCCESS	
5. Build relationships with Historically Black Colleges and Universities.	✓
6. Launch a best-in-class Black leadership development program.	✓
7. Reform performance review process to ensure visibility to diverse talent.	✓
COMMUNITY OUTREACH	
8. Donate \$10.5M by 2027 to racial equity-related organizations.	Revised Goal
9. Create a strategy to drive economic development for youth of color.	✓
10. Set a supplier diversity goal by 2027.	Revised Goal



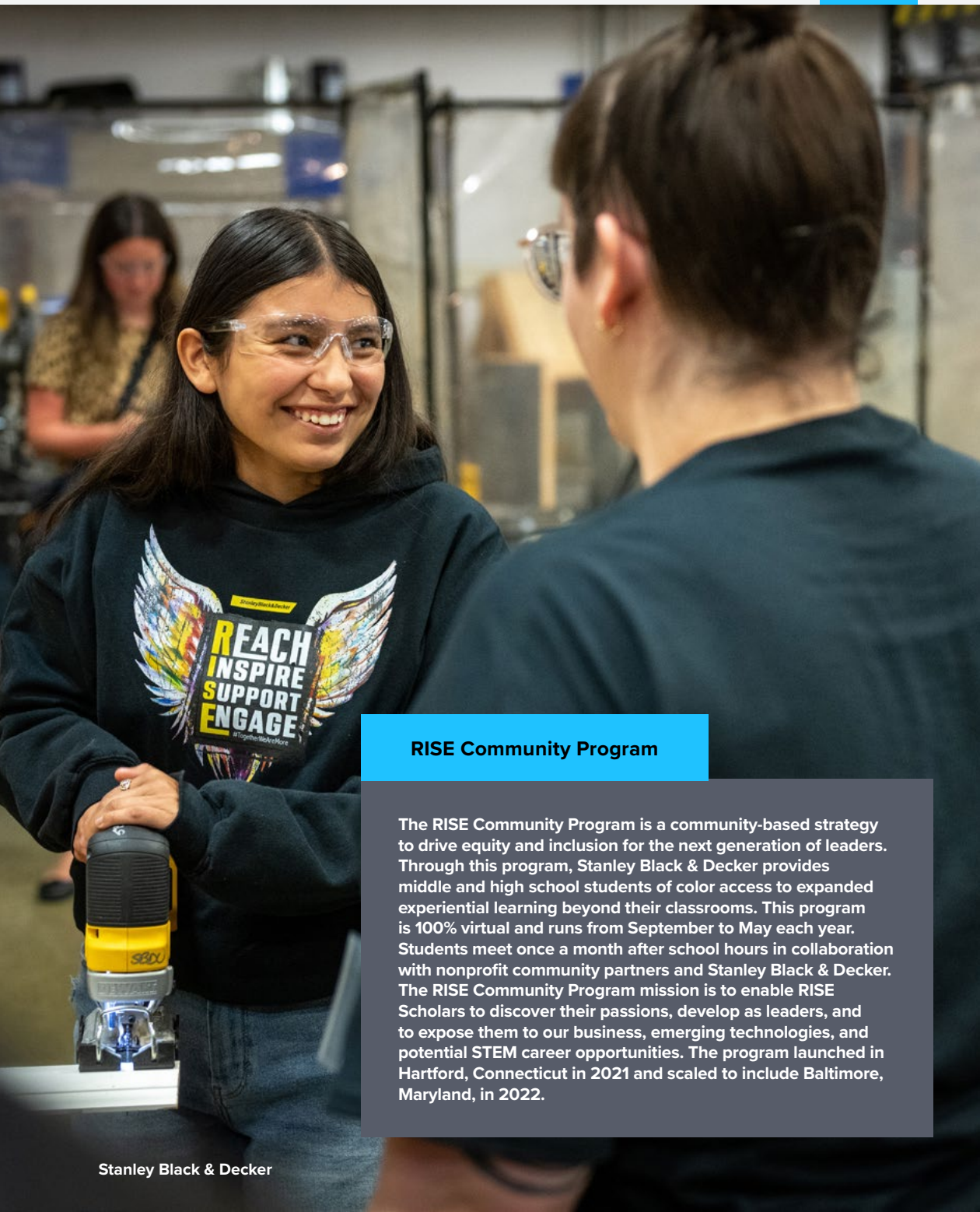
### Building Diversity into Our Supply Chain

We believe our globally inclusive procurement practices, as they evolve, will create long-term value for our clients, supply partners & their communities, while helping Stanley Black & Decker remain agile, focused and ahead of the market. The evidence shows that an inclusive workforce and supply chain lead to improved market share, reduced operating costs and increase resiliency within local communities — a win-win scenario.

We not only partner with network organizations to ensure we connect proactively with diverse suppliers, we also intentionally focus our outreach to drive positive community impact. This is accomplished through not just providing direct business opportunities, but also mentorships and access to industry best practices. These practices help make a positive economic impact on the communities we and our suppliers represent.

Our network partners include: National Minority Supplier Development Council, Women's Business Enterprise National Council, National LGBT Chamber of Commerce, National Veteran Business Development Council, and Disability:IN. As a corporate member of these organizations, we are a committed partner in sustainably shaping the global supplier diversity landscape.





### RISE Community Program

The RISE Community Program is a community-based strategy to drive equity and inclusion for the next generation of leaders. Through this program, Stanley Black & Decker provides middle and high school students of color access to expanded experiential learning beyond their classrooms. This program is 100% virtual and runs from September to May each year. Students meet once a month after school hours in collaboration with nonprofit community partners and Stanley Black & Decker. The RISE Community Program mission is to enable RISE Scholars to discover their passions, develop as leaders, and to expose them to our business, emerging technologies, and potential STEM career opportunities. The program launched in Hartford, Connecticut in 2021 and scaled to include Baltimore, Maryland, in 2022.

## Integrating DE&I into Community Efforts

### Strategic DE&I Partnerships

In 2020, Stanley Black & Decker set out to donate \$10.5M to organizations that support or facilitate equity. To drive this commitment, the Diversity, Equity, & Inclusion Center of Excellence (COE) established several mutually beneficial partnerships in communities of need and is continually striving for equity across our global footprint. In this effort, we've launched a global strategy to diversify Stanley Black & Decker's talent pipeline, activate employee development, enhance ERG engagement, and amplify our position as a leading brand of choice.

As of 2022, Stanley Black & Decker has established strategic partnerships with 46 nonprofit organizations and has made over 235 development opportunities available to our employees. These development offerings span across several dimensions of diversity (African American, Asian, Hispanic/Latino/Latinx, Disabilities, Women, LGBTQ+) and levels of participation range from early-in-career through Executive level.

Additionally, we partner with network organizations to enable our diverse supplier program. These practices help make a positive economic impact on the communities we and our suppliers represent. Our network partners include: National Minority Supplier Development Council, Women's Business Enterprise National Council, National LGBT Chamber of Commerce, National Veteran Business Development Council, and Disability:IN. As a corporate member of these organizations, we are a committed partner shaping the global supplier diversity landscape.

### Innovation Challenge— Partnering with the Thurgood Marshall College Fund

The Thurgood Marshall College Fund and Stanley Black & Decker, with support from Lowe's and Steelcase, conducted their second annual pitch competition, The Stanley Black & Decker Innovation Challenge. The competition consisted of 26 hand-selected students from 15 publicly supported Historically Black Colleges and Universities (HBCUs) and Predominantly Black Institutions throughout the United States. Those that participated in the competition were given the opportunity to expand their entrepreneurial talents through developmental workshops, speaker engagements, and team coaching supported by the efforts of industry professionals from each of the partner organizations. Overall, a total of \$24,750 in prizes were awarded throughout the 2.5 day event.

#### Supporting Students' Futures in Partnership

**\$400K**

awarded to 23 students at five target Historically Black Colleges and Universities through the Stanley Black & Decker Leadership Scholarship program.

**\$100K**

awarded in scholarships to students pursuing education in STEM fields, accounting, finance, and business professions. Scholarships were made possible through partnerships with the Society of Hispanic Professional Engineers (SHPE) and the National Association for Black Accountants (NABA).

# Developing Our Talent

Investing in our people is a smart way of business, as each person’s individual growth and evolution contributes to our collective strength.

Talent development is a key enabler of our forward-focused strategy, driven in part by leader and performance feedback. Throughout 2022, our Talent Development team planned and developed Anytime Feedback, a continuous feedback tool being implemented with our Workday system in 2023. To continue the focus on employee development, we plan to launch our new annual feedback process by the end of 2023. Lifelong learning is supported internally through such tools, our internal Stanley Black & Decker University and externally with third-party partners. We offer over 50,000 training courses to our colleagues, who attended more than 40,000 hours of online voluntary learning in 2022. We anchor our leadership development around our leadership principles, values and leader habits and behaviors that highlight the importance of attributes like empathy, inclusivity and listening.

Accelerated by the pandemic and enabled by ubiquitous technologies, in this new era of work business resiliency demands flexibility. Our evolving hybrid culture of virtual and in-person experiences will continue, especially within our offices but also reaching into Advanced Manufacturing.

## Workforce Readiness

In 2022, we invested in development and talent initiatives for our operations workforce through dedicated Workforce Readiness enablement programs. These programs had a dedicated focus on upskilling initiatives, and future career

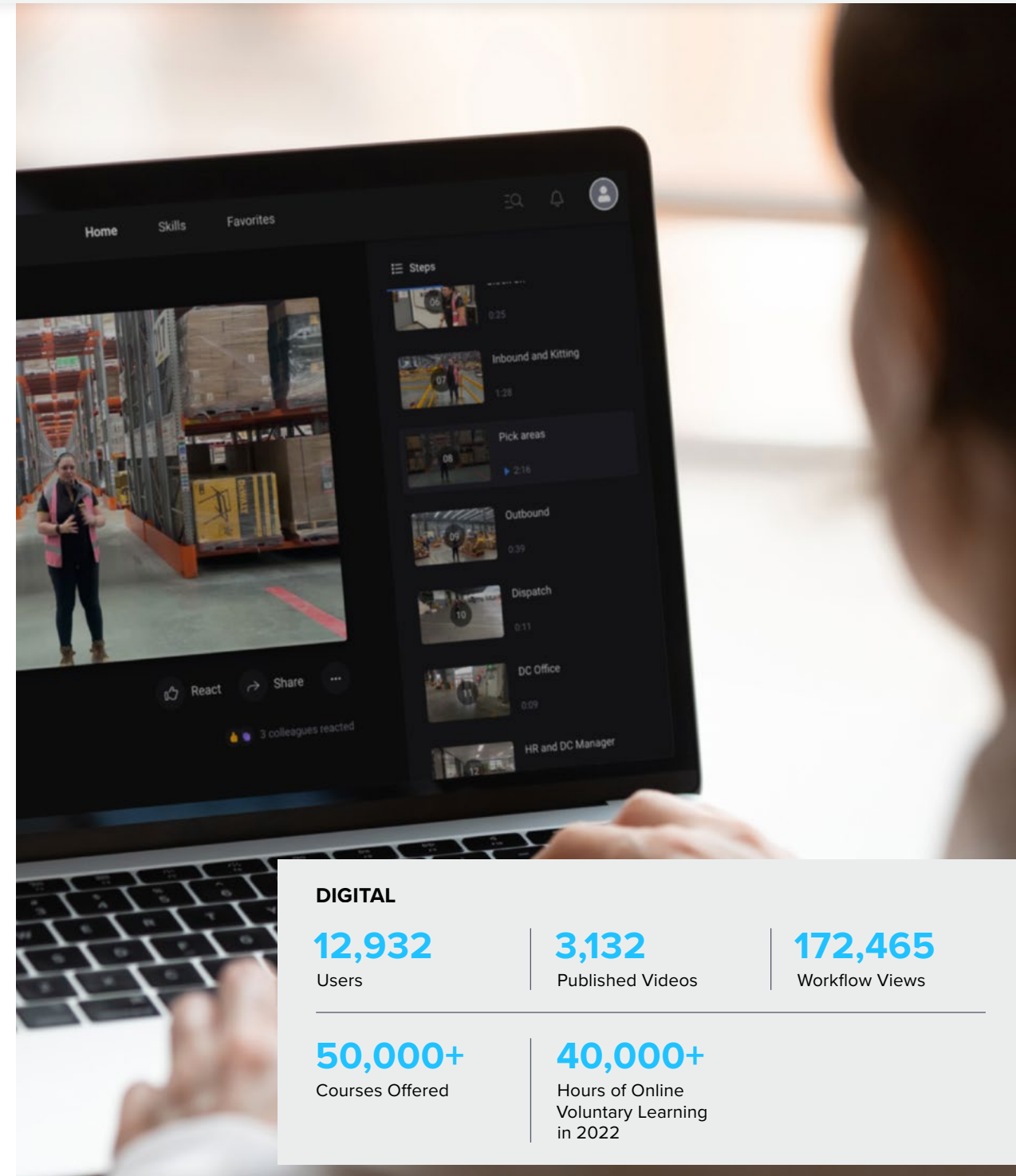
opportunities across our operations workforce. We continue to educate and develop our workforce with advancements in manufacturing capabilities. AI-based video technology helps our operations employees learn outside of the classroom and to increase uptake for on-the-job training. In 2022, the program had 12,932 users who engaged with 3,132 published videos and 172,465 views of workflow.

## Opening Pathways of Growth

Our investments focus on giving our people more power over their work and personal growth trajectories. Across our global enterprise, we are working to unlock the synergies of people and technology—to create immersive, equitable and differentiated employee experiences that foster collaborative, shared excellence, and to support the needs of a highly engaged workforce. We are establishing an AI-enabled talent ecosystem that will help match internal skills with business projects and tasks. This will create more career paths, accelerate the rate of learning and fill critical roles at a faster rate.

## DeepHow Powering Learning with AI

Our digital learning platform, DeepHow, delivers on-demand visual training on how to get things done right. An investment in the democratization of training and development for individuals and teams, DeepHow supports multiple languages and features easy-to-navigate video segments and tools for sharing and tracking. This powerful efficiency tool has expanded from the factory floor and is being integrated into onboarding and mandatory safety training.



### DIGITAL

12,932

Users

3,132

Published Videos

172,465

Workflow Views

50,000+

Courses Offered

40,000+

Hours of Online Voluntary Learning in 2022

# Protecting Employee Health and Safety

At Stanley Black & Decker, we see health and safety as absolutes. We take an expansive view of these priorities, beyond mere physical concerns, to include respect, engagement and well-being for all.

Health and safety are foundational to the success of our business strategy. We are mindful of the toll the pandemic has taken, not just on physical health, but on mental and emotional well-being. Going forward, we are committed to supporting employee holistic well-being, in order to optimize the energy, health and productivity of all our people.

## We Are Here to Thrive

Our productive, inclusive, “stronger together” culture is grounded in safety. No exceptions.

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. We support employees at all levels of the organization in developing their capabilities and careers and optimizing their health and well-being.

## Prioritizing Safety

Our global Environmental Health and Safety strategy embeds three initiatives to provide world-class training and enhanced experience for our employees. Our Key Safe Behavior initiative continues to reinforce our Safety Always culture providing the fundamental principles for all training. The Standardized Training program is a comprehensive curriculum that delves deeper into technical knowledge. These programs leverage our Deep-How, an AI based learning platform, built on video micro-learning methodology. The First-Hand Safety campaign is a community-

based program dedicated to identifying hand risks specifically and implementing preventative measures against one of the most common injuries in the manufacturing industry.

We measure our safety performance against an organically grown, data-driven plan 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 compliance, while driving continuous improvement across a variety of safety topics. This helps identify those areas that require additional resources, reduces program variability between facilities and advances best management practices throughout the organization. We enable each facility to ensure routine assessment of safety hazards and compliance risk and to implement risk mitigation controls to prevent injury to employees and visitors.

## Mental Health Support

Stanley Black & Decker is working to proactively support the mental health of all employees. Launched at the end of 2022, the Mental Health Support Series has provided incredible well-being

resources for Stanley Black & Decker employees around the globe. The series was designed as a journey through topics chosen to support individual mental fitness. These topics included supporting personal resiliency, preventing stress and burnout, developing personal agility to handle change, as well as others and concluded with the topic of building a culture of psychological safety, which is how we support good mental health at work while also supporting a productive and innovative culture. The series has included six live webinars with a total of 6,555 live attendees in over 55+ countries. In addition, the webinars have been translated into multiple languages and reproduced in written format with the intention to reach all of our makers.

The feedback from the sessions has been overwhelmingly positive and will be used to direct future well-being initiatives. Across all six sessions, 94% of the attendees were very satisfied or satisfied with the the webinars. Additionally, 90% of employees indicated that it was very likely to inspire them to make positive changes for their wellness. This series illustrates Stanley Black & Decker’s deep commitment to supporting employee wellness.



Through our programs, policies and structure, we strive to consider the Holistic well-being of our people. We know that by empowering our employees to optimize their own wellness, including mental health support, we also empower them to share that positivity and create social benefit. We believe that work-life should help make your life work.”



**Dr. Mitchell McClure,**  
Chief Medical Officer



## Empowering Tradespeople

Skilling, reskilling and upskilling accomplishes more than fulfilling societal needs for skilled labor. Empowering tradespeople generates brand ambassadorship and loyal users while also advancing individuals toward meaningful work of lasting value that shapes the built environment around us.

### SPOTLIGHT: Global Impact Challenge

Through our signature program, Global Impact Challenge, we funded grants to organizations that advance and accelerate vocational skills training programs to fuel the growth of trade careers. By the end of 2022, we had awarded \$6 million in cash and \$1.3 million in tool donations to support vocation/trade programs of select nonprofits and public schools.

By focusing on displaced workers, the underserved and underrepresented, including women, veterans, LGBTQ+, and people of color, we see opportunities to bolster economic prospects and career pipelines while filling the growing demand for skilled tradespeople. Grants have served organizations in the U.S., as well as India, Uganda, Canada, England, Mexico, Australia, Brazil, Colombia, Ecuador, Honduras, Kenya, Ghana, Peru, Sierra Leone, Haiti, and Nicaragua.

The program is a Stanley Black & Decker ECOSMART Award Winner and Community Hero Award Finalist for best-in-class approach to community investment presented by Benevity, a social impact giving platform.

To strengthen this program, we have committed to donate \$30 million to initiatives that help grow skills for tradespeople by 2027.



# Strengthening Our Communities

We have always been **For those who make the world.**™ Moving forward, we are focusing our philanthropy initiatives on serving as a force multiplier to support and align with our business priorities—growing the trades, empowering our people and responding to events that need our tools and expertise. Our longstanding support for youth-oriented initiatives continues, while we continue to refine our approach to focus on where we can make the greatest and most relevant impact.

## Aligned with Our Focus on the Trades

In refocusing our business on our core strengths, to energize organic growth with an end-user obsession, we are elevating the needs of the tradesperson. Growing the building trades will amplify our business, while expanding the opportunity for well-paid work. In this spirit, we are prioritizing our community-based efforts on this large, growing, multilayered and necessary community of professionals. Tradespeople are a vital part of how communities, society and economies work for the benefit of all.

### WorldSkills

Stanley Black & Decker was a Global Premium Partner of WorldSkills International, supporting Austria competitions highlighting skills in electrical installations and industrial control, a Switzerland competition for carpentry skills, and a Cleveland, Ohio, competition on construction metal work.

## Nashville Key Market Activation

At the Nashville Superspeedway Fan Zone, DEWALT hosted two of our inaugural Global Impact Challenge grant recipients, Appalachia Service Project, Inc and National Center for Construction Education and Research. Fans heard firsthand how these amazing nonprofits are shaping the next generation of makers in Appalachia and beyond, and received a tool donation.



## Maker Month

Every October for the last five years, **Maker Month** has featured competitions and programming to celebrate professionals and youth makers alike. In 2022, our annual Maker Month leaned more heavily into reskilling, upskilling and networking among the trades.





### Hearts in the Ice

In 2022, DEWALT became a partner with **Hearts in the Ice**, a women-led nonprofit organization created to deepen understanding of how powerful individual action can be, with a global platform that inspires, connects, educates, and ignites action on pressing climate change issues. The name grew out of the experience of the group’s founders and citizen-scientists, Sunniva Sorby and Hilde Fållun Strøm, who were the first women to overwinter (without men) in a remote Norwegian archipelago, through three months of darkness, with polar bears as their only neighbors.

### Make48

Known as the “world’s fastest invention competition,” **Make48** is an organization and a popular docuseries that broadcasts on PBS. It brings people together in community makerspaces across the U.S. for team competitions to see who can prototype the most promising, marketable product given a specific design challenge—in 48 hours. All teams have access to the latest tools and the tool technicians who can build them anything. Stanley Black & Decker has served as the Challenge Sponsor in Hartford’s MakerspaceCT, a PBS Season 5 underwriter and Product sponsor, and City Event sponsor in eight cities.

### Discovery Education | Innovation Generation

The Trade Champions Challenge asks high school students to create a 30–60 second video submission, directed at their peers, about why they aspire to be a trade professional and/or why they are passionate about the trade career in which they are currently engaged. The challenge is part of Innovation Generation, a creative collaboration between Stanley Black & Decker and Discovery Education. 2022’s winner, “The Future of Construction” by Samantha Slimmer, an eleventh-grader from New Jersey, showcased her passion for a future in the trades in light of the fourth industrial revolution bringing innovative technologies to the construction industry.

### Discovery Education | STEM Careers Coalition

On the STEM Careers Coalition careers portal, young strivers can hear from working professionals what their jobs are all about and what kind of problems they get to solve. Profiles include a number of our people.

### Junior Achievement of Central Maryland Innovation Center

Opened in 2022, this Innovation Center features two immersive, branded experiences for young achievers: a STANLEY Tools Innovation Center where fourth through sixth graders will learn the importance of trade skill careers and running a business in collaboration with other businesses; and a CRAFTSMAN Garage where seventh and eighth graders will learn the value of personal finance and exposure to trade skills.



### Aligned with Our Focus on Our People

We continue to support employee efforts to give their time and expertise to improving their communities.

#### Volunteer Rewards

Our new Volunteer Rewards benefits program, launched in 2022, is designed to incentivize volunteering. Full-time employees are eligible to earn \$10 per volunteer hour (or the equivalent in other countries), up to \$500 in rewards per year toward their MyGiving account. Funds can be donated to qualifying nonprofit organizations of the employee’s choosing.

To amplify the generosity of our people, Stanley Black & Decker has matched dollar for dollar up to **\$20,000** per employee per year for more than five years. In 2022, more than 1,600 U.S.-based employees donated **\$2.06M** to more than 1,700 causes and the Company matched **\$1.9M**. Additionally, our employees based in Australia, Canada, Ireland, Singapore, and the United Kingdom donated to nearly 175 causes matched by Stanley Black & Decker.

#### Habitat for Humanity International

We consolidated our long-term relationship with Habitat for Humanity International into one umbrella plan. This will streamline interactions strategic engagement, provide International Partner status, and open access to more home builds, increase promotion and branding benefits, and support training for trade skills.



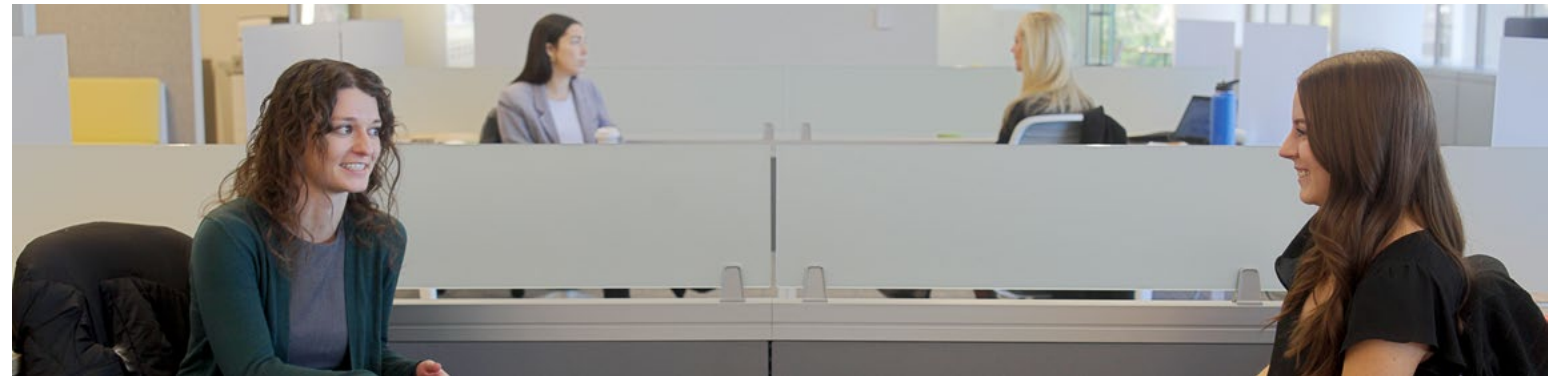


### UN Equal Everywhere

Aligned with the United Nations Foundation Equal Everywhere Campaign, during Women’s History Month and International Women’s Day, we celebrated our commitment to gender equity and creating an inclusive culture for all. Whether led by our Women’s Network or our leaders’ speaking opportunities with community partners, we engaged in several events:

- **Stanley Black & Decker’s Women in Operations** was a three-part series featuring opportunities to demystify operations, engage in a fireside chat with Tamer Abuaita, SVP of Global Supply Chain, and attend the virtual Women in Operations Awards Ceremony for the most highly-voted employee #ShelnspiresMe.
- **U.S. Chamber of Commerce Foundation 12th Annual International Women’s Day Forum**, “Business Powering Gender Equity,” featured Allison Lawrence, President & GM, Global eCommerce, in the Chamber’s moderated discussion: Recognizing Intersectionality in the Experience of Women of Color in the Workplace.
- **Kearney’s International Women’s Day Forum** was co-hosted by Stanley Black & Decker, with opening remarks by Jo Yarranton, Stanley Black Decker Vice President Human Resources, EMEA & ANZ.
- **UN Foundation sat down for a fireside chat**, *Who Builds It? Constructing New Opportunities for Women and the World* with Tabata Gomez, Stanley Black & Decker Chief Marketing Officer, Tools & Outdoor, and Shelley Halstead, Black Women Build Founder & Executive Director, who shared their perspectives on the trade skills gap, our Maker Index and how to help more women consider a career in the trades.

We continue to leverage our #breakthebias Toolkit internally and find allies within and outside the Company to create new opportunities for women and the world. The Toolkit includes gender bias data and advocacy tools to mitigate bias, such as preferred gender neutral terminology (i.e., tradespeople versus tradesmen).



### Responding to Events That Need Our Tools and Expertise

When disaster strikes, we want to help with strategic relief. And in the third year of the global pandemic, we maintained and focused on relief, recovery and resilience.

~\$1.45M

in financial support for emergency preparedness and disaster relief deployed in 2022 by Stanley Black & Decker

~\$1.8M

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

### ToolBank

Through our active relationship with ToolBank, we assist with recovery from catastrophic events such as floods and fires, providing DEWALT and STANLEY tools at no cost to organizations and volunteers assisting with rebuilding efforts. These efforts were featured in the NYSE Global Giving Campaign’s holiday season event.

\$4M

cumulative investment in ToolBank since 2010 to equip 2.2M volunteers on 125K+ completed community and disaster services projects

### Ukraine Support

Stanley Black & Decker donated \$1.2 million to support relief efforts related to the war in Ukraine including a 2:1 match of donations across five regions in the United States, Canada, United Kingdom, Australia, and Poland made by our 2,623 employees over eight months to triple the impact of their generosity in this time of need. Additionally, the Company donated nearly \$100,000 (in retail value) of tools.

### HOME

Spurred by the crisis in Ukraine, we have expanded our existing Helping Our Makers in Emergencies (HOME) program to provide financial assistance to our employees who provide relief for those facing civil unrest. This includes grants for housing refugees to cover basic needs like food, clothing, housing, healthcare and travel. The program expansion is in addition to Stanley Black & Decker’s direct donations and the 2:1 matching of employee donations to provide relief for the people of Ukraine.

### RISE

The mission of the revamped RISE program is for RISE Scholars to discover their passions and develop as leaders, and to expose students to trade careers, emerging technologies and community connections. RISE has expanded to serve Maryland in addition to Connecticut, reaching six partners and 35 students. The programming is delivered by more than 20 employees generously volunteering their time.

# Respecting Human Rights

**Human rights are non-negotiable.** 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 our Company [Human Rights 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.

## Supporting Human Rights in Our Supply Chain

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

## [Conflict Minerals](#) →

Stanley Black & Decker is committed to taking all reasonable steps to comply with legislation regarding conflict minerals. The Company files a Conflict Minerals Report with the Securities & Exchange Commission annually. A description of the Company's reasonable country of origin inquiry and due diligence measures is set forth in this [report](#).

185

supplier sustainability audits conducted in 2022





**PRODUCT:**

# Focused on Sustainable Innovation and Supply Chain

At our core, we believe and invest in responsible products. Our approach to product innovation has evolved into sustainability without compromise—reducing the environmental impacts of our products without sacrificing their performance.

As a maker of products for the makers of the world, we seek to bring positive benefits to our end users and customers while lessening their environmental footprint. We call this, driving innovation with purpose.

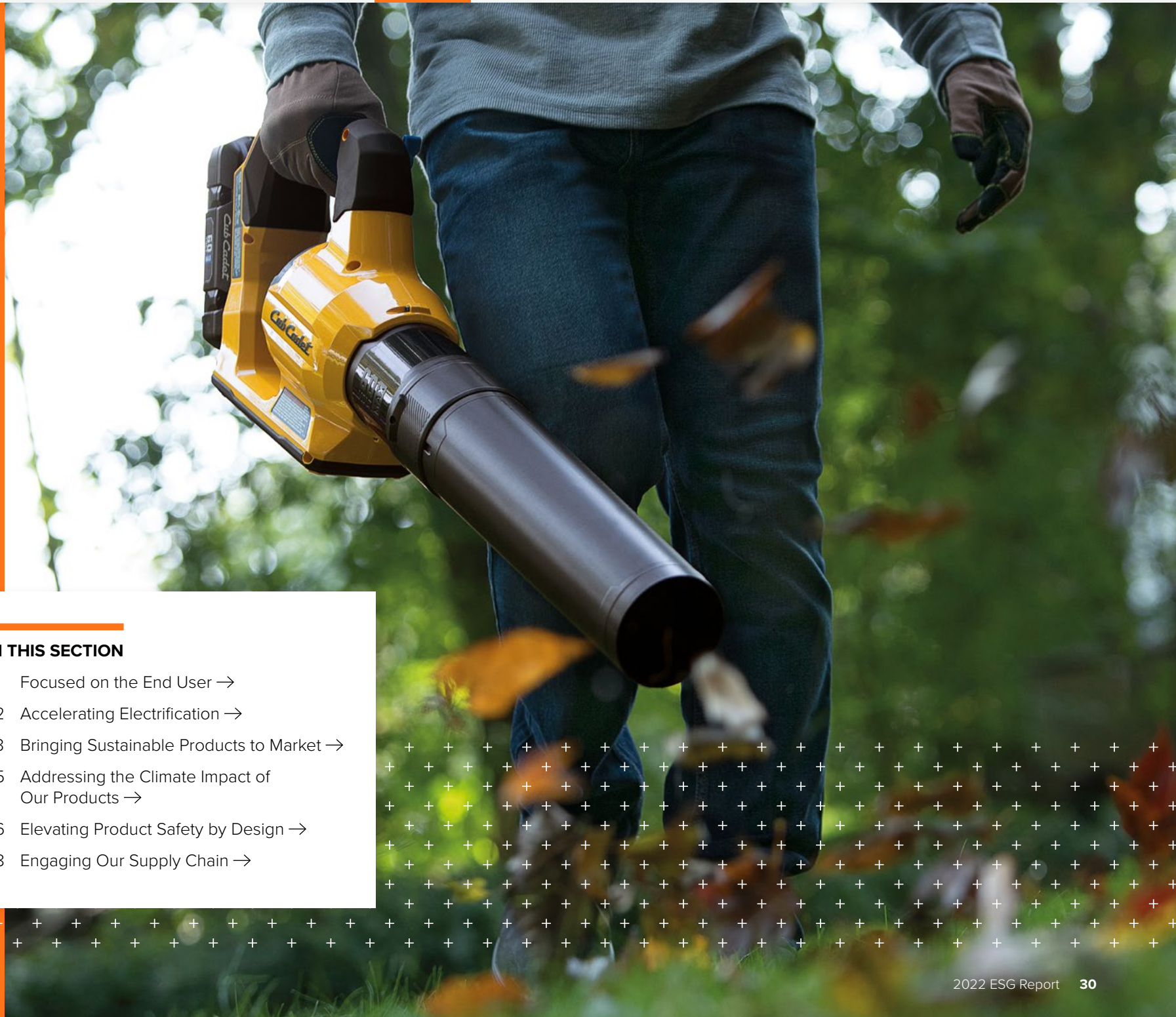
**PRIORITY ISSUES**

- Product Responsibility
- Procurement Practices
- Innovation and Digitalization

See our [Materiality Assessment](#)

**IN THIS SECTION**

- 31 Focused on the End User →
- 32 Accelerating Electrification →
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## Focused on the End User

Across Stanley Black & Decker, our end user obsession drives our success. We are developing solutions that meet our end users' growing demand for electrified products across our businesses.

We hold end user data and insights at the center of our product innovation and commercialization strategies. We partner with our customers to better understand what our end users require. We know from experience, especially through direct engagement with tradespeople, that category leadership comes from anticipating and meeting end user needs with quality, innovative products. It's the user's experience that generates demand and brand loyalty.

Our end users see the convenience, quiet and freedom that high-powered battery technologies offer, especially when artfully engineered by our innovative team. They also live, breathe and work in a world increasingly in need of decarbonization, with more frequent and extreme storms, floods and fires becoming far too common.

All of our businesses, particularly in outdoor power equipment, are pursuing electrification — as a difference-maker — expanding our innovative product offerings for our end users, and progressing our business strategy for profitable organic growth and market share gain, with environmental sustainability in mind.





# Accelerating Electrification

Electrification continues to transform our business and shape end user expectations. For the trades, especially, our advances in battery life and power such as FLEXVOLT and DEWALT POWERSTACK are driving corded and gas-powered tools off the jobsite. Electrification is revolutionizing every aspect of work and home life, from industrial infrastructure and automotive assembly equipment to the gas-free outdoor equipment in your garage. And as end user demand evolves and accelerates, so does our innovation.

As a leader in Tools & Outdoor and Engineered Fastening, we know from experience that battery-operated products are safer, deliver significantly lower emissions and are much quieter than their gasoline- or hydraulic-powered counterparts. Our 2021 acquisitions of MTD and Excel created the ideal combination to electrify outdoor power equipment, a \$23 billion market.



## SPOTLIGHT: STANLEY RD60 Rail Drill

Revolutionizing the maintenance of freight and transit rail, our new powerful, cordless rail drill frees the installer from hydraulic hoses in cross drilling railroad rail for bolted joints—maximizing efficiency and reducing the cost of operation in railroad maintenance. This world's first automatic cycle rail drill is powered by our FLEXVOLT battery platform and uses our biobased, biodegradable cutting fluid developed in collaboration with Dynamic Green Products.

The RD60 Battery Rail Drill offers an ergonomic and lightweight design, cordless performance, and a brushless heavy-duty motor to help railroad operators boost productivity without compromising precision and quality. The RD60's auto drill cycle creates consistent drilling performance and extends bit-life. The rail drill also offers a high-load, quick-adjust rail clamp, and 20% weight savings to maximize productivity and speed.



## SPOTLIGHT: DEWALT POWERSTACK 5.0Ah

The DEWALT POWERSTACK™ 20V MAX\* 5Ah Battery builds upon the innovative POWERSTACK™ platform providing unparalleled performance for many DEWALT cordless power tools. The 5Ah POWERSTACK™ battery reflects DEWALT's commitment to ushering our users into the next frontier of performance and productivity, and our passion for powering the pros that help make our world.



# Bringing Sustainable Products to Market

In alignment with our ESG strategy, we continue to invest in creating and commercializing more sustainable, eco-friendly products. Our innovations push the boundaries of circular design and electrification, while reducing the environmental profile of our packaging and creating and implementing programs for battery and end-of-life tool recycling.

## An Environmentally-Sound, Dynamic Partnership

The DEWALT biobased Chainsaw Oil stems from our ongoing collaboration with Dynamic Green Products. We have played a key role for the Company, mentoring the startup through the STANLEY+Techstars Accelerator program, then directly funding and supporting its evolution through STANLEY Ventures, to now beginning to integrate its novel biobased lubricants into our growing array of battery-powered, heavy-duty tools that are freeing the trades from hydraulics and gasoline, such as our game-changing new STANLEY RD60 Rail Drill featured in this report on [page 32](#).

## DEWALT Biobased Chainsaw Oil

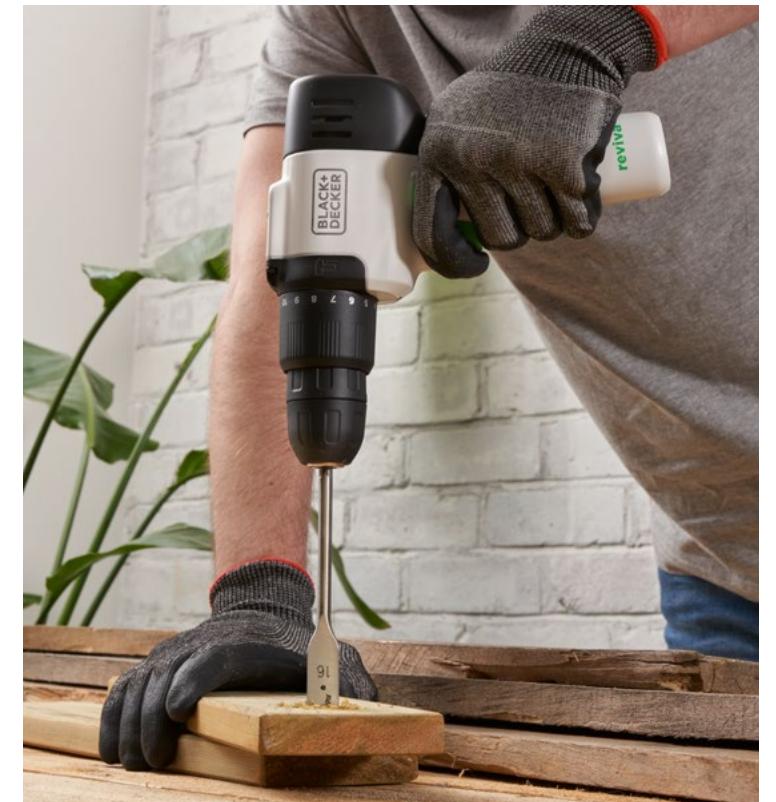
DEWALT's new high performance biobased bar and chain oil for chainsaws offers an environmentally safer, no-compromise alternative to conventional petroleum oils. Designed to help maximize bar and chain life while helping to reduce pollution, this lubricant made from North American-grown plant oils delivers 100% compatibility and superior anti-wear protection.

This USDA Certified Biobased Product addresses a key issue: roughly 20 million gallons of bar and chain oil are discharged into the environment every year, in a 100% loss application since there is no way to capture and recycle the oil that is released into the environment. The responsible solution: create a biodegradable formula from renewable, sustainable plant oils.



## reviva™ Power Tools Bring ESG Sensibility Home

This new sustainability-led line of BLACK+DECKER power tools, featuring enclosures made from recycled plastics, hit the marketplace in 2022. Its sustainably engineered, certified 50% recycled content comes from our materials partner Eastman and their proprietary copolyester molecular recycling process. As these tools draw significant current to operate, the housing plastic must be certified for flammability resistance—which Eastman's highly consistent chemical recycling delivers. In addition, reviva™ packaging is frustration-free, paper based and 100% recyclable.





## Tool and Small Appliance Recycling

We have launched a new program for our end users to recycle power tools and small home appliances partnering with TerraCycle, an innovative company that has become a global leader in recycling hard-to-recycle materials. This is the first no-cost-to-the-consumer recycling program for tools and home appliances that covers all of the U.S. and Canada.

The free program, featuring prepaid shipping labels, accepts a variety of products under the Stanley Black & Decker brand portfolio, including BLACK+DECKER,<sup>®</sup> DEWALT,<sup>®</sup> CRAFTSMAN,<sup>®</sup> STANLEY,<sup>®</sup> PORTER-CABLE,<sup>®</sup> IRWIN,<sup>®</sup> LENOX,<sup>®</sup> Mac Tools<sup>®</sup> and BOSTITCH.<sup>®</sup> The program offers three kinds of recycling: tools without batteries, including power tools, hand tools and accessories; power tools with integral lithium-ion batteries; and, home appliances without

integral batteries. Once collected, the tool or appliance is cleaned, sorted by the material composition and reduced into material that can be repurposed to make products containing recycled content.

Thanks to this innovative partnership with TerraCycle, our end users in the U.S. and Canada now have a planet-positive way to responsibly dispose of their well-used Stanley Black & Decker small home appliances and tools that have reached the end of their usable life. Consumers can divert waste from landfills while helping to protect and preserve the planet for future generations. As the program evolves, we hope to expand it into additional geographies in the future.

Together, we are working to create a lasting, positive sustainable change for our communities.

## Packaging Innovation

We plan to continue to engage our customers, suppliers, and other stakeholders to prioritize the reduction and elimination of problematic plastics and improve packaging sustainability, with a specific commitment forthcoming by 2025.

Across Stanley Black & Decker, we are eliminating the use of PVC and replacing it with PET and cardboard. Labeling helps to educate the customer and end user on what packaging is recyclable and show our commitment towards creating a responsible product lifecycle.

Since 2019, our packaging initiatives have resulted in saving the equivalent of 14 million plastic water bottles. For one leading retailer, it also enabled more than \$3 million of incremental business in 2022 because the redesigned, recyclable packaging's smaller footprints made room for additional products.

In addition to removing non-recyclable plastics and improving recyclability, we are also exploring durable, reusable containers—a higher level of improvement in the Reduce, Reuse, Recycle framework.

**Over 300K lbs**

of PVC (equivalent to 14M plastic water bottles) eliminated from our packaging ecosystem since 2019

## Innovations to Come

We expect to launch a suite of battery-powered riding mowers in 2023 and beyond, to offer landscapers and those who want to work like one a powerful, quiet experience that's essentially odorless—except for the smell of cut grass.



# Addressing the Climate Impact of Our Products

We understand that every product we make and sell has an environmental impact, in its creation, its use and its end of life. We are driven to understand all the environmental impacts of our innovative products, especially associated carbon emissions. Spurred by a lifecycle approach to understanding our products' emissions footprint, our work to electrify our products is one way we're helping reduce their downstream emissions impacts.

## Lifecycle Assessments Guide Us

We recognize the importance of considering the entire lifecycle of our products and services. That's why we utilize lifecycle assessments (LCA) to guide our decision-making processes. LCAs allow us to evaluate the environmental impacts of our offerings from raw material extraction to end-of-life disposal. By doing so, we can identify areas where we can reduce our environmental footprint and make more sustainable choices. Our commitment to using LCAs ensures that we are continuously improving our sustainability practices and creating a better future for all.

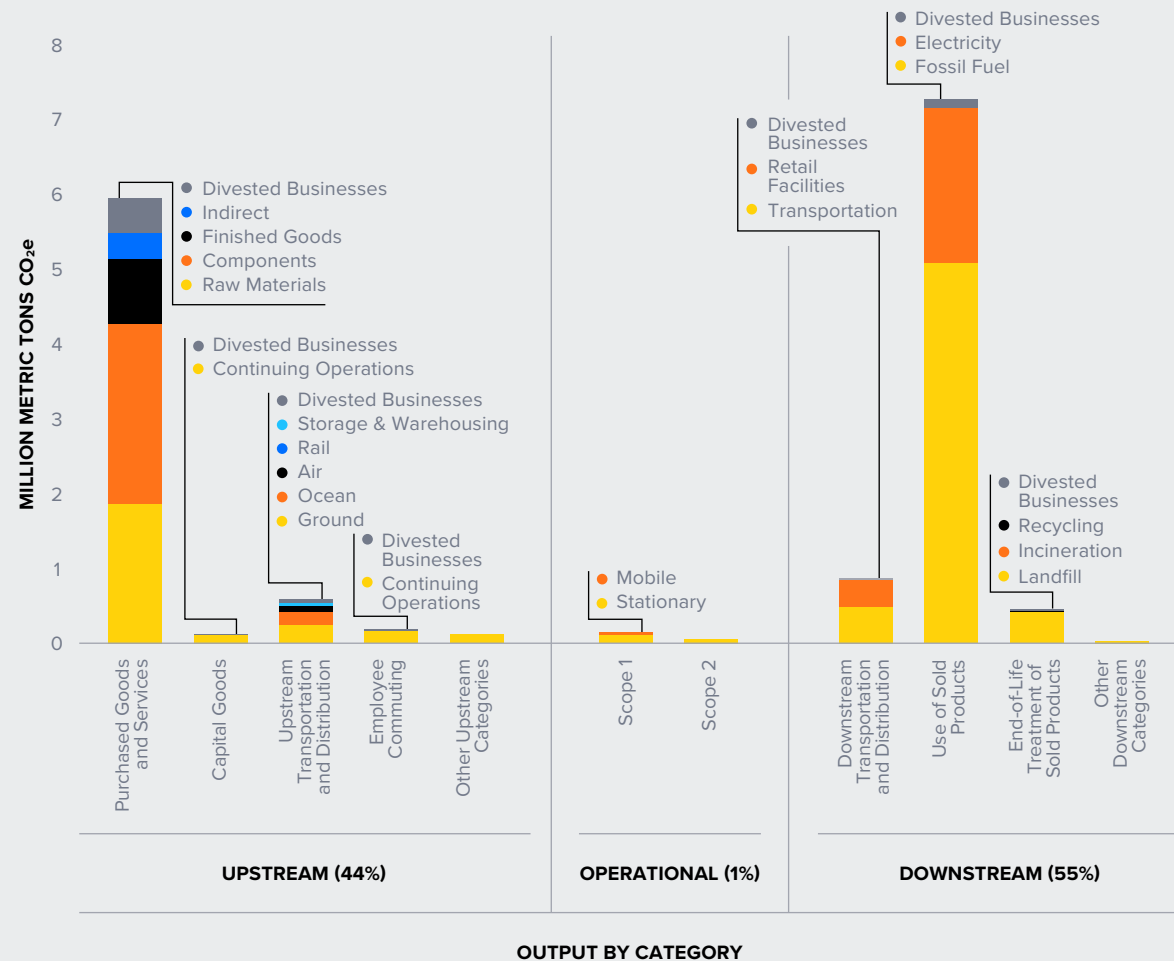
### National Science Foundation Grant

In partnership with The University of Akron, we envision improving the quality of PP recycle streams by optimizing the application of compatibilizers using polymer science, process engineering, and machine learning. This project has multiple goals:

- Establish the connection between Polypropylene (PP)/Polyethylene (PE) ratio, type, and amount of compatibilizer required
- Improve economic viability by developing improved recycled PP compounds
- Create a platform for plastic recycling using automatic control via predictive algorithms to optimize cost and quality
- Develop and implement commercially-viable systems for enhancing performance using current and future generations of compatibilizers

## 2022 CARBON FOOTPRINT<sup>19</sup>

Scope 3 accounts for 99% of Stanley Black & Decker's carbon footprint: upstream at 44% of total emissions and downstream at 55% of total emissions. Scope 1 and Scope 2 account for 1% of our carbon footprint. Scope 3 is dominated by two main categories, which account for 84% of our total impact: Use of Sold Products and Purchased Goods & Services.





# Elevating Product Safety by Design

End user safety is paramount. In a conscious, disciplined and prioritized process, we build safety into all our products. Our quality management system includes extensive testing before our products ever reach market, as well as in-market testing to continually improve the innovative tools, outdoor equipment and industrial fastening solutions we put into the hands of those who make the world.

To align with ISO9001 Quality Management, we require certification to applicable safety standards for all Stanley Black & Decker products. These products are tested to regional, national, and international standards by independent third parties including but not limited to UL, DEKRA, 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 Product Safety Council ensures excellence in product safety with practices that highlight our standards of ethics and integrity. We extend oversight from our suppliers to the end user resulting in high specification, high quality products that help shape the global marketplace. Additionally, we manage potential product issues and in very rare cases, recalls, through an established, orderly process set to the standards of the EU RAPEX and the U.S. Consumer Product Safety Commission. Robust, front-to-back quality is integral to creating an exceptional customer experience and vital to the success of Stanley Black & Decker.

In 2022, we integrated the MTD family of brands into this Product Safety Design process. MTD is known as an outdoor power equipment industry leader in product safety. MTD was the first company to produce an operator presence control for walk behind lawn mowers. MTD’s “no mow in reverse” safety feature for ride-on mowers and clean-out device for snow throwers was in production prior to being a requirement in any safety standard. We remain committed to the ongoing consideration and evaluation of new safety features in our MTD products.

## Perform and Protect

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. The DEWALT PERFORM & PROTECT™ line of tools and accessories is YOUR FIRST LINE OF DEFENSE™ on the job. They are designed to provide a high level of one or more of the following: dust containment, control, or low vibration, without sacrificing performance.



### DUST

DEWALT PERFORMANCE & PROTECT™ products offer 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.



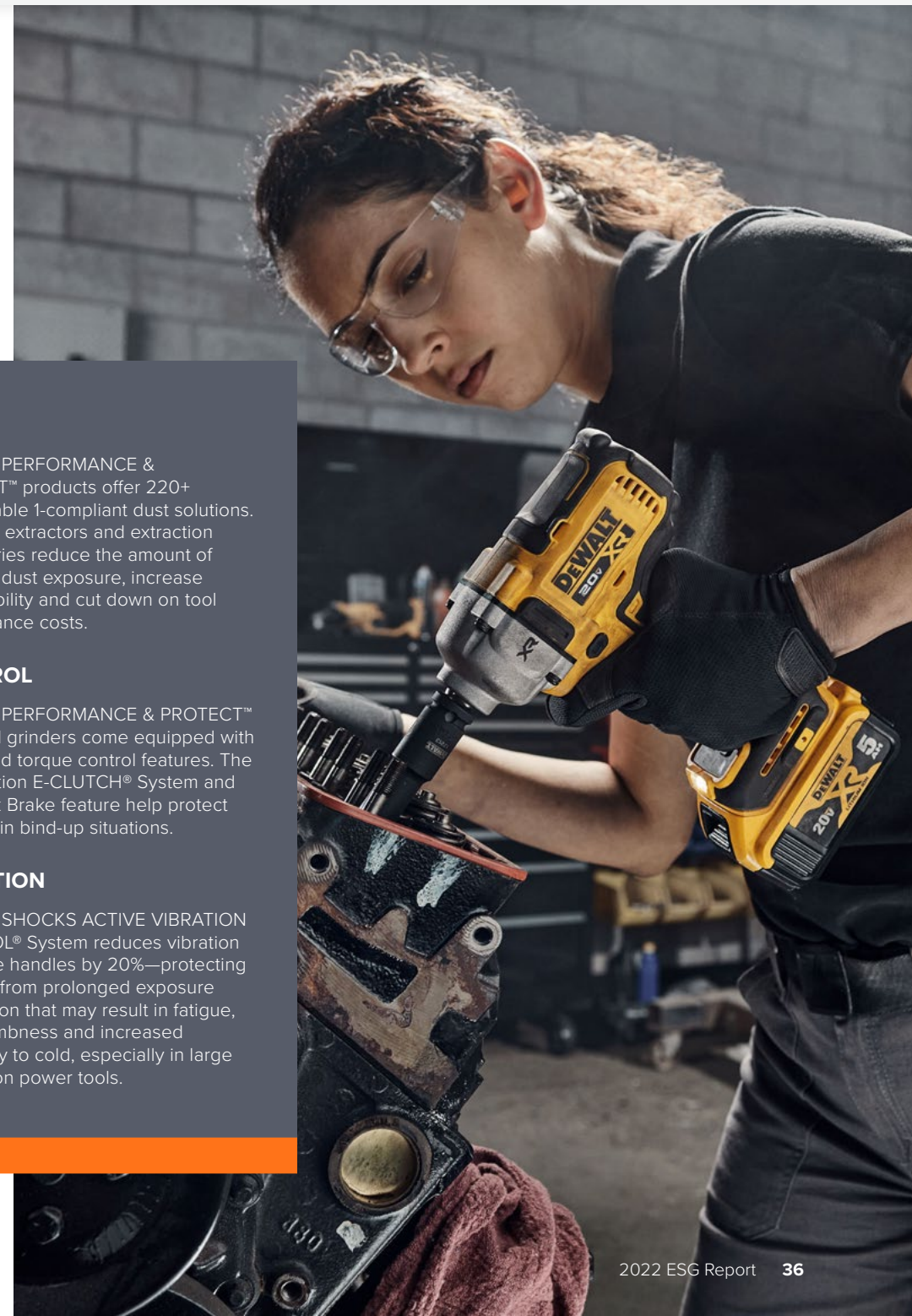
### CONTROL

DEWALT PERFORMANCE & PROTECT™ drills and grinders come equipped with integrated torque control features. The AntiRotation 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 by 20%—protecting the user from prolonged exposure to vibration that may result in fatigue, pain, numbness and increased sensitivity to cold, especially in large demolition power tools.





## DEWALT PERFORM AND PROTECT™ Products

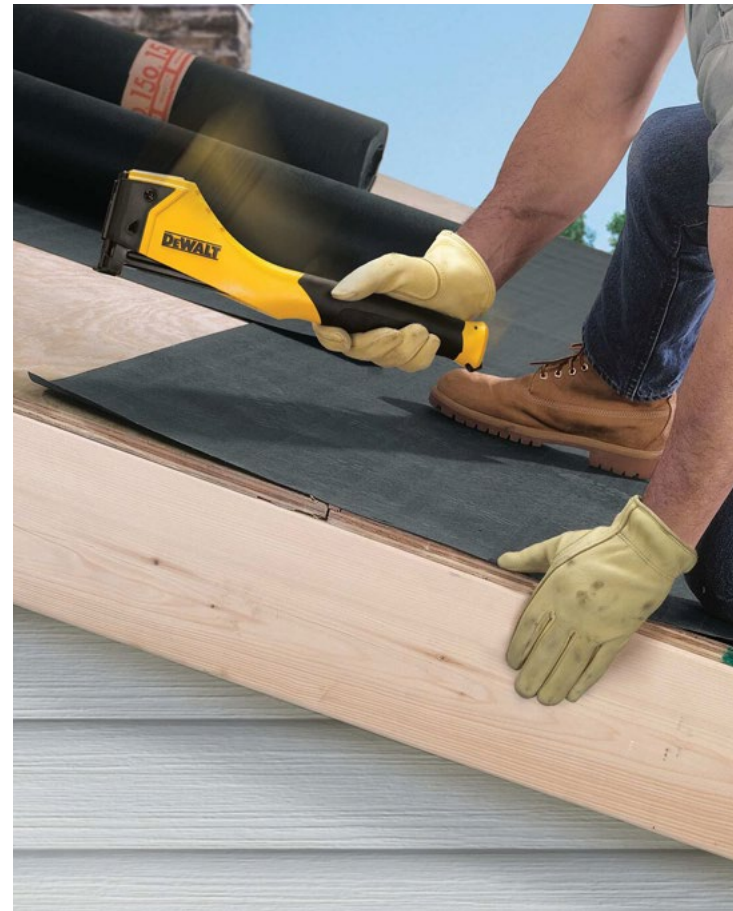
### DEWALT 60V SDS MAX Chipping Hammer and Dust Collection Solution

Designed to reduce vibration at the handles compared to rotary hammers without Shocks Active Vibration Control® system. Pairs directly with compatible dust extractors: Wireless Tool Control™ technology enables remote extractor activation for simultaneous activation and deactivation while you work, as well as allows the user to link the tool to the 60V MAX\* dust extractor.



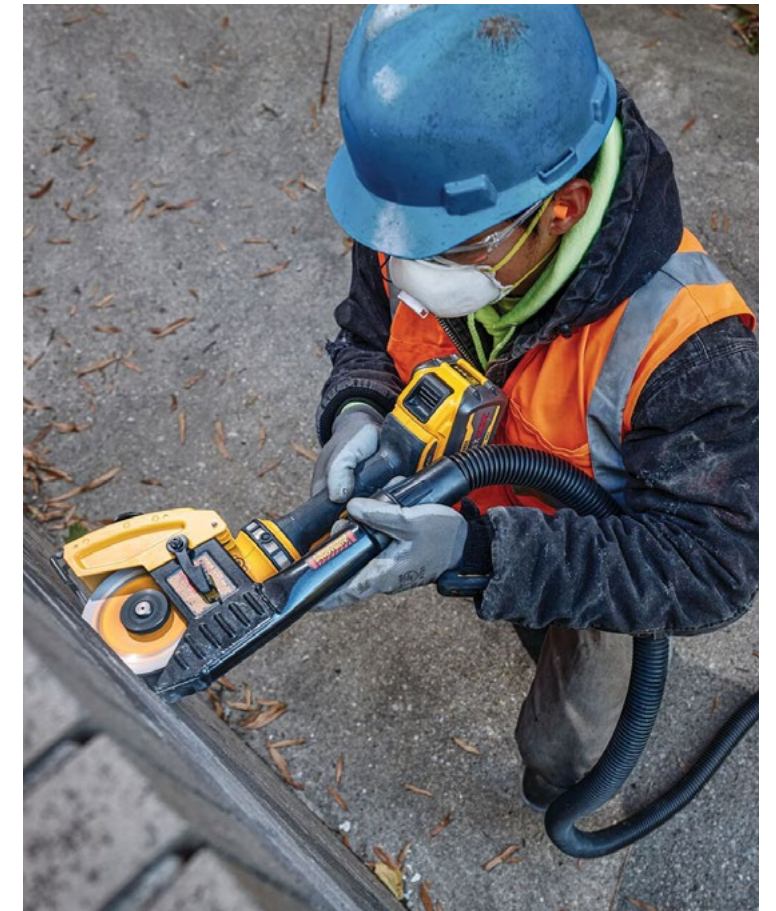
### DEWALT® Carbon Fiber Composite Hammer Tacker

Our Carbon Fiber Composite Hammer Tacker features a lightweight carbon fiber composite structure and Auto-lock, AntiJam™ Pinch Latch for reliable and easy operation. This reduction in overall weight and vibration allows for a longer duration of work with less muscle exertion.



### FLEXVOLT® 60V MAX\* Brushless 1/2 in.–6 in. Cordless Grinder with Kickback Brake Kit

With up to 30% more power than the 60V MAX\* Cordless Grinder, this FLEXVOLT 60V MAX\* Cordless Grinder adds even more power to our line of powerful grinder tools. It's part of our PERFORM & PROTECT™ product line with Kickback Brake and the Anti-Rotation E-CLUTCH® System. The grinder also delivers 13 Amp motor equivalent power with a no-load speed of 9,000 rpm.





# Engaging Our Supply Chain

As partners in our sustainability journey, we actively work with our suppliers to elevate our shared social and environmental performance. We support our suppliers in their pursuit of continuous improvement and operational excellence, while expecting them to meet the highest standards of quality, ethics and sustainability as outlined in our Stanley Black & Decker Supplier Handbook.

## Addressing Our Scope 3 Emissions Starts with Our Supply Chain

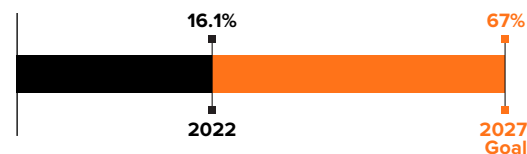
Simply put, our suppliers' Scope 1 and Scope 2 emissions comprise a significant portion of our Scope 3 emissions (refer to Purchased Goods and Services in the chart on [page 35](#)). We have committed to ambitious emissions targets for our suppliers, bringing them best practices to help them on their journey.

We encourage our suppliers to participate in our CDP Supply Chain Program and to set science-based targets for emissions reduction.

To make truly meaningful reductions in harm to the environment, businesses must cascade action down the entire supply chain. We're proud to have earned a place as a leading company on CDP's 2022 Supplier Engagement Leaderboard, for taking action to measure and reduce climate risk within our supply chain.



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



CDP response rate from our suppliers up from 72% in 2021 to **80%** in 2022

**67%** of suppliers by spend will set Scope 1 and 2 Science Based Targets by 2027

Targets validated by SBD up from 14% to **16.1%**

**52%** reduction in Scope 3 GHG emissions intensity by 2030 from a 2022 baseline<sup>5</sup>

## Breakthroughs in Molecular Recycling with Eastman

Our collaboration with specialty materials provider Eastman continues. The recently launched reviva™ power tool line (see [page 33](#)) features enclosures made from Eastman's Tritan Renew copolyester. Eastman uses 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.





**PLANET:**

# Focused on Sustainable Operations

**At Stanley Black & Decker, we are focused and making clear progress across our global enterprise on reducing our overall operational environmental footprint, including energy (Scope 1 and Scope 2), water and waste.**

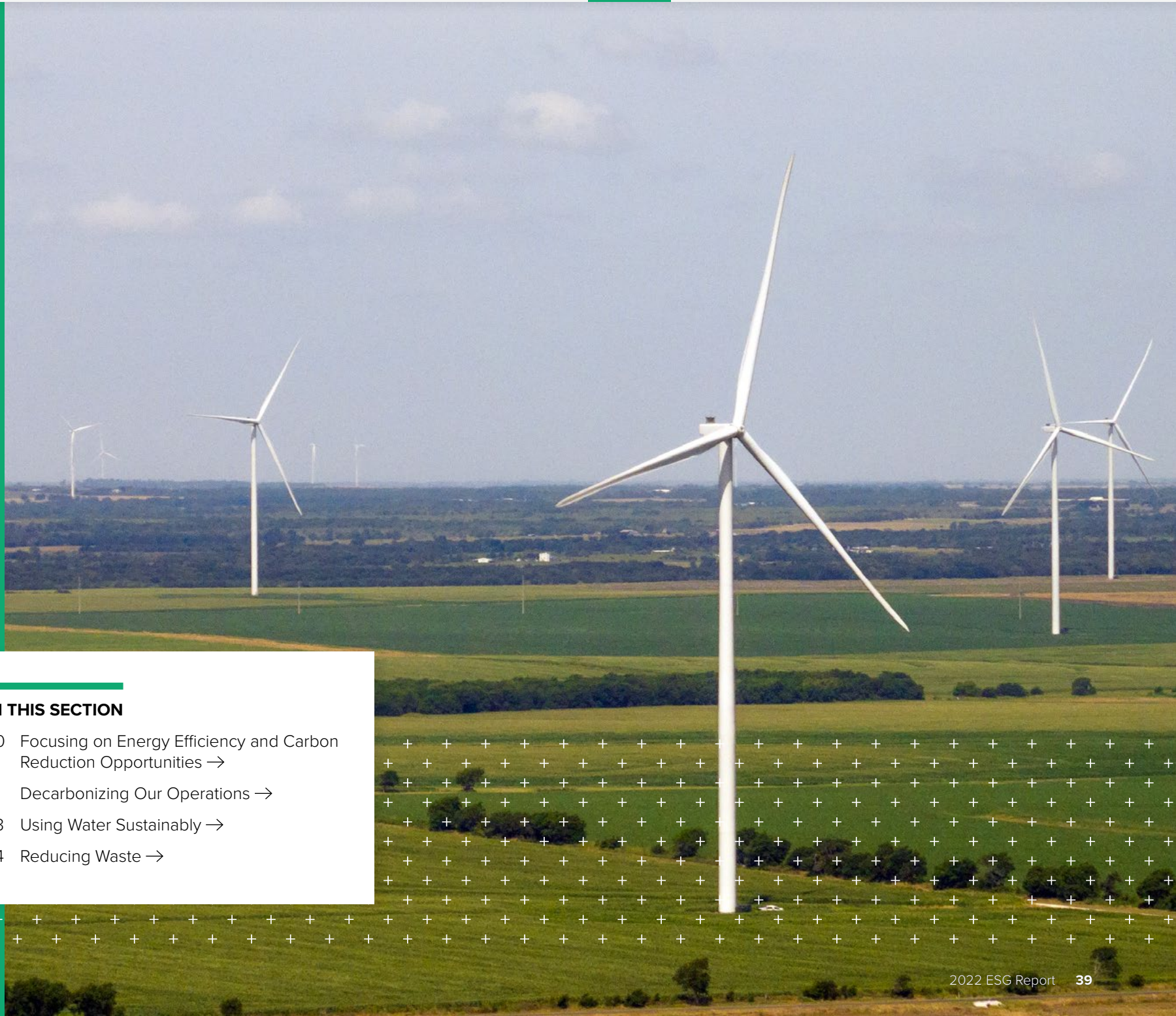
**PRIORITY ISSUES**

- Climate Change and Resiliency

See our [Materiality Assessment](#)

**IN THIS SECTION**

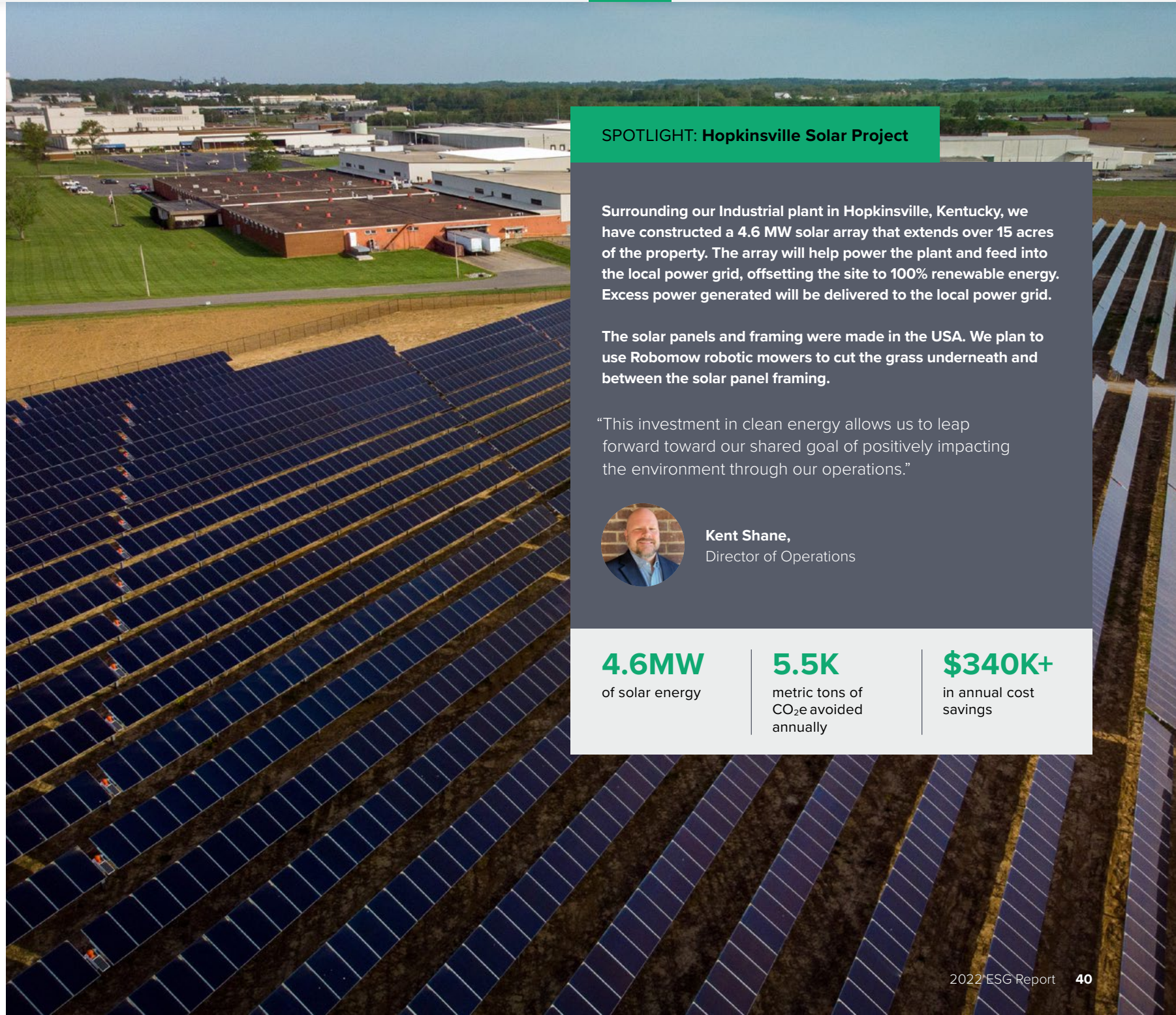
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# Focusing on Energy Efficiency and Carbon Reduction Opportunities

In addition to supporting site-based capital investment such as solar arrays, we continue to evaluate alternative options such as PACE (property assessed clean energy) financing and PPAs (power purchase agreements) and other energy efficiency opportunities and investments to reduce our total electrical load and carbon intensity. We are also evaluating and investing in waste heat recovery and other opportunities to reduce our thermal loads and implement reuse and efficiency improvements. Our dedicated team continues to explore evolving technologies that allow us to balance energy cost, quantity and carbon intensity while reducing our environmental impact and improving resiliency.



## SPOTLIGHT: Hopkinsville Solar Project

Surrounding our Industrial plant in Hopkinsville, Kentucky, we have constructed a 4.6 MW solar array that extends over 15 acres of the property. The array will help power the plant and feed into the local power grid, offsetting the site to 100% renewable energy. Excess power generated will be delivered to the local power grid.

The solar panels and framing were made in the USA. We plan to use Robomow robotic mowers to cut the grass underneath and between the solar panel framing.

“This investment in clean energy allows us to leap forward toward our shared goal of positively impacting the environment through our operations.”



**Kent Shane,**  
Director of Operations

**4.6MW**  
of solar energy

**5.5K**  
metric tons of  
CO<sub>2</sub>e avoided  
annually

**\$340K+**  
in annual cost  
savings



# Decarbonizing Our Operations

As part of our science-based target commitment, we seek to reduce our absolute Scope 1 and Scope 2 carbon emissions. We are also working to reduce our Scope 3 emissions by engaging with our suppliers to reduce their Scope 1 and 2 emissions.

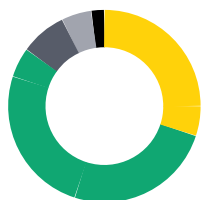
## Renewable Power Is Key to Decarbonization

In 2022, in addition to starting the Hopkinsville solar project, we completed two on-site solar projects, in Pune, India, and Suzhou, China, resulting in a combined annual reduction of 746 metric tons of CO<sub>2</sub>e. We also finalized and operationalized our Virtual Power Purchase Agreement (VPPA) with ENGIE North America.

Over the course of 2022, Stanley Black & Decker funded more than three dozen energy efficiency projects, resulting in over 11,000 metric tons of annualized CO<sub>2</sub>e savings.

### 2022 CO<sub>2</sub>e REDUCTION PROJECTS

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

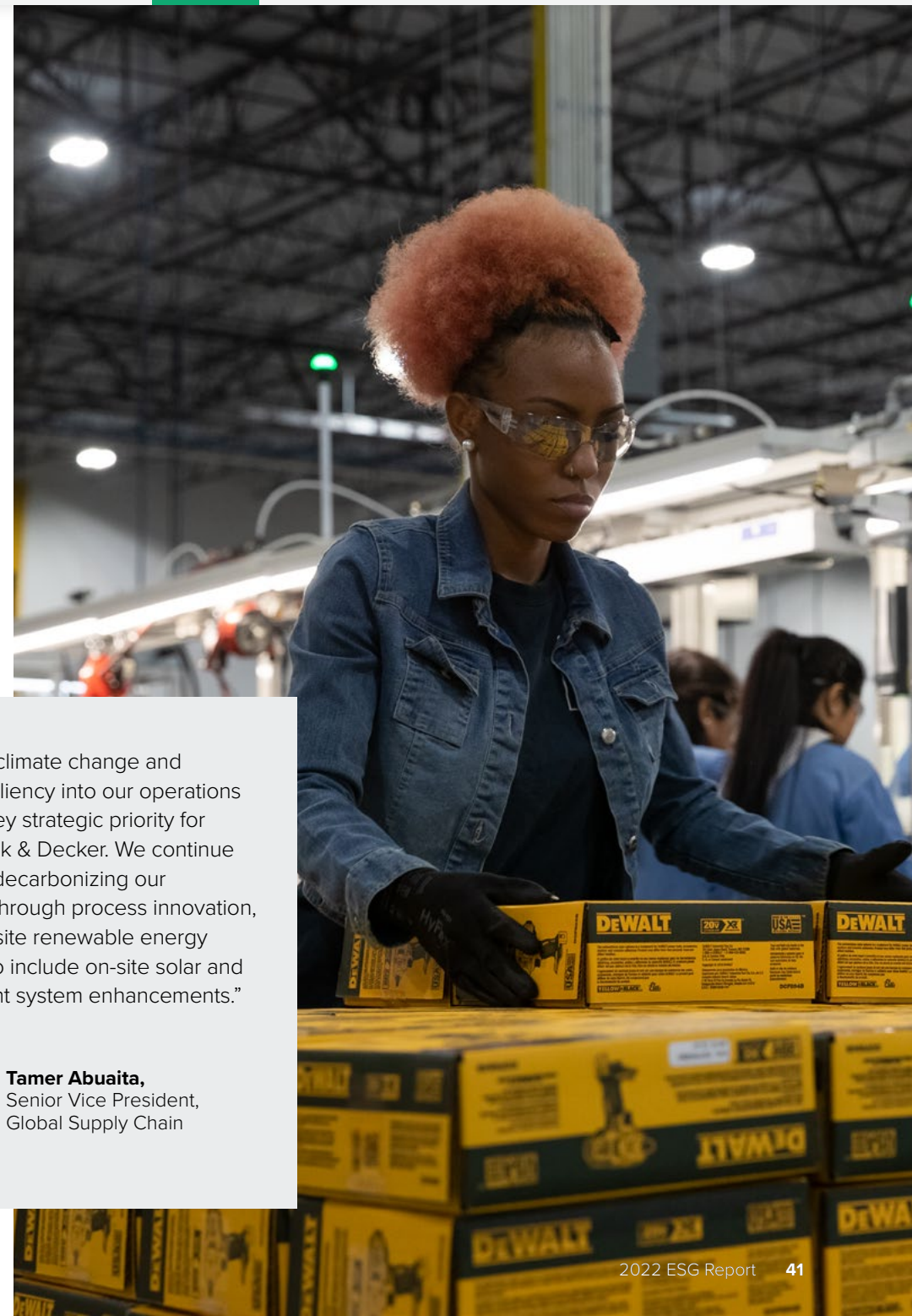


- Lighting **30%**
- Solar **55%**
- HVAC **8%**
- Compressed Air **5%**
- Other **2%**

## Energy Audits Helping to Identify Opportunities

We conduct energy audits that cover all electrical and thermal use in a given building, to help us find ways to first, eliminate energy waste, and then correct any energy use that is inefficient. At least one year's worth of electrical data is captured to help us understand how to make improvements and when it is most cost-effective to use energy. Highlights for 2022 include:

- 35 energy audits completed worldwide, identifying 300 energy projects
- Over 25 sites visited in 2022, leading to identification of ~50 projects
- New Britain Chiller Project reduced 1,000 metric tons of CO<sub>2</sub> per annum
- Hopkinsville Compressor Project reduced 566 metric tons of MTCO<sub>2</sub> per annum
- 4,800+ LED fixtures installed in 2022; plan to install another 5,600 fixtures before the end of 2023



“

Combating climate change and building resiliency into our operations remains a key strategic priority for Stanley Black & Decker. We continue to invest in decarbonizing our operations through process innovation, on- and off-site renewable energy programs, to include on-site solar and management system enhancements.”



**Tamer Abuaita,**  
Senior Vice President,  
Global Supply Chain



## Limestone VPPA

Stanley Black and Decker, in partnership with ENGIE North America, has developed and brought online an 88-turbine wind power asset in Limestone and Navarro Counties, Texas. Our commitment to the project is for 18% of the generating capacity of the asset. This Virtual Power Purchase Agreement (VPPA) and Stanley Black and Decker's underlying financial commitment to Engie is expected to deliver around 205,000 megawatt hours (MWh) of additional renewable energy to the ERCOT grid each year for the 12-year duration of the agreement. As part of the agreement, Stanley Black and Decker has ownership of the associated Renewable Energy Certificates (RECs). The RECs are an integral part of our GHG emissions reduction plan.

The transaction involved 98 land owners to secure the 30,000 acres required for the project. The land not used for the turbines may revert back to grazing and farming if the owners so choose.

**88**

wind turbines

Stanley Black &amp; Decker Share of the Project

**205K**

MWhs delivered annually

**~80–90K**metric tons of CO<sub>2e</sub> avoided annually**12**

long-term local jobs created

**\$40M**

for Coolidge and Dawson Independent School Districts over the project life

**\$15M**

in tax revenue to Limestone and Navarro Counties over the project life







## Using Water Sustainably

We see water stewardship as a business imperative, even though our operations are not particularly water intensive. Water is life, and sufficiently available fresh water sustains our surrounding communities and helps all living things to thrive.

### Assessing Water Stress

Our [Water Stewardship Policy](#) guides us worldwide. This policy commits us to report comprehensively and transparently on our water sustainability goals, progress and future intent, and to be an advocate for environmental justice as it relates to water stewardship. Where appropriate, we share our best-practices across our supply chain.

In locations with both significant baseline water stress and where such stress could result in a material risk to the business, we plan to monitor:

- Withdrawal in regions with high or extremely high baseline water stress
- Water consumption from water recycling/ reuse or rainwater harvesting, where local conditions allow

### PROGRESS ON OPERATIONAL WATER INTENSITY GOALS

In 2022, we reduced the water intensity of our combined manufacturing sites and distribution centers by **5%** against our 2020 baseline.



# Reducing Waste

Across Stanley Black & Decker, our practices encourage waste minimization, reusing and recycling wherever we can — with the ultimate goal of achieving a 100% diversion rate across all of our manufacturing and distribution facilities worldwide by 2040.

## Zero Waste to Landfill

Relying on management system enhancements and third-party support and assurance, together with sharing of best management practices, we continue to divert waste from landfills.

In 2022, we started the process of standardizing our requirements and consolidating our waste management suppliers in our North American (U.S. and Canada) and EMEA (Europe, Middle East and Africa) regions. The goal of these efforts was to consolidate management of recyclables and waste, improve reporting and compliance, and refocus Stanley Black and Decker personnel on value-add activities. Our initial focus was on three high volume common waste streams: general trash, cardboard and waste wood products. Remaining waste and recycling streams and remaining geographic regions will follow.

In our journey to 100% diversion from landfill across our operations, we continue to refine a third-party assurance program to strengthen our approach. Our existing environmental assurance auditors now also include specific diversion audits of facilities, chosen at random, to demonstrate that their waste

profiles are being managed in accordance with Stanley Black & Decker’s criteria. As we continue to advance toward our goal, we aim to evolve both our internal and external audit criteria, ensuring all sites receive the necessary assurances on their diversion performance.

We are also working with an existing partner that was instrumental in managing and brokering waste streams for our North America sites and finding landfill diversion options for hard-to-abate waste materials.

### ZERO WASTE TO LANDFILL 2023 GOAL MET

**33%** of our manufacturing and distribution sites achieved ZWTL status by the start of 2023.

In addition, **90%** of our waste was recycled in 2022.





# Focused on Responsible Governance

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

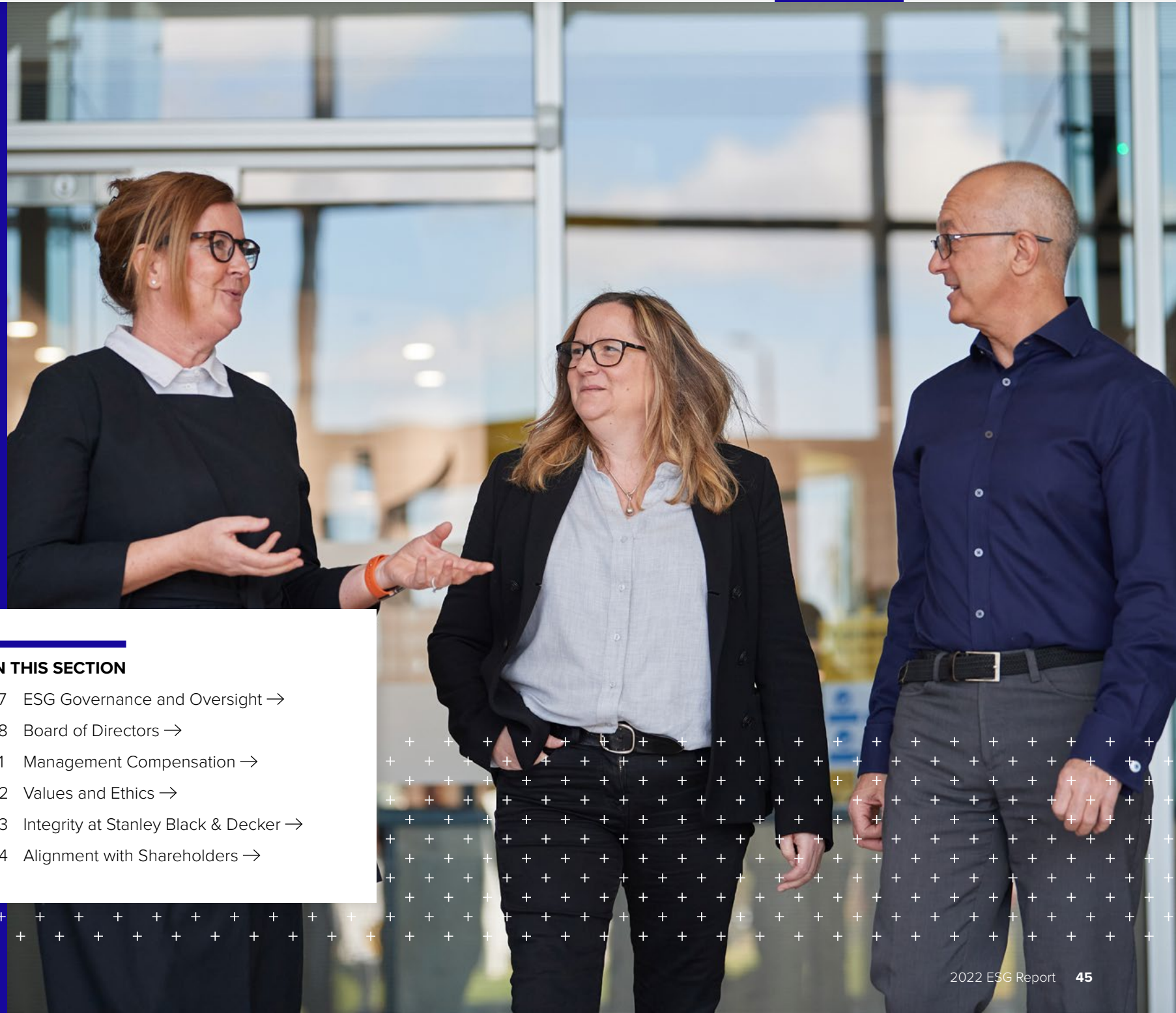
## PRIORITY ISSUES

- Corporate Governance
- Data Privacy and Information Security
- Ethics and Compliance
- Transparency

See our [Materiality Assessment](#)

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## Key Elements of Our Governance Policies Align with Best Practices

Commitment to balanced Board refreshment with a mixture of Director tenures

Independent Board, other than our President & Chief Executive Officer

Independent Board Chair

Proxy access

No Poison Pill

Proactive lowering of minimum threshold for shareholders to call special meeting from 35% to 25%

Shareholder-supported annual Say-on-Pay vote

Board and committee oversight of ESG policies and practices

No excise tax gross-ups under change-in-control agreements with Executive Officers

Mandatory Director retirement at age 75

Director overboarding policy

Meeting of Independent Directors in executive session at each regularly scheduled Board meeting

Policy against hedging or pledging of Company stock applicable to all Directors and Executive Officers

Recoupment policy related to unearned equity and cash incentive compensation of all Executive Officers

Robust stock ownership guidelines for Directors and Executive Officers

Shareholder right to act by written consent and to amend Bylaws by a majority vote

Annual Board and committee self-assessments

Shareholder-approved Director fee cap

Double trigger vesting provisions requiring change in control and qualifying termination of employment for replacement awards to vest

Annual election of Directors, with majority standard for uncontested elections





# 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 and the Board committees play, including actively overseeing our ESG performance and strategy, is described in detail in the following pages.

## Board of Directors and Board Committees

The Board and the Corporate Governance Committee provide holistic oversight and thought leadership as Stanley Black & Decker develops and implements comprehensive ESG policies and practices.

The full Board regularly engages with management regarding our human capital management strategy, focusing on areas such as culture; diversity, equity and inclusion; and talent acquisition, retention, development, and succession planning.

Additionally, the Corporate Governance Committee of the Board oversees the Company’s policies, objectives and practices regarding ESG strategy and reporting, and related public communications, and regularly reviews progress in quarterly Board meetings. The full Board reviews our ESG strategies and goals as a component of the annual strategic plan review process.

The Compensation and Talent Development Committee’s charter also provides that, as part of its review of the operation and structure of the Company’s compensation programs, the Committee may incorporate review and approval of corporate metrics and milestones related to any ESG factors included in compensation programs. Currently, the Compensation and Talent Development Committee is evaluating the potential integration of ESG-related metrics within the Company’s incentive compensation program in a manner that would drive progress toward ESG goals and shareholder value.

## 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. Enabling excellence in execution and the sharing of best practices, the committee provides a forum for ESG strategy alignment and feedback, review of progress and collaboration on opportunities.

## ESG Council

In 2022, we formalized a cross-functional ESG Council comprised of senior leaders representing CSR, EH&S, DE&I, Human Resources, Legal, Accounting and Investor Relations. The Council meets on a monthly basis to discuss ESG program strategy and execution. With a mandate to interpret and govern the strategic direction set forth by the

Steering Committees, the Council makes decisions and recommendations that advance our ESG priorities and reporting strategy.

## ESG External Advisory Board

We formed an ESG External Advisory Board to inform our sustainability and social impact strategies and performance, offer key perspectives on emerging issues and 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

## Cybersecurity Oversight

Our Audit Committee oversees our cybersecurity risk exposure and the steps taken by management to monitor and control such exposure. Specifically, our Vice President and Chief Information Officer leads cybersecurity and digital risk management for all technologies across the Company and provides multiple updates each year to the Audit Committee regarding data protection and cybersecurity risks

and the Company’s new and existing controls that mitigate them. The Audit Committee regularly briefs the full Board on these matters, and the full Board also receives periodic briefings from management on our cybersecurity program.



# Board of Directors<sup>20</sup>

Our Board is committed to maintaining a diverse group of members who possess the qualifications, skills, perspectives and experiences necessary to position the Company for the future.

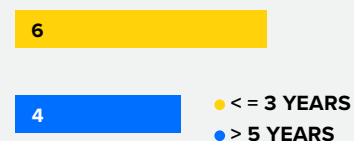
Our Board has developed a deep and varied skillset, with a membership that reflects a diverse spectrum of professional and personal experiences. Key aspects of the Board's structure include:

- Independent Chair or Independent Lead Director since 2000
- Offices of Chair and CEO separated in January 2017
- Independent Directors meet in executive session at every regularly scheduled Board meeting
- Board adopted Director independence and corporate governance guidelines
  - 50% of Directors have CEO experience
  - 30% of Directors have Climate-Related Risk experience
  - 100% have DE&I experience
  - 70% have CSR experience
- Five independent Directors added in the last three years
- Fully independent Audit, Governance, Compensation and Finance Committees
- Director overboarding policy

## A Diverse, Independent Board Aligned with Our Strategies

The Board is committed to maintaining a diverse and well-rounded membership that supports the Company's business needs and provides independent and objective oversight of the Company's strategy and business model. Specifically, in identifying potential Director nominees, the Corporate Governance Committee will take reasonable steps to include diverse candidates with respect to gender, ethnicity, race, nationality, geographic origin, age, skills and experience in the context of the needs of the Board in the pool of potential candidates for consideration. The Board focuses its efforts on identifying candidates that add to, or otherwise complement, the skills and qualifications of its existing members.

### AVERAGE TENURE OF 5 YEARS

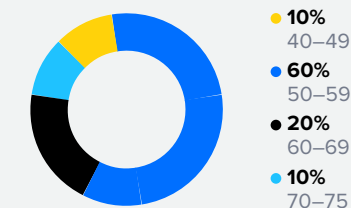


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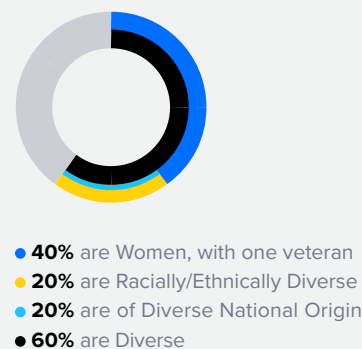
### NEW NON-MANAGEMENT DIRECTORS IN THE LAST 3 YEARS

AVERAGE AGE OF  
58  
YEARS

### BOARD AGE DIVERSITY



### GENDER AND RACIAL/ETHNIC DIVERSITY<sup>20</sup>

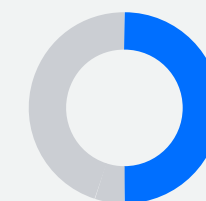


### GLOBAL EXPERIENCE



50% OF DIRECTORS

### CEO EXPERIENCE



50% OF DIRECTORS



## Our Board of Directors



**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



**Donald Allan, Jr.**  
President and Chief Executive Officer, Stanley Black & Decker, Inc.

Expertise in finance and accounting and deep knowledge of the Company's history and operations through his long tenure in financial positions with the Company  
Over 25 years in financial management positions, including over 20 years with the Company, prior to becoming President & CEO



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

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



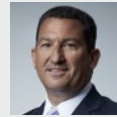
**Debra A. Crew**  
Chief Executive Officer, Diageo plc\*

Expertise in consumer/retail, branding, marketing, operations and strategy, with a record of success with leading global consumer products companies  
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 \$130B in assets under management



**Robert J. Manning**  
Retired Chairman & Chief Executive Officer, MFS Investment Management

Expertise in building corporate value and evaluating corporate capital allocation, operating systems and ESG strategies  
More than three decades of financial services experience and leadership and deep understanding of investor community



**Adrian V. Mitchell**  
Executive Vice President and Chief Financial Officer, 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.

Demonstrated record of leading global 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**  
Retired Executive Vice President, Health Care Business Group of 3M Company

Built and led teams across different functions, businesses and geographies, including in highly regulated industries and businesses requiring strong market development expertise



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

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

\*As of June 8, 2023

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

## 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 Talent Development, and Finance and Pension Committees should be independent.

### Key responsibilities of these committees include:

- Talent development and succession planning
- Oversight of ESG strategy, reporting and communications
- Risk oversight (including cybersecurity & ESG)
- Identifying individuals qualified to become Board members and recommending Director nominees for election
- Evaluating and recommending to the Board regarding executive compensation plans
- Reviewing Company's financial condition and capital allocation strategy
- Board and Committee self-evaluation

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

## Board of Directors Experience Matrix<sup>20</sup>

### Skills and Experience

	Andrea J. Ayers	Donald Allan, Jr.	Patrick D. Campbell	Debra A. Crew	Michael D. Hankin	Robert J. Manning	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 experience</b> provides insight into leading a complex organization like ours with transparency and integrity.	✓	✓	–	✓	✓	✓	–	–	–	–
<b>Public Company/Corporate Governance</b> experience furthers our goals of transparency, protection of shareholder interests and implementation of best practices in corporate governance.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>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>M&amp;A and Corporate Strategy</b> experience provides insight into assessing M&A 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.	–	–	✓	✓	–	✓	✓	✓	✓	✓
<b>Climate-Related Risk</b> experience strengthens the Board's oversight of environmental policies, ESG initiatives and reporting.	–	–	–	–	✓	✓	–	✓	–	–
<b>Diversity, Equity and Inclusion</b> experience strengthens the Board's oversight of diversity, equity and inclusion efforts, corporate citizenship, social responsibility and workplace culture.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



# Management Compensation

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

The philosophy underlying our executive compensation program is to provide performance-based and competitive compensation that rewards executives for actions that create long-term shareholder value and allows us to attract, motivate and retain high caliber talent.

As outlined in our [Proxy Statement](#), the Compensation and Talent Development Committee has made certain changes to the

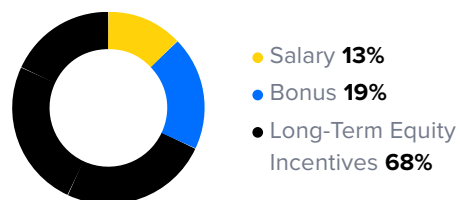
2023 compensation program, in consideration of shareholder feedback and to improve strategic alignment, including:

- Eliminating the use of Adjusted EPS as a metric in the long-term incentive plan and replacing it with organic sales growth relative to market
- Replacing our custom long-term incentive plan peer group for measuring relative TSR with the S&P 500 Capital Goods Index to better align with our current portfolio of businesses
- Including a modifier to the annual compensation plan, based upon achievement relative to our Global Cost Reduction Program

Similarly, the Compensation and Talent Development Committee is aware of the evolution of the Company's ESG program and will evaluate ESG-related metrics that drive long-term value creation and their potential integration within the incentive compensation program.

## Pay for Performance Philosophy

### CEO

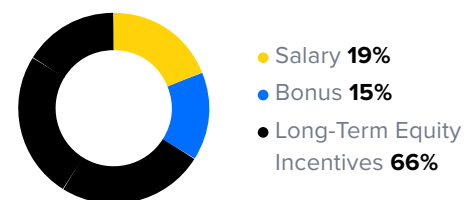


Beginning in December 2022, stock options and restricted stock units vest ratably over three years (one-third on each anniversary of the grant date)

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

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

### OTHER NAMED EXECUTIVE OFFICERS



## Executive Compensation Philosophy Tenets

The primary tenets of our executive compensation philosophy are:

### PAY FOR PERFORMANCE

A majority of annual and long-term compensation is performance based, being directly linked to both absolute and relative company performance against preset goals. Annual incentive goals align with our earnings guidance while our three-year performance plan goals are linked to our strategic framework, long-term financial objectives and relative total shareholder return.

### COMPETITIVE PAY

To attract and retain high caliber executive talent, total target compensation, and the individual components thereof, for our named executive officers, are generally aligned at the median of our Compensation Peer Group and published surveys (as described on pages 47-48 of our [Proxy Statement](#)). While focusing on the market median, the Compensation and Talent Development Committee retains the flexibility to set individual total compensation opportunities based on its assessment of performance, experience, service in current position, responsibilities, and/or retention risk.

### ALIGNMENT WITH SHAREHOLDER INTERESTS

Our compensation program is designed to ensure that executives' interests are aligned with the long-term interests of our shareholders through stock-based compensation, stock ownership requirements, and performance metrics that drive sustainable shareholder value creation.

### BALANCED PAY MIX

The mix of compensation among base salary, annual incentive compensation and long-term incentive compensation is designed to balance our executives' focus between both short- and long-term objectives as prioritized by the Board.

# Values and Ethics

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

Please refer to our [Proxy Statement](#) which includes additional disclosures explaining how our governance and compensation practices are linked to our 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.

## [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 2022, ~20,000 global employees (online/salaried) completed a Code of Business Ethics e-learning in the appropriate languages.<sup>22</sup> 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.

## [Anti-Corruption](#) →

We have strengthened our anti-corruption policies and increased communication regarding anti-corruption worldwide. We strictly prohibit corrupt practices and require fair competition for our business opportunities. We do not permit giving or offering gifts, travel, entertainment, or anything of value to gain an improper business advantage. And gifts of cash or cash equivalents are never acceptable. In 2022, ~20,000 global employees (online/salaried) completed an Anti-Bribery and Corruption e-learning.<sup>21</sup> 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 2023 compliance plan includes in-person training.

We are actively enhancing other key elements of our anti-corruption program. This includes augmenting due diligence procedures for our higher-risk third party types, fortifying key controls and, conducting anti-corruption specific risk assessments (including transaction testing) in higher-risk jurisdictions to guide our risk mitigation roadmaps.

## [Cybersecurity](#)

We continue to invest in risk management and information security and data privacy measures in order to protect our systems and data from an ever-

evolving landscape of threats. Our comprehensive information security program helps to safeguard the confidentiality, integrity and availability of information assets and ensure regulatory, operational, and contractual requirements are fulfilled. We have adopted an Information Technology Policy that establishes requirements and responsibilities with respect to the protection of the Company's interests and technology information assets against loss, improper disclosure and unauthorized modification. We regularly educate and share best practices with our employees to raise awareness of cyber threats and our information technology program, creating a culture of shared responsibility for the security of sensitive data and the Company's network.

Every year, all employees are required to take information security and protection training, including specialized training for employees exposed to sensitive information, and to certify their awareness of and compliance with the Information Technology Policy.

We take measures to improve and update our information technology program, including through engaging an independent third party to assess Cybersecurity Maturity against industry best practice frameworks. We engage in external certification audits when needed to meet our regulatory obligations or customer requirements.

## [Our Global Ethics & Compliance Program](#)

Stanley Black & Decker believes that an unwavering commitment to ethics and compliance is a non-negotiable corporate value. Our objective is to strengthen and maintain a world-class culture

of ethics and and compliance with every employee, in every location, every day.

A world-class culture of integrity does not just happen, it requires continuous reflection, focus and improvement. To that end, in 2022, Stanley Black & Decker made significant investments in our compliance program and processes. These included:

**New Chief Compliance Officer Role:** A new Chief Ethics & Compliance Officer role was created to lead the Company's global ethics and compliance program, and a new leader was appointed to this position.

**New Global Ombuds Role:** A new Global Ombudsperson role was created to lead Stanley Black & Decker's processes to encourage employee reporting, and a new leader was appointed to this position.

**Strengthened Compliance Governance:** Two new enterprise compliance committees were created to promote timely escalation of compliance risks and program oversight for executive management and other program stakeholders.

**Company-Wide Compliance Goals & Objectives:** Measurable, enterprise-wide compliance objectives were included as a component of our Company-wide goals for 2023.

In 2022, the Company also rolled out a strengthened compliance risk assessment process, one which provides even more visibility to emerging risks and potential control gaps to those in oversight roles.

These compliance program enhancements reinforce Stanley Black & Decker's commitment to compliance and set the stage for further program improvements in 2023.



# 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 or Company policy. Employees are encouraged to raise any concerns, without fear of retaliation or retribution. Our strategic communication approach has increased awareness of our Integrity Helpline and has helped educate our employees that this resource is available for all types of concerns. Communication elements include posters, digital boards and Helpline FAQ—all are available in 31 languages. A QR Code makes it easy for employees to access the Helpline.

## 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 and hypothetical 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 Insight ends with this reminder:

Through Integrity Insights we highlight both real and hypothetical 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 confidentially through the Integrity Helpline to report any work issue including discrimination, harassment, health & 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 2022, we shared seven Integrity Insights with real and hypothetical scenarios in some of our top risk areas. These written insights were also augmented by Company leaders in town halls and other forums discussing the importance of open reporting, encouraging employees to speak up with concerns and emphasizing that there is zero tolerance for retaliation.



# Alignment 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 2022, 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:

Continuous Board refreshment, including the addition of two independent Directors and a new independent Chair during 2022

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 and procedures related to the Board’s commitment to diversity, including a commitment in the Corporate Governance Committee’s charter to take reasonable steps to include diverse candidates in the process of identifying potential Director nominees

Implemented changes to the executive compensation program as outlined on [pg. 51](#) of this report and further described in the [Proxy Statement](#) on pages 32–33.

Enhanced disclosure of Corporate Governance Committee oversight of the Company’s policies, objectives and practices regarding ESG strategy

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

Evaluation by the Board, following the ESG goal reset, of the potential integration of ESG-related metrics that drive long-term value creation within the incentive compensation program.

Continue to advance our existing climate change-related disclosures

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

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- 74 [S&P Global Sustainable<sup>1</sup> Assurance Statement →](#)
- 78 [Endnotes →](#)





## About This Report

Stanley Black & Decker's 2022 ESG Report updates stakeholders on our strategies and progress toward our commitments and is organized in four main subsections: People: Advancing DE&I, Empowering Our People and Growing the Trades; Product: Focused on Sustainable Innovation and Supply Chain; Planet: Focused on Sustainable Operations; and Focused on Responsible Governance. It also includes an ESG scorecard of key performance indicators.

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 the Sustainability Accounting Standards Board (SASB) section, Industrial Machinery and Goods.

This report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, any statements about the Company's future financial results, commitments, goals, targets, aspirations, or expectations regarding sustainability, environmental matters, corporate responsibility, and our employees, policies, business opportunities and risks; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include, among others, the words "may," "will," "estimate," "intend," "could," "project," "plan," "continue," "believe," "expect," "anticipate," "run-rate," "annualized" or any other similar words. Although the Company believes that the expectations reflected in any of its forward-looking statements are reasonable, actual results could differ materially from those projected

or assumed in any of its forward-looking statements. Forward-looking statements in this report speak only as of the date hereof, and forward-looking statements in documents that are incorporated by reference herein speak only as of the date of those documents. Any forward-looking statements are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in the Company's filings with the Securities and Exchange Commission. The Company does not undertake any obligation or intention to update or revise any forward-looking statements, whether as a result of future events or circumstances, new information or otherwise, except as required by law.

Important factors that could cause the Company's actual results to differ materially from these forward-looking statements includes, among others, the following: successfully developing, marketing and achieving sales from new products and services and the continued acceptance of current products and services; macroeconomic factors, including global and regional business conditions, commodity prices, inflation and deflation, interest rate volatility, currency exchange rates, and uncertainties in the global financial markets related to the recent failures of several financial institutions; laws, regulations and governmental policies affecting the Company's activities in the countries where it does business, including those related to tariffs, taxation, data privacy, anti-bribery, anti-corruption, government contracts and trade controls such as section 301 tariffs and section 232 steel and aluminum tariffs; the economic, political, cultural and legal environment in Europe and the emerging markets in which the Company generates sales, particularly Latin America, China and Turkey; realizing the anticipated benefits of mergers, acquisitions, joint ventures, strategic alliances or divestitures, including the divestitures of the Security and Oil & Gas businesses; pricing pressure and

other changes within competitive markets; availability and price of raw materials, component parts, freight, energy, labor and sourced finished goods; the impact the tightened credit markets and any discontinuation, reform or replacement of LIBOR and other benchmark rates may have on the Company or its customers or suppliers; the extent to which the Company has to write off accounts receivable, inventory or other assets or experiences supply chain disruptions in connection with bankruptcy filings by customers or suppliers; the Company's ability to identify and effectively execute productivity improvements and cost reductions; potential business and distribution disruptions, including those related to physical security threats, information technology or cyber-attacks, epidemics, pandemics, sanctions, political unrest, war, including the Russia/Ukraine conflict, terrorism or natural disasters, as well as the continuing impact from the COVID-19 pandemic; the continued consolidation of customers, particularly in consumer channels and the Company's continued reliance on significant customers; managing franchisee relationships; the impact of poor weather conditions and climate change; risks related to the transition to a lower-carbon economy, such as the Company's ability to successfully adopt new technology, meet market-driven demands for carbon neutral and renewable energy technology, or to comply with more stringent and increasingly complex environmental regulations or requirements for its manufacturing facilities and business operations; failure to meet ESG expectations or standards, or achieve its ESG goals; maintaining or improving production rates in the Company's manufacturing facilities, responding to significant changes in customer preferences, product demand and fulfilling demand for new and existing products, and learning, adapting and integrating new technologies into products, services and processes; changes in the competitive landscape in the Company's markets; the Company's non-U.S. operations, including sales to



non-U.S. customers; the impact from demand changes within worldwide markets associated with homebuilding and remodeling; potential adverse developments in new or pending litigation and/or government investigations; the incurrence of debt and changes in the Company's ability to obtain debt on commercially reasonable terms and at competitive rates; substantial pension and other postretirement benefit obligations; potential regulatory liabilities, including environmental, privacy, data breach, workers compensation and product liabilities; attracting, developing and retaining senior management and other key employees, managing a workforce in many jurisdictions, labor shortages, work stoppages or other labor disruptions; the Company's ability to keep abreast with the pace of technological change; changes in accounting estimates; the Company's ability to protect its intellectual property rights and to maintain its public reputation and the strength of its brands; and the Company's ability to implement, and achieve the expected benefits (including cost savings and reduction in working capital) from its Global Cost Reduction Program including: continuing to advance innovation, electrification and global market penetration to achieve organic revenue growth of 2-3 times the market, streamlining and simplifying the organization, and investing in initiatives that more directly impact the Company's customers and end users, returning adjusted gross margins to historical 35%+ levels by accelerating the operations and supply chain transformation to improve fill rates and better match inventory with customer demand, prioritizing cash flow generation and inventory optimization, leveraging strategic sourcing and contract manufacturing, consolidating facilities and optimizing the distribution network, executing the SBD Operating Model to deliver operational excellence through efficiency, simplified organizational design and inventory optimization and platforming products and implementing initiatives to drive a SKU reduction. Additional factors that could cause actual results to differ materially from forward-looking statements are set forth in the Annual Report on Form 10-K and in the Quarterly Reports on Form 10-Q.

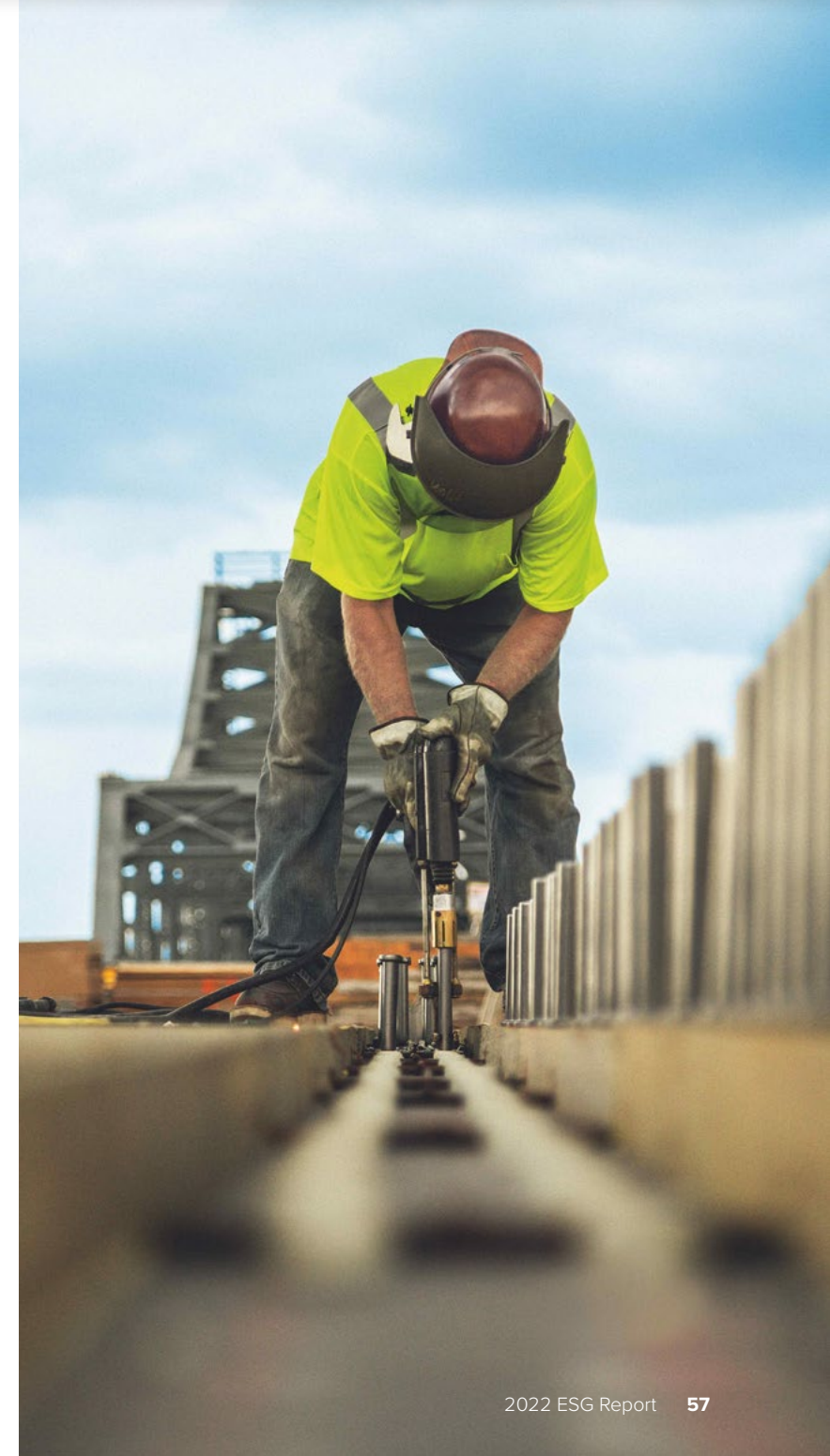
Information included in, and any issues identified as material or any derivatives of the word material for purposes of, this report may not be considered material for SEC reporting purposes. Within the context of this report, the term "material" (or any derivatives of the word material) is distinct from, and should not be confused with, such term as defined

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for SEC reporting purposes. Website references and hyperlinks throughout this report are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this report, nor does it constitute a part of this report.

While the Company is actively working to achieve its environmental, social, and governance ("ESG") goals, these goals are forward-looking statements that reflect expectations as of the date of this statement, not historical facts or guarantees of future performance, achievement, or results. There is no guarantee that the Company will meet its goals or increasing stakeholder ESG expectations. In addition, historical, current, and forward-looking information included in this report may be based on standards and practices for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change. Accordingly, such historical, current, and forward-looking information or underlying assumptions may be subject to modifications in future reports due to such developing standards, practices and controls and processes. Certain sustainability- and ESG-related historical data for dates and periods prior to 2022 presented, discussed, referenced, or otherwise included in this report has been revised to reflect updates made as a result of our internal review processes, acquisition and divestiture activity, and developing standards, practices, and controls and processes. Readers are cautioned not to place undue reliance on any such information set forth in this report. Any reference to the Company's support of a third-party organization within this report does not constitute or imply an endorsement by the Company of any or all of the positions or activities of such organization.

The Company's franchisees and suppliers are independent business owners who make decisions for their own organizations while maintaining core standards for our brand and customer satisfaction. The Company cannot prescribe solutions for them. Rather, the Company works in collaboration to help them manage ESG issues. The Company works with suppliers to mutually set objectives and targets, monitor progress and engage collaboratively on shared innovation opportunities and challenges. Through self-managed excellence, suppliers are encouraged to identify and manage key ESG risks and opportunities within their own companies, and incorporate relevant goals into their business strategies.





# GRI Index

## General Disclosures

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	Disclosure & Brief Description of Management Approach	Link for Publicly Available Management Approach
<b>INTRODUCTION</b>				
Organization Name	2-1-a	Full	Stanley Black & Decker, Inc.	<a href="#">10-K Pg. 1</a>
Nature of Ownership and Legal Form	2-1-b	Full	Publicly held corporation	<a href="#">10-K Pg. 12</a>
HQ Location	2-1-c	Full	1000 Stanley Drive, New Britain, CT 06053	<a href="#">10-K Pg. 1</a>
Location of Operations	2-1-d	Full	SBD is a global organization. A list of countries in which SBD operates is included in Exhibit 21 of the 10-K.	<a href="#">10-K Exhibit 21</a>
Reporting Entities	2-2-a	Full	All entities included in SBD's 10-K published in February 2023 are included.	<a href="#">10-K Exhibit 21</a>
Reporting Entities - Resulting Material Topics Methodology	2-2-a	Full	Our data-driven materiality assessment, performed in late 2021, established an understanding of what ESG issues are of top importance to both our internal and external stakeholders. This assessment helped to guide the evolution, and sharpen the focus, of our ESG strategy going forward.	<a href="#">ESG Report Pg. 7 "Materiality Assessment"</a>
Reporting Entities - Resulting Material Topics	2-2-a	Full	A list of material topics is included in our Materiality Analysis.	<a href="#">ESG Report Pg. 7 "Materiality Assessment"</a>
Reporting Period - Sustainability Report	2-3-a	Full	SBD reports on a calendar-year cycle; this GRI Report is for Year 2022.	<a href="#">10-K Pg. 1</a>
Reporting Period - Financial Report	2-3-b	Full	Fiscal year ending December 31, 2022. Annual reporting cycle.	<a href="#">10-K Pg. 1</a>
Publication Date	2-3-c	Full	ESG Report Publication Date—June 2022 Financial Report Publication Date—February 2023	<a href="#">FORWARD PROGRESS Performance With Purpose</a>
Point of Contact	2-3-d	Full	Dennis Lange—Vice President, Investor Relations  Cort Kaufman—Senior Director, Investor Relations  Christina Francis—Director, Investor Relations Investorrelations@sbdinc.com	<a href="#">FORWARD PROGRESS Performance With Purpose</a>
External Assurance - Policy	2-5-a	Full	SBD has its reported data externally assured by S&P Global Sustainable1.	<a href="#">2022 AA1000AS Assurance Statement</a>
External Assurance - Assurance Statement	2-5-b-i	Full	S&P Global Sustainable1, a business of S&P Global Inc. (hereafter, "Sustainable1") was engaged by Stanley Black & Decker to provide assurance of the data and claims in its CDP Climate Change Responses, encompassing the period of 1 January 2022 to 31 December 2022.	<a href="#">2022 AA1000AS Assurance Statement</a>
External Assurance - Standards	2-5-b-ii	Full	This report has been prepared in accordance with the GRI Universal Standards.	<a href="#">ESG Report Pg. 56 "About this Report"</a>





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GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	Disclosure & Brief Description of Management Approach	Link for Publicly Available Management Approach
External Assurance - Assurer Relationship	2-5-b-iii	Full	The management of SBD has sole responsibility for the preparation and content of the CDP Climate Change Questionnaire (hereafter, CDP Response). Sustainable's statement represents its independent and balanced opinion on the content and accuracy of the information and data held within.	<a href="#">2022 AA1000AS Assurance Statement</a>
<b>ACTIVITIES AND WORKERS</b>				
Active Sectors	2-6-a	Full	GRI Sector Program  Group 2: Industrial–Automotive, Chemical, Machinery & Equipment, Electronics Group 3: Transport, infrastructure and tourism–Software, Packaging Group 4: Other services and light manufacturing–Household durable, Retail, Commercial Services	<a href="#">GRI Sector Program – List of prioritized sectors</a>
Activities, brands, products & services	2-6-b-i	Full	The Company is a global provider of hand tools, power tools, outdoor products and related accessories, as well as a leading provider of engineered fastening solutions and attachment tools for infrastructure applications, with 2022 consolidated annual revenues of \$16.9 billion.	<a href="#">10-K Pg. 3</a>
Supply chain description	2-6-b-ii	Full	The Company's products are manufactured using resins, ferrous and non-ferrous metals including, but not limited to, steel, zinc, copper, brass, aluminum and nickel. The Company also purchases components such as batteries, motors, engines, transmissions, and electronic components to use in manufacturing and assembly operations along with resin-based molded parts. The raw materials required are procured globally and generally available from multiple sources at competitive prices	<a href="#">10-K Pg. 6</a>
Downstream entities description	2-6-b-iii	Full	The Company's operations are classified into two reportable business segments: Tools & Outdoor and Industrial.  The Tools & Outdoor segment is comprised of the Power Tools Group ("PTG"), Hand Tools, Accessories & Storage ("HTAS"), and Outdoor Power Equipment ("Outdoor") businesses. The segment sells its products to professional end users, distributors, independent dealers, retail consumers and industrial customers in a wide variety of industries and geographies. The majority of sales are distributed through retailers, including home centers, mass merchants, hardware stores, and retail lumber yards, as well as third-party distributors, independent dealers, and a direct sales force.  The Industrial segment is comprised of the Engineered Fastening and Infrastructure businesses. The Engineered Fastening business primarily sells highly engineered components such as fasteners, fittings and various engineered products, which are designed for specific application across multiple verticals. The Infrastructure business sells hydraulic tools and high quality, performance-driven heavy equipment attachment tools for off-highway applications.	<a href="#">10-K Pg. 5</a>
Changes to Previous Reports - organization & supply chain	2-6-d	Full	<b>Divestitures</b> On August 19, 2022, the Company sold its Oil & Gas business comprised of the pipeline services and equipment businesses to Pipeline Technique Limited. On July 22, 2022, the Company sold its Convergent Security Solutions ("CSS") business comprised of the commercial electronic security and healthcare businesses to Securitas AB for net proceeds of \$3.1 billion. On July 5, 2022, the Company sold its Mechanical Access Solutions ("MAS") business comprised of the automatic doors business to Allegion plc for net proceeds of \$922.2 million.  <b>Global Cost Reduction Program</b> In mid-2022, the Company launched a program comprised of a series of initiatives designed to generate cost savings by resizing the organization and reducing inventory with the ultimate objective of driving long-term growth, improving profitability and generating strong cash flow. These initiatives are expected to optimize the cost base as well as provide a platform to fund investments to accelerate growth in the core businesses.	<a href="#">10-K Pg. 28</a>



# GRI Index

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	Disclosure & Brief Description of Management Approach	Link for Publicly Available Management Approach
Employees - Demographics	2-7-a,b,d,e 2-8-a,c	Partial	<p>As of December 31, 2022, the Company had approximately 54,200 employees in 59 countries. Approximately 35% of total employees were employed in the U.S. In addition, the Company had approximately 5,700 temporary contractors globally, primarily in operations. The workforce is comprised of approximately 72% hourly-paid employees, principally in manufacturing and distribution centers, and 28% salaried employees.</p> <p>Approximately 39% of global new hires in 2022 were women versus 37% in 2021, and in the U.S. approximately 39% of new employees were racially or ethnically diverse versus 45% in 2021.</p> <p>The Company is committed to building and nurturing an inclusive culture of passion and belonging where employees feel valued and heard, and are positioned to succeed. As of December 31, 2022, the Chief Executive Officer and his direct staff are comprised of 42% women leaders versus 36% in 2021, and 25% racially or ethnically diverse leaders versus 36% in 2021. Women represent approximately 35% of the Company's global workforce versus 33% in 2021. In the U.S., approximately 35% of employees are racially or ethnically diverse versus 34% in 2021.</p>	<a href="#">10-K Pg. 3, 7, 8</a> <a href="#">Proxy Pg. 21</a>
<b>GOVERNANCE</b>				
Governance	2-9-a	Full	<p>The Board is designed to provide independent oversight of the Company and management to establish and review progress on short-term and long-term business strategy, enterprise risk management, executive compensation, and corporate social responsibility and governance. This framework ensures accountability to our shareholders through governance policies aligned with best practices.</p>	<a href="#">Proxy Pg. ix-17</a>
Governance Structure	2-9-a,b,c,i,ii,iii,iv,v,vi,vii,viii	Full	<p>Governance Structure: The Board and the Corporate Governance Committee provide holistic oversight and thought leadership as Stanley Black &amp; Decker navigates rapidly evolving ESG policies. The full Board regularly engages with management regarding our human capital management strategy, focusing on areas such as culture; diversity, equity and inclusion; and talent acquisition, retention, development, and succession planning. Directors engage in employee listening sessions, particularly with Employee Resource Groups.</p> <p>Committees: Executive Committee, Audit Committee, Corporate Governance Committee, Finance and Pension Committee, and Compensation &amp; Talent Committee. A member of the committee holds one Chair position maximum.</p> <p>Executive and Non-Executive Members: 10 Members as detailed in the Proxy</p> <p>Independence: The Board of Directors has adopted Director Independence Guidelines which are available on the "Governance Documents" section of the Company's website at <a href="http://www.stanleyblackanddecker.com">www.stanleyblackanddecker.com</a> (which appears under the "Investors" heading and the "Governance" subheading).</p> <p>Demographics:</p> <ul style="list-style-type: none"> <li>Average Tenure—5 years</li> <li>Tenure &lt; 3 years—6 Directors</li> <li>Tenure &gt; 5 years—4 Directors</li> <li>4 Female Directors</li> <li>6 Male Directors</li> <li>1 Female Veteran</li> <li>2 Men are Racially/Ethnically Diverse</li> </ul> <p>Competencies relevant to the impacts of the organization:</p> <ul style="list-style-type: none"> <li>50% of Directors have global experience which includes living outside the U.S. and/or who hold dual citizenship</li> <li>50% of Directors have CEO experience</li> </ul>	<a href="#">ESG Report Pg. 48 "Board of Directors"</a> <a href="#">Proxy Pg. ix-12</a>



# GRI Index

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	Disclosure & Brief Description of Management Approach	Link for Publicly Available Management Approach
Nomination and selection of highest governance body	2-10-a,b,i,ii,iii,iv	Full	<p>Nomination Process: All candidates for Board membership are evaluated by the Corporate Governance Committee. In evaluating candidates, including existing Board members, the Corporate Governance Committee considers an individual candidate's personal and professional responsibilities and experiences, the composition of the Board, including diversity, and the challenges and needs of the Company in an effort to ensure that the Board is comprised of a diverse group of members who are positioned to best serve the needs of the Company and its shareholders. In addition to recommendations from directors, management, and shareholders, the Corporate Governance Committee may also consider recommendations from third-party search firms retained for this purpose, whose function is to assist in identifying qualified candidates. In general, and in giving due consideration to the composition of the Board at the time a candidate is being considered, the Corporate Governance Committee considers a potential nominee's or director's:</p> <ul style="list-style-type: none"> <li>• integrity and demonstrated high ethical standards;</li> <li>• experience with business administration processes and principles and risk management;</li> <li>• ability to express opinions, raise difficult questions, and make informed, independent judgments;</li> <li>• knowledge, experience, and skills in one or more specialty areas (such as accounting or finance, legal, regulatory governmental affairs, human capital management, product development, manufacturing, technology, digitization and cybersecurity, global operations, real estate or corporate strategy, among others);</li> <li>• ability to devote sufficient time to prepare for and attend Board meetings;</li> <li>• willingness and ability to work with other members of the Board in an open and constructive manner;</li> <li>• ability to communicate clearly and persuasively; and</li> <li>• diversity with respect to other characteristics, which may include gender, age, ethnicity, race, nationality, skills and experience.</li> </ul>	<a href="#">Proxy Pg. 9</a>
Chair of the highest governance body	2-11-a,b	Full	The Executive Chairman of the Board of Directors is not a senior director at SBD.	<a href="#">Proxy Pg. ix</a>
Governance - Overseeing the Management of Impacts	2-12-a,c	Full	<p>The Corporate Governance Committee and the Board of Directors review the Corporate Governance Guidelines to ensure that they reflect changes in good governance practices or regulatory updates. The Company's Corporate Governance Guidelines, Restated Certificate of Incorporation, as amended, and Bylaws include the following practices:</p> <ul style="list-style-type: none"> <li>• Annual election of directors, with majority vote standard for uncontested elections</li> <li>• Independent Board, other than our President &amp; Chief Executive Officer</li> <li>• Independent Board Chair</li> <li>• Shareholder-approved director fee cap</li> <li>• Mandatory director retirement age of 75</li> <li>• Recoupment ("clawback") policy relating to equity and cash incentive compensation of all executive officers</li> <li>• Proxy access, allowing eligible long-term shareholders holding 3% or more of our outstanding shares of common stock to include nominations for directors in the Company's Proxy Statement</li> <li>• Annual Board and committee self-assessments</li> <li>• Board and committee oversight of ESG policies and practices</li> <li>• Meeting of independent directors in executive session at each regularly scheduled Board and committee meeting</li> <li>• Policy against hedging or pledging of Company stock applicable to all directors, executive officers and employees</li> <li>• No shareholder rights ("poison pill") plan</li> <li>• Robust stock ownership guidelines for directors and executive officers</li> <li>• Director overboarding policy that prevents directors from serving on more than four other public company boards (or one other public company board for the CEO)</li> <li>• No excise tax gross-ups under change in control agreements with executive officers and no tax gross-ups on perquisites</li> <li>• Double trigger vesting provisions requiring a change in control and qualifying termination of employment under our equity plans</li> <li>• Shareholder right to act by written consent and to amend Bylaws by a majority vote</li> <li>• Commitment to balanced Board refreshment with five new independent directors in the last three years and a mixture of director tenures</li> </ul>	<a href="#">Proxy Pg. iv</a>



# GRI Index

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	Disclosure & Brief Description of Management Approach	Link for Publicly Available Management Approach
Governance - Stakeholder engagement	2-12-b	Full	<p>We recognize that focusing on ESG matters is not only integral to being a good corporate citizen but is also critical to creating long-term value for our stakeholders. Our Corporate Governance Committee is responsible for overseeing the Company's ESG efforts and regularly reports to the Board on these matters.</p> <p>Our commitments to progress across all dimensions of ESG are grounded in specific and bold, context- and science-based targets. We are currently focused on improving the sustainability of our operations by reducing carbon emissions and Zero Waste to Landfill.</p> <p>We place a high priority on regular, year-round proactive engagement with our shareholders to better understand their perspectives about our Company and the market generally. During 2022, we reached out to shareholders representing greater than 60% of our outstanding shares, and management and directors engaged with approximately 34% of shareholders on various topics important to our shareholders. Topics included ESG matters, Company strategy, Board composition and structure, risk management, human capital management, DE&amp;I, sustainability, and our executive compensation program.</p> <p>The feedback we received from shareholders was shared with the full Board. Engagement with shareholders has enabled us to better understand our shareholders' priorities and continually evaluate and improve our governance practices based on shareholder feedback.</p>	<p><a href="#">Proxy Pg. c, 32</a></p> <p><a href="#">ESG Report Pg. 16 "Stakeholder Engagement"</a></p>
Governance - Managing Impacts	2-13-a,i,ii,b	Full	<p>The Corporate Governance Committee of the Board oversees the Company's policies, objectives and practices regarding environmental, social and governance strategy. The full Board reviews our long-term ESG strategies and goals as a component of the annual strategic plan review process.</p> <p>The full Board also regularly reviews our human capital management strategy, focusing on areas such as culture; diversity, equity and inclusion; and talent attraction, development and retention. We have organized additional management governing bodies to guide, review, implement and track our progress against our ESG objectives.</p> <p>In 2021, we 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.</p> <p>In 2022, we formalized a cross-functional ESG Council comprised of senior leaders representing, EHS, DE&amp;I, Human Resources, Legal, Accounting and Investor Relations. The Council meets on a monthly basis to discuss ESG program strategy and execution. With a mandate to interpret and govern the strategic direction set forth by the Steering Committees, the Council makes decisions and recommendations that advance our ESG priorities and reporting strategy. 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.</p>	<p><a href="#">Proxy Pg. 19–20</a></p>
Governance - Role in Sustainability Report	2-14-a,b	Full	<p>We recognize that focusing on ESG matters is not only integral to being a good corporate citizen but is also critical to creating long-term value for our stakeholders. Our Corporate Governance Committee is responsible for overseeing the Company's ESG efforts and regularly reports to the Board on these matters.</p> <p>In 2022, we formalized a cross-functional ESG Council comprised of senior leaders representing, EHS, DE&amp;I, Human Resources, Legal, Accounting and Investor Relations. The Council meets on a monthly basis to discuss ESG program strategy and execution. With a mandate to interpret and govern the strategic direction set forth by the Steering Committees, the Council makes decisions and recommendations that advance our ESG priorities and reporting strategy.</p>	<p><a href="#">Proxy Pg. c, 20</a></p>





# GRI Index

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	Disclosure & Brief Description of Management Approach	Link for Publicly Available Management Approach
Governance - Conflict of interest	2-15-a,b,i,ii,iii,iv	Full	<p>Pursuant to the Company's Code of Business Ethics, employees, officers and directors are required to bring any potential conflict of interest to the attention of the General Counsel. The Board has also approved a written Related Party Transactions Policy under which any proposed related party transaction involving directors, officers, nominees for directors or a 5% shareholder of the Company, or an otherwise "related person" as that term is defined in Item 404(a) of Regulation S-K ("Related Person"), shall be brought to the attention of the Company and reviewed by the General Counsel. The General Counsel obtains the facts to determine whether a conflict or potential conflict exists and determines whether the transaction or relationship constitutes a Related Party Transaction or should otherwise be reviewed by the Audit Committee. The Audit Committee is responsible for the review, approval or ratification of Related Party Transactions and may, in its discretion, approve, ratify or take other action with respect to a transaction.</p> <p>To enhance the Compensation Committee's ability to perform its responsibilities, the Compensation Committee retained Pay Governance, an independent compensation consultant, to advise on executive compensation issues. As an independent advisor to the Compensation Committee, Pay Governance:</p> <ul style="list-style-type: none"> <li>• reviews the total compensation strategy and pay levels for the Company's named executive officers;</li> <li>• examines all aspects of the Company's executive compensation programs to ensure the programs continue to support the Company's business strategy;</li> <li>• informs the Compensation Committee of developing legal and regulatory considerations affecting executive compensation and benefit programs; and</li> <li>• provides general advice to the Compensation Committee with respect to compensation decisions pertaining to the Chief Executive Officer and senior executives.</li> </ul> <p>In addition to the services provided to the Compensation Committee, Pay Governance periodically provides information and advice to the Corporate Governance Committee regarding the compensation of the Company's non-employee directors. Pay Governance provides no other services to the Company. As described in more detail on page 14, the Compensation Committee has determined that Pay Governance is independent and that there is no conflict of interest between Pay Governance and the Compensation Committee or the Company.</p>	<a href="#">Proxy Pg. "Role of Independent Compensation Consultant"</a>
Governance - Communication of Critical Concerns	2-16-a,b	Partial	<p>As required by our Corporate Governance Guidelines, during the orientation process for new directors, each director receives a presentation from the Company's senior management that describes the Company's risk management policies and procedures. Our Audit Committee routinely discusses with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including cybersecurity risk, and the Company's risk assessment and compliance policies. The Audit Committee regularly reviews compliance and disclosure control procedures, including those related to cybersecurity policies, procedures and disclosure. Our Finance and Pension Committee reviews our enterprise risk management process. Our Compensation Committee oversees the operation of the Company's compensation programs to ensure that the compensation programs do not encourage unnecessary or excessive risk-taking. In addition, the full Board reviews the Company's risk management program and its efforts to mitigate risks to the Company, on at least an annual basis. The Board is committed to having individuals experienced in risk management on the Audit Committee and the Finance and Pension Committee, as well as on the full Board.</p>	<a href="#">Proxy Pg. 17</a>
Governance - Collective Knowledge	2-17-a	Full	<p>Experience: The Corporate Governance Committee and the Board carefully considered the qualifications, skills and experience of each nominee when concluding that this year's nominees should serve on the Board. The Board of Directors Experience Matrix chart highlights certain of the diverse sets of skills, knowledge, background and experience that are represented on our Board.</p> <p>Director Continuing Education: Pursuant to the Company's Corporate Governance Guidelines, the Company regularly provides directors with continuing education on a variety of topics by outside speakers and management. In 2022, subjects covered with Board members included, among other topics, shareholder activism, investor sentiments, regulatory developments, data privacy, corporate governance, cybersecurity, and ESG. In addition, the Company provides all directors with a subscription to Agenda, a weekly corporate publication that focuses on governance issues of interest to directors of public companies. The Corporate Governance Committee encourages directors to periodically attend outside workshops and seminars regarding corporate governance and other topics.</p>	<a href="#">Proxy Pg 10, 17</a>



# GRI Index

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	Disclosure & Brief Description of Management Approach	Link for Publicly Available Management Approach
Governance - Performance Evaluation	2-18-a,b,c	Full	Under our annual incentive performance award program, 2022 MICP awards are earned or forfeited at the end of the performance year depending on the achievement of pre-established Adjusted EPS, cash flow multiple, organic sales growth and Adjusted Gross Margin Rate performance goals. Bonus opportunities for the leaders of our different business units also reflect divisional operating margin, working capital, organic sales and adjusted gross margin rate percentage goals.	<a href="#">Proxy Pg. 39</a>
Remuneration policies	2-19-2-a,i,ii,iii,iv,v,b	Full	Our executive compensation philosophy is to provide performance-based and competitive compensation that rewards executives for actions that create long-term shareholder value and allows us to attract, motivate and retain high caliber executives. The primary tenets of our executive compensation philosophy include pay for performance, competitive pay, alignment with shareholder interests and balanced pay mix and are described in further detail under "Executive Compensation Philosophy Tenets" in our Proxy Statement.	<a href="#">Proxy Pg. 30</a>
Remuneration process	2-20-a,i,ii,iii,b	Full	<p>Our executive compensation philosophy is to provide performance-based and competitive compensation that rewards executives for actions that create long-term shareholder value and allows us to attract, motivate and retain high caliber executives. The primary tenets of our executive compensation philosophy include pay for performance, competitive pay, alignment with shareholder interests and balanced pay mix and are described in further detail under "Executive Compensation Philosophy Tenets" in the Proxy link.</p> <p>To enhance the Compensation Committee's ability to perform its responsibilities, the Compensation Committee retained Pay Governance, an independent compensation consultant, to advise on executive compensation issues. As an independent advisor to the Compensation Committee, Pay Governance:</p> <ul style="list-style-type: none"> <li>• reviews the total compensation strategy, peer group and pay levels for the Company's named executive officers;</li> <li>• examines all aspects of the Company's executive compensation programs to ensure the programs continue to support the Company's business strategy;</li> <li>• informs the Compensation Committee of developing legal and regulatory considerations affecting executive compensation and benefit programs; and</li> <li>• provides general advice to the Compensation Committee with respect to compensation decisions pertaining to the CEO and senior executives.</li> </ul> <p>In addition to the services provided to the Compensation Committee, Pay Governance periodically provides information and advice to the Corporate Governance Committee regarding the compensation of the Company's nonemployee directors. Pay Governance provides no other services to the Company. As described in more detail on page 15, the Compensation Committee has determined that Pay Governance is independent and that there is no conflict of interest between Pay Governance and the Compensation Committee or the Company.</p>	<a href="#">Proxy Pg. 30, 47</a>
Annual Compensation Ratio	2-21-a,b,c	Full	<p>Based on the combined CEO total compensation described above compared to the compensation for the estimated median employee, our estimated pay ratio as calculated pursuant to applicable Securities and Exchange Commission regulations is 410:1.</p> <p>If instead of using the combined CEO compensation, we annualized Mr. Allan's 2022 compensation to 75 reflect a full year of his CEO level compensation, the CEO's total annual compensation would be \$10,812,867 for purposes of the CEO Pay Ratio resulting in a pro-forma Pay Ratio of 227:1, and representing a slight decrease from the Company's estimated pay ratio of 235:1 in 2021.</p> <p>As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act and in accordance with SEC regulations, we are providing the following information to explain the relationship between the annual total compensation of our estimated median employee and the annual total compensation of our CEO.</p>	<a href="#">Proxy Pg. 74</a>





# GRI Index

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	Disclosure & Brief Description of Management Approach	Link for Publicly Available Management Approach
<b>STRATEGY, POLICIES, AND PRACTICES</b>				
Sustainable Development Strategy	2-22-a	Full	The Company continues to execute a business strategy that involves organic growth in excess of the market and industry, geographic and customer diversification to foster sustainable revenue, and earnings and cash flow growth over the long term. Over the past two years, the Company has focused the portfolio on its leading positions in the Tools & Outdoor and Industrial businesses. The Company also remains focused on leveraging its SBD Operating Model to deliver success. The latest evolution of the SBD Operating Model builds on the strength of the Company's past while embracing changes in the external environment to ensure the Company has the right skillsets, incorporates technology advances in all areas, maintains operational excellence, drives efficiency in business processes and resiliency into its culture, delivers extreme innovation and ensures the customer experience is world class. The SBD Operating Model underpins the Company's ability to deliver above-market organic growth with margin expansion, maintain efficient levels of selling, general and administrative expenses ("SG&A") and deliver top-quartile asset efficiency.	<a href="#">10-K Pg. 27</a>
Disclosure Policy Statements: Ethics & Integrity	2-23-a	Full	SBD's core values are ethics and integrity. Several mechanisms are in place to operationalize these values including an integrity hotline that can be used anonymously. SBD fosters a culture that supports people speaking up, sharing ideas and voicing concerns safely and constructively.	<a href="#">SBD Code of Business Ethics</a>
Precautionary Principle	2-23-a-iii	Full	The precautionary principle is incorporated into SBD's company-wide EHS Management System and is the basis for SBD's expectations contained within the EHS RoadMap and CSR Strategy. SBD follows the precautionary principle in all of its dealings. This is reflected throughout the EHS Management System, as it lays out roles and responsibilities for all SBD employees and leaders.	<a href="#">SBD EHS Management System Plan</a>
Disclosure	2-23-b-i,ii,c,d,e,f	Full	<p>The people of Stanley Black &amp; Decker are committed to fostering a culture that supports people speaking up, sharing ideas and voicing concerns safely and constructively. If you find something that doesn't align to that commitment, we want to hear from you. You will never be penalized for making a good faith report of an ethical concern or conflict with our Code.</p> <p>Doing right by our people is a part of our character, and we actively demonstrate the courage to care, respect and support the fundamental Human Rights of all individuals. As a global business, we are committed to respecting, protecting and supporting the principles included in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and the Rights at Work.</p>	<a href="#">SBD Code of Business Ethics</a>
Embedded Policy Comments	2-24-2-i,ii,iii,iv	Full	<p>Building the right relationships with our customers is a foundation of our business that has lasted nearly two centuries. It is our duty to conduct business fairly and honestly, so that we can build open and long-lasting relationships leading us into the next century. We negotiate and secure sales and contracts in alignment with our ethical standards—lawfully and honorably—both domestically and abroad.</p> <p>The United States, the European Union and many other countries have laws that prohibit anti-competitive behavior, including agreements with competitors and certain other market participants to fix prices, unjustifiably charging competing customers different prices for the same products or reaching agreements with competitors to divide customers or markets. We stand in alignment with these laws.</p> <p>For more information refer to Our Code of Business Ethics.</p>	<a href="#">SBD Code of Business Ethics</a>



# GRI Index

GRI Material Issue	GRI Disclosure	Full or Partial Disclosure	Disclosure & Brief Description of Management Approach	Link for Publicly Available Management Approach
Processes to Remediate Negative Impacts	2-25-a,b,c,d,e	Partial	<p>Corporations play a broader role in society—one that includes helping solve some of the world’s greatest challenges. Climate change, income inequality and workforce development are among the most pressing concerns we face today. By focusing on these issues, we’re working to be a force for good. In doing so, we build on our historic progress, with a keen focus on the environment, health and safety, meaningful innovation, sustainability and community engagement, knowing there’s always more to be done.</p> <p>The Company’s business strategy is interdependent with its ESG strategy that encompasses our commits to the pillars of people, planet and product addressing carbon emissions, waste, supporting our employees, suppliers and the trades. These are core business areas that ensure the long-term viability of the Company, its customers, suppliers, employee base, and communities. As well, SBD details a list of ESG Goals and Commitments in the yearly ESG Report dedicated to remediating negative impacts.</p> <p>The people of Stanley Black &amp; Decker are committed to fostering a culture that supports people speaking up, sharing ideas and voicing concerns safely and constructively. If you find something that doesn’t align to that commitment, we want to hear from you. You will never be penalized for making a good faith report of an ethical concern or conflict with our Code of Business Ethics. This Code applies to all of us—employees, officers, directors, contractors, vendors and suppliers. A full list detailing how ethics and impacts intersect can be found throughout our Code of Business Ethics.</p> <p>Code of Business Ethics, Workplace Harassment Prevention, and Managing Unconscious Bias training, among others, are provided to employees and the content is regularly reviewed and updated. All employees have access to the INTEGRITY@SBD platform where support, guidance and resources are available. Employees are encouraged to raise any concerns through multiple channels, including through the confidential Integrity Helpline, without fear of retaliation or retribution. The Company remains fully committed to its key priorities of: Health &amp; Safety; Diversity, Equity &amp; Inclusion; Environmental &amp; Social Responsibility; and Integrity &amp; Compliance.</p>	<p><a href="#">10-K Pg. 4, 7-10</a></p> <p><a href="#">Growth with Purpose—Our Impact</a></p> <p><a href="#">SBD Code of Business Ethics</a></p>
Mechanisms for seeking advice and raising concerns	2-26-a-i,ii	Full	<p>The people of Stanley Black &amp; Decker are committed to fostering a culture that supports people speaking up, sharing ideas and voicing concerns safely and constructively. If our employees find something that doesn’t align to that commitment, we want to hear from them. We do not penalize employees for making a good faith report of an ethical concern or conflict with our Code of Business Ethics.</p>	<p><a href="#">SBD Code of Business Ethics</a></p>
Membership associations	2-28	Full	<p>We partner with several associations with a shared goal to work together to advance solutions to shared challenges.</p>	<p><a href="#">Endorsements &amp; Memberships</a></p>
Stakeholder engagement	2-29-a-i,ii,iii	Partial	<p>The Company’s business strategy is interdependent with its ESG strategy As we focus our efforts on our new ESG goals aligned to our business transformation, we remain committed to the pillars of people, planet and product and we will continue our progress in addressing carbon emissions and waste and supporting our employees, suppliers and the trades. These are core business areas that ensure the long-term viability of the Company, its customers, suppliers, employee base, and communities. The Company has established an ESG strategy with a three-pronged approach to driving positive impact for people, products and the planet. Our reset ESG goals are aligned with the UN Sustainable Development Goals (SDG’s) and intrinsically tie to our purpose, <b>For those who make the world.</b>™</p> <p>We formed an external ESG Advisory Board to inform our sustainability and social impact strategies and performance, offer key perspectives on emerging issues and make recommendations for how our strategy can remain current and relevant in relation to evolving circumstances and stakeholder expectations.</p> <p>In acting to support our ESG priorities, 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 on our relationships with internal and external stakeholders and value their input and perspectives, to continuously advance as global corporate citizens and to improve the world we share. A full list of these stakeholders can be found in our ESG Report.</p>	<p><a href="#">Proxy Pg. 18, 20</a></p> <p><a href="#">ESG Report Pg. 16 “Stakeholder Engagement”</a></p>
Collective bargaining	2-30-a,b	Full	<p>There were approximately 1,000 U.S. employees covered by collective bargaining agreements dispersed among nine different local labor unions, and a majority of European employees are represented by Works Councils.</p>	<p><a href="#">10-K Pg. 7</a></p>





# GRI Index

## Topic Specific Disclosures

Material Issue	GRI Disclosures	Full or Partial Disclosure	GRI 3-3—Management Approach	KPI	Link to Publicly Available Data—Management Approach	Link to Publicly Available Data—KPI
Customer Satisfaction	N/A	N/A	Honing our craft since 1843, we know a thing or two about making great tools. We stock your toolbox, shed and truck bed. The ones you've come to rely on to make that repair, nail that renovation and landscape like a pro. But that's just part of our story. We help build the roads you drive on. And the car you drive in. Even the cell phone that keeps you connected. What we do may go unnoticed, but that doesn't make it any less remarkable. Get to know how our brands empower the way we live.	2022 consolidated annual revenues of \$16.9 billion	<a href="#">Our Brands</a>	<a href="#">10-K Pg. 3</a>
Product Safety	416-1 416-2	Full	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.	100% of products assessed for health and safety improvements, 0\$ in non-compliance penalties	<a href="#">Customer Health &amp; Safety, Responsible Marketing</a>	<a href="#">Product Safety</a>
Responsible Business Practices	205-1 206-1 307-1 413-1	205-1, 206-1, 307-1—Full; 413-1—Partial—Limited Data	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 these 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.  External certifications such as ISO 14001 certification require stakeholder and community engagement. SBD's EHS Management System Plan requests that our sites engage in stakeholder and community outreach.	205-1. Stanley Black & Decker ("SBD" or "Company") abstains from corrupt practices and never pays bribes. We compete fairly for our business opportunities, and do not offer or accept Anything of Value to gain an unlawful advantage. This policy was developed to help our employees around the world adhere to these principles.  As a global company, SBD must comply with the anti-bribery and anti-corruption laws and regulations of every country in which it operates. These laws — such as the French "Sapin II" law, the UK Bribery Act and the US Foreign Corrupt Practices Act — are generally broad in their scope and application. They make it illegal for anyone to offer, promise, give, solicit or receive — directly or indirectly — money or "Anything of Value" to or from a Government Official or someone in the private sector in order to obtain or retain business or secure some other improper advantage. Violations of anti-corruption laws carry significant civil and criminal penalties, and put the reputation, hard work and business of SBD and its employees at risk. 206-1-1. 307-1-0. 413-1—59% of SBD locations hold external certifications.	<a href="#">SBD Code of Business Ethics</a>	<a href="#">ESG Report, Pg. 11 "2022 ESG Scorecard"</a>
Customer Privacy	418-1	Partial—Limited Data	SBD has implemented reasonable technical, administrative and physical measures designed to protect the personal information in our custody or control from unauthorized access, use, modification and disclosure.	None	<a href="#">Privacy Policy</a>	



# GRI Index

Material Issue	GRI Disclosures	Full or Partial Disclosure	GRI 3-3 — Management Approach	KPI	Link to Publicly Available Data — Management Approach	Link to Publicly Available Data — KPI
Responsible Marketing	417-1	Full	Stanley Black & 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.	100% of new suppliers were evaluated in 2022; 185 suppliers had on-site evaluations.	<a href="#">Supplier Handbook</a>	<a href="#">Responsible Sourcing</a>
Health & Safety/ Wellbeing	403-1 403-9	Full	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).	59% certified to external ESG/EHS related standards 2022 TRIR = 0.85 2022 LTIR = 0.3	<a href="#">SBD EHS Management System Plan</a>	<a href="#">ESG Report, Pg. 11 "2022 ESG Scorecard"</a>
Employee Engagement	401-1 404-2	Partial	In 2022, the Company invested in development and talent initiatives for its operations workforce through dedicated operations-focused Workforce Readiness enablement programs. These programs had a dedicated focus on upskilling initiatives, and with future career opportunities across its operations workforce, the Company is educating and developing the workforce together with advancements in manufacturing capabilities.	401-1—Approximately 39% of global new hires in 2022 were women versus 37% in 2021, and in the U.S. approximately 39% of new employees were racially or ethnically diverse versus 45% in 2021.  404-2—The Company utilized AI-based video technology to help its operations employees learn on-the-job training. In 2022, the Company had 12,932 users with 3,142 published videos and 172,465 workflow views to assist operations employees with on-the-job training.	<a href="#">10-K Pg. 8</a>	<a href="#">ESG Report, Pg. 11 "2022 ESG Scorecard"</a>
Restricted & Hazardous Substances	301-1, 301-3	Partial	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 open to new material options.	301-3—Call2Recycle: 263,437 lbs of batteries recycled TerraCycle: 1,809 units totaling 947 lbs of batteries recycled	<a href="#">PRODUCT Innovate With Purpose</a>	<a href="#">REACH Declaration</a> <a href="#">Restricted Mineral Policy</a> <a href="#">Conflict Minerals Policy</a>





# GRI Index

Material Issue	GRI Disclosures	Full or Partial Disclosure	GRI 3-3 — Management Approach	KPI	Link to Publicly Available Data — Management Approach	Link to Publicly Available Data — KPI
Supply Chain Responsibility	308-1 308-2 414-1	Full	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 for eliminating waste and continuously improving their business processes.	100% of new suppliers assessed against social and environmental criteria.  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.	<a href="#">Supplier Handbook</a>	<a href="#">Supplier Handbook</a>  <a href="#">ESG Report Pg. 8 "Our Refreshed ESG Goals and Commitments"</a>
Waste	306-1 306-2 306-3 306-4 306-5	Full; Target and Management Approach established	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.  In 2022, we continued our partnership with our third-party 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 2022 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.	90% diverted from landfill; 10% landfilled 4,701 mt hazardous waste disposed 33% of our manufacturing and distribution sites have achieved ZWTL status	<a href="#">PLANET Create a More Sustainable World</a>	<a href="#">ESG Report Pg. 8 "Our Refreshed ESG Goals and Commitments"</a>  <a href="#">2022 AA1000AS Assurance Statement</a>
Localization and Partnerships	204-1	Partial	SBD provides high quality, reliable solutions and products, and has been doing so 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.	Data not aggregated company-wide	<a href="#">Make Where We Sell</a>	Partial—data not aggregated company-wide



# GRI Index

Material Issue	GRI Disclosures	Full or Partial Disclosure	GRI 3-3 — Management Approach	KPI	Link to Publicly Available Data — Management Approach	Link to Publicly Available Data — KPI
Global Diversity and Non-Discrimination	405-1 406-1 – Partial – no data	Partial	<p>The Chief Diversity Officer (“CDO”), with the support of a dedicated team of diversity, equity, and inclusion (“DE&amp;I”) professionals, promotes a broad approach to DE&amp;I with the goal of accelerating Company performance, optimizing organizational culture, enhancing transparency, and strengthening accountability. The Company is continuing to execute initiatives across the global workforce designed to foster an inclusive workplace and facilitate equitable career development opportunities.</p> <p>The Company launched a racial equity roadmap in 2020 with 10 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 10 items were initiated in 2021 and the focus continued in 2022. As of December 31, 2022, 8 out of 10 points of our racial equity roadmap have been achieved. In light of our business transformation, we are now revising the two outstanding points of the roadmap to align with our plan to build a new, resilient supply chain and to continue to strengthen and sustain our relationships with external partners supporting our DE&amp;I efforts. The Company prioritizes investing in its communities by supporting individuals and organizations that advance DE&amp;I goals across regions in which it operates. There is a wide array of program offerings provided through the Company’s DE&amp;I external partnership network. Offerings span across multiple demographics (African American, Asian, Hispanic/Latino/Latinx, Disabilities, Women, LGBTQ+) and levels of participation range from early in career through executive level. 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, to STEM career opportunities and to help to develop them as leaders.</p>	<p>The Chief Executive Officer (“CEO”) and his direct staff are comprised of 42% women leaders versus 36% in 2021, and 25% racially or ethnically diverse leaders versus 36% in 2021. Women represent approximately 35% of the Company’s global workforce versus 33% in 2021. In the U.S., approximately 35% of employees are racially or ethnically diverse versus 34% in 2021. 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.</p> <p>No data for Total number of incidents of discrimination during the reporting period.</p>	<a href="#">10-K Pg. 8–9</a>	<a href="#">10-K, Pg. 8 “Human Capital Management”</a>
Air Pollution	305-1:5	Full	42% reduction in absolute Scope 1 & 2 GHG emissions by 2030 from a 2022 baseline	<p>Scope 1: 151,511 mt CO<sub>2</sub>e            Scope 2: 63,361 mt CO<sub>2</sub>e (market-based)            Scope 3: 15,614,111 mt CO<sub>2</sub>e            Carbon Intensity: 3.18 mt CO<sub>2</sub>e/thousand hours worked</p>	<a href="#">PLANET Create a More Sustainable World</a>	<a href="#">ESG Report, Pg. 11 “2022 ESG Scorecard”</a> <a href="#">2022 AA1000AS Assurance Statement</a>
Water	303-1 303-3 303-5	Partial	We see water stewardship as an important issue, even though our operations are not particularly water intensive. Water is life, and sufficiently available fresh water sustains our surrounding communities and helps all living things to thrive.	<p>Total withdrawals: 554,859,678 gallons            Total use: 554,859,678 gallons (including process, non-contact, sanitary)</p>	<a href="#">PLANET Create a More Sustainable World</a>	<a href="#">2022 AA1000AS Assurance Statement</a>





# GRI Index

Material Issue	GRI Disclosures	Full or Partial Disclosure	GRI 3-3 — Management Approach	KPI	Link to Publicly Available Data — Management Approach	Link to Publicly Available Data — KPI
Climate Change	305-1:5	Full	Responsible stewardship of our operational environmental impacts through creating sustainable operations. 42% reduction in absolute Scope 1 & 2 GHG emissions by 2030 from a 2022 baseline.	Scope 1: 151,511 mt CO <sub>2</sub> e Scope 2: 63,361 mt CO <sub>2</sub> e (market-based) Scope 3: 15,614,111 mt CO <sub>2</sub> e Carbon Intensity: 3.18 mt CO <sub>2</sub> e/thousand hours worked	<a href="#">PLANET Create a More Sustainable World</a>	<a href="#">ESG Report, Pg. 11 “2022 ESG Scorecard”</a>  <a href="#">2022 AA1000AS Assurance Statement</a>
Socioeconomic Development	203-2 413-1	Partial	We have always been <b>For those who make the world.</b> ™ Moving forward, we are focusing our philanthropy initiatives on serving as a force multiplier to support and align with our business priorities—growing the trades, empowering our people and responding to events that need our tools and expertise. Our longstanding support for youth-oriented initiatives continues, while our focus is shifting to where we can make the greatest and most relevant impact.	Through our signature program, Global Impact Challenge, we funded grants to organizations that deliver skills building for tradespeople in communities of need. By the end of 2022, we awarded over \$6M in cash and \$1.3 million in retail value for tool donations to support vocation/trade programs of select nonprofits and public schools.  More details can be found within the ESG Report People Section “Strengthening Our Communities.”	<a href="#">ESG Report Pg. 26 “Strengthening Our Communities”</a>	<a href="#">ESG Report Pg. 25 “Empowering Tradespeople”</a>
Philanthropy and Volunteerism	N/A	N/A	We thoughtfully aligned our giving and community support to strategically advance our purpose and impact. Among our main interests: empowering makers, advocating racial and gender equity and engaging our employees as advocates and ambassadors.  Our strategic philanthropy team partners with our DE&I team to identify and activate nonprofit engagements to drive change, with a focus on inclusion and racial equity. Our people continue to work as catalysts for needed change with community organizations doing a world of good.	In 2022, Stanley Black & Decker donated nearly \$12 million in direct cash donations and set aside tools with a retail value of roughly \$1.8 million for donations to nonprofits around the world.  American Red Cross Annual Disaster Giving Program Member Trade and STEAM Scholarship Programs  SBD Gives Back Campaign: Ukraine  \$1.7M donated to strategically aligned racial equity-related organizations in 2022; \$3.37M cumulative progress through 2022; \$10.5M commitment goal by 2027.	<a href="#">2022 Philanthropy Report</a>	<a href="#">2022 Philanthropy Report</a>  <a href="#">ESG Report “Advancing DE&amp;I, Empowering Our People, and Growing the Trades”</a>
Innovation	N/A (a)	N/A	Breakthrough innovation is engrained in our culture, key to our future and central to how we bring products and solutions to light. Our innovation ecosystem harnesses internal and external resources through collaborative relationships with entrepreneurs, academic institutions, research labs and others.  The breakthrough teams within Tools, Outdoor, Engineered Fastening, Infrastructure and Aerospace Manufacturing pursue ideas on their own, but also collaborate. A centralized breakthrough team serves as a shared resource to coordinate efforts, drive internal initiatives and explore ideas that cross over our traditional businesses.	In innovative hubs around the world where commercial, startup and academic resources are concentrated, our businesses have launched off-site breakthrough innovation centers dedicated to developing game-changing solutions, each with long-term potential to generate annual revenue in excess of \$100 million.	<a href="#">WELCOME DISRUPTION Innovation: In Our DNA</a>	<a href="#">WELCOME DISRUPTION Innovation: In Our DNA</a>



# SASB Index — Industrial Machinery and Goods<sup>22</sup>

Topic	Accounting Metric	Code	Management Narrative	Accounting Metric Disclosure
Energy Management	<ol style="list-style-type: none"> <li>Total Energy Consumed</li> <li>Percentage Grid Electricity</li> <li>Percentage Renewable</li> </ol>	RT-IG-130a.1	Combating climate change and building resiliency into our operations remains a key strategic priority for Stanley Black & Decker. We continue to invest in decarbonizing our operations through process innovation, on- and off-site renewable energy programs, to include on-site solar and management system enhancements. In addition to supporting site-based capital investment such as solar arrays, we continue to evaluate alternative options such as PACE (property assessed clean energy) financing and PPAs (power purchase agreements) and other energy efficiency opportunities and investments to reduce our total electrical load and carbon intensity.	<p>Total Energy Consumption: 1,569,176 MWh</p> <p>The current year metric includes consumption of purchased electricity, self-generated electricity, and fuel consumption. In prior periods the amounts disclosed only included the consumption of purchased electricity and self-generated electricity.</p> <p><a href="#">2022 AA1000AS Assurance Statement</a></p> <p>Percentage Grid Electricity: 60%</p> <p>Renewable Energy: 40%</p> <p><a href="#">ESG Report, Pg. 11 "2022 ESG Scorecard"</a></p>
Employee Health and Safety	<ol style="list-style-type: none"> <li>Total Recordable Incident Rate (TRIR)</li> <li>Fatality Rate</li> <li>Near Miss Frequency Rate (NMFR)</li> </ol>	RT-IG-320a.1	The Company's Environmental, Health and Safety ("EHS") Management System Plan describes the core elements of EHS responsibility and accountability, including policies and procedures that are designed in alignment with global standards, the Company's Code of Business Ethics, applicable laws and individual facility needs. EHS requirements apply to all employees and operating locations worldwide, including all manufacturing facilities, distribution centers, warehouses, laboratories, field service centers, retail locations, 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). Refer to <a href="#">Protecting Employee Health &amp; Safety</a> section within this report for further discussion.	<p>TRIR: 0.85</p> <p>SBD is saddened to report 1 workplace fatality in 2022. The Company remains committed to striving for world-class standards of safety in its manufacturing facilities and distribution centers.</p> <p>NMFR: 16.3 (Incidents/100 heads)</p> <p><a href="#">ESG Report, Pg. 12 "2022 ESG Scorecard"</a></p> <p><a href="#">2022 Annual Report Form 10-K - Business - "Employee Wellness, Health and Safety" - Page 9</a></p>
Fuel Economy and Emissions in Use-phase	<ol style="list-style-type: none"> <li>Sales-Weighted Fleet Fuel Efficiency for Medium- and Heavy-Duty Vehicles</li> <li>Sales-Weighted Fleet Fuel Efficiency for Non-Road Equipment</li> <li>Sales-Weighted Fleet Fuel Efficiency for Stationary Generators</li> <li>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</li> </ol>	RT-IG-410a.1 RT-IG-410a.2 RT-IG-410a.3 RT-IG-410a.4	We understand that every product we make and sell has an environmental impact, in its creation, its use and its end of life. We are driven to understand all the environmental impacts of our innovative products, especially associated carbon emissions. Spurred by a life-cycle approach to understanding our products' emissions footprint, our work to electrify our products is one way we're helping reduce their downstream emissions impacts.	SBD does not sell medium- and heavy-duty vehicles and on-road engines, stationary generators, marine diesel engines, locomotive diesel engines, and other non-road diesel engines. For information on our work to improve emissions in our products and enable electrification and clean fuels for non-road equipment, refer to the <a href="#">Product section</a> within this ESG Report. For non-road equipment, the related unit of measure (i.e. gallons per hour) is currently being analyzed by the Company to determine a methodology to accurately report the results.





# SASB Index – Industrial Machinery and Goods<sup>22</sup>

Topic	Accounting Metric	Code	Management Narrative	Accounting Metric Disclosure
Material Sourcing	Description of the Management of Risks Associated with the Use of Critical Materials	RT-IG-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="#">2022 Annual Report Form 10-K - Business - "Raw Materials" - Page 6</a>  <a href="#">2022 Annual Report Form 10-K - Risk Factors - "The Company's business is subject to risks associated with sourcing, manufacturing and maintaining appropriate inventory levels." - Page 11</a>  <a href="#">Supplier Handbook</a>
Remanufacturing Design and services	Revenue From Remanufactured Products And Remanufacturing Services	RT-IG-440b.1	We continue to invest in creating and commercializing more sustainable, eco-friendly products. Our innovations push the boundaries of circular design and electrification, while reducing the environmental profile of our packaging and creating and implementing programs for battery and end-of-life tool recycling. Refer to <a href="#">Bringing Sustainable Products to Market</a> within this report for further discussion.	Revenue from Remanufactured Products and Remanufacturing Services: \$4.3M.
Information on Product Category	Number of units produced by product category	RT-IG-000.A	The Company is a global provider of hand tools, power tools, outdoor products and related accessories, as well as a leading provider of engineered fastening solutions and attachment tools for infrastructure applications.	Proprietary
Information on Employees & Other Workers	Number of employees	RT-IG-000.B	As of December 31, 2022, the Company had approximately 54,200 employees in 59 countries. Approximately 35% of total employees were employed in the U.S. In addition, the Company had approximately 5,700 temporary contractors globally, primarily in operations.	Total Employees: 54,200  <a href="#">2022 Annual Report 10-K, Item 1. Business, Page 7</a>

# S&P Global Sustainable1 Assurance

## Stanley Black & Decker assurance statement: AA1000AS v3

S&P Global Sustainable1, a business of S&P Global Inc. (hereafter, “Sustainable1”) was engaged by Stanley Black & Decker to provide assurance of the environmental data held within its 2023 CDP Climate Change Response.

### Intended users

The intended users of this assurance statement are the management and stakeholders of Stanley Black & Decker (hereafter, SBD).

### Responsibilities of SBD and assurance provider

The management of SBD has sole responsibility for the preparation and content of CDP Climate Change Response (hereafter, CDP Response). Sustainable1’s statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

### Assurance standard

Sustainable1 undertook the assurance in accordance with AA1000AS v3 (2020) Type 2 moderate-level assurance, covering:

- Evaluation of adherence to the AA1000AP (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- The reliability of employee safety and specified environmental performance information (energy use, greenhouse gas emissions, water use, and waste generated)

Sustainable1 used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate SBD’s performance information and adherence to the Principles.

### Scope and limitations

Sustainable1 was engaged to assure the data and claims in SBD’s 2022 external reporting, encompassing the period of 1 January 2022–31 December 2022. Sustainable1 was asked to assure reporting for Scope 1, 2 & 3 Greenhouse Gas emissions, hazardous waste, standard waste, facility zero waste to landfill claims, employee safety, as well as energy use and water use. SBD took a financial control approach.

### Methodology

Sustainable1’s assurance activities included the following:

- Review of the processes by which SBD defines the sustainability issues that are relevant and material to its operations and its stakeholders.
- Interviews with managers responsible for sustainability performance and data collection
- Assessment of the extent to which SBD’s sustainability activities adheres to the Principles
- Review of processes and systems used to gather and consolidate environmental data. The data sources that Sustainable 1 reviewed includes invoices, spreadsheets and other data points.
- Verification of data accuracy for a selection of sites, including an audit of conversion factors, and calculations

Sustainable1 verified the environmental impacts, as calculated by SBD, within the table on the following page.

# S&P Global Sustainable1 Assurance

Scope <sup>1</sup>	Source	Unit	Quantity
GHG Scope 1 <sup>2</sup>	Stationary Combustion	Metric tons CO <sub>2</sub> e	131,294
		MWh	730,292
	Mobile Combustion	Metric tons CO <sub>2</sub> e	20,217
		MWh	84,373
GHG Scope 2	Total electricity (Location based)	Metric tons CO <sub>2</sub> e	374,928
	Total electricity (Market based)		63,361
Electricity	Load Total	MWh	754,511
	Retained RECs <sup>3</sup>		17,038
GHG Scope 3 <sup>4,5</sup>	Category 1	Metric tons CO <sub>2</sub> e	5,953,256
	Category 4		591,161
	Category 5		7,782
	Category 9		875,926
	Category 11		7,276,246
Water	Process	Gallons	308,598,923
	Sanitary		246,260,755
	Total		554,859,678
Hazardous waste	Operations	Metric tons	4,701
Total waste	Operations		147,919
Zero Waste to Landfill (ZWTL) <sup>6</sup>	Waste quantity diverted from landfill by facilities designated as ZWTL in 2022 compared to 2021		
	% Sites achieved ZWTL <sup>7</sup>	%	33
Employee Safety <sup>9</sup>	Total Recordable Rate (TRR) <sup>8</sup>	Recordable incidents per 100 heads	0.85
	Lost Time Injury Rate (LTIR)	Lost time incidents per 100 heads	0.30
	Recordable Fatalities	Employee/ Contractor	1

- 1 All categories apply to SBD's entire operations except for ZWTL which applies to manufacturing and distribution center facilities.
- 2 Stationary combustion includes natural gas, LPG, fuel oil, diesel, gasoline and methanol and mobile combustion includes fuel use in vehicles
- 3 Retained RECs originate from hydro power plant owned by SBD
- 4 Year over Year (YOY) comparison is not applicable for Scope 3, Category 9 and Category 11 as the methodology used for FY22 is changed from FY21.
- 5 Scope 3 emissions calculation also includes the emissions generated through the businesses divested during FY22. The emissions are estimated based on the combined emission intensity of divested business for year 2021 (denoted in mt Co2e per dollar) and 2022 revenue of divested businesses.
- 6 The ZWTL scope includes manufacturing and distribution sites under our control that divert all waste from landfill, or direct it to incineration with energy recovery.
- 7 Out of the total 151 manufacturing and distribution sites 50 (33%) have achieved Zero Waste to landfill ( ZWTL). This includes open sites and excludes sites divested prior to year-end.
- 8 Total Recordable Rate (TRR) is a measure of the rate of recordable cases of employee injury, normalized by 100 workers per year. Lost Time Injury Rate (LTIR) is a measure of the rate of lost workday injuries, normalized by 100 workers per year.
- 9 As per USA OSHA guidelines/requirements.





# S&P Global Sustainable1 Assurance

Principle	Comments
<p><b>Inclusivity:</b> the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>Stanley Black &amp; Decker (SBD) considers their strategic customers, core suppliers, investors, and policymakers as key external stakeholders. SBD engages with internal stakeholders — including their businesses and leaderships — and employees. SBD has an established process in place to identify their key stakeholders within each business function. SBD has defined communication channels to help manage internal and external stakeholders — the Investor Relations and Public Relations teams for external stakeholders, and the Leadership, Human Resources, and Corporate Communications teams for internal stakeholders.</p> <p>SBD incorporates shareholder feedback into their governance practice reviews. They formed an environmental, social, and governance (ESG) External Advisory Board to inform of sustainability and social impact strategies and performance to meet stakeholder expectations. SBD has several channels for internal stakeholders to share concerns or feedback. Operational facilities have Leadership teams that provide leader-led, pre-defined EHS updates and information to the workforce and allow questions and concerns from the workforce on EHS in meetings and town hall events.</p> <p>In FY21, SBD formed an ESG Executive Steering Committee, led by the CEO, to provide a forum for ESG strategy alignment and feedback, progress review and collaboration on opportunities. SBD's supplier code of conduct focuses on business ethics, legal obligations, and industry standards, and establishes a sustainable procurement policy for their supplier's operational practices and supply chain.</p>
<p><b>Materiality:</b> determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>In FY16, SBD conducted their first materiality assessment, which was refreshed in FY21. The FY21 assessment identified six priority issues, (diversity, equity and inclusion (DE&amp;I); employment practices; employee health, safety and well-being; product responsibility; procurement practices; and innovation and digitalization) in addition to the 18 identified in the FY16 assessment.</p> <p>SBD formed employee resource groups (ERGs) to focus on community engagement, career development, culture of inclusion, and commerce/business impact. They are actively focusing on educating employees and the leadership through DE&amp;I workshops and training them on unconscious bias, gender equity, allyship, empathy, and welcoming differences. The company has also implemented the RISE initiative to address race and gender equity and offer diverse development programs such as on leadership development for Black, Asian, and Hispanic professionals.</p> <p>SBD maps certain UN Sustainable Development Goals (SDGs) against their key material topics, including SDG 4 – quality education, SDG 5 – gender equality, among others, SDG 8 – decent work and economic growth, SDG 9 – which covers innovation, SDG 10 – reduced inequality, SDG 12 – responsible consumption and production, and SDG 13 – climate action.</p>
<p><b>Responsiveness:</b> an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders</p>	<p>SBD's ESG Advisory Board meets quarterly to offer key perspectives on emerging issues and make recommendations on stakeholder expectations. SBD believes their first step is to engage and gives internal and external stakeholders access to local SBD websites. Social media platforms and avenues such as LinkedIn and Facebook, as well as customer service channels such as telephone and email, serve as avenues for external stakeholders to raise concerns. Internal feedback and inquiries can be directed to the company's ESG team members or raised through their workplace groups associated with sustainability (such as Corporate Social Responsibility, ECOSMART, and SBD Gives Back).</p> <p>SBD works with policymakers, the government, and other stakeholders such as trade associations – including the National Association of Manufacturers, Business Roundtable, and the U.S. Chamber of Commerce – to focus on stakeholders' input and perspectives.</p> <p>SBD aims to utilize better materials with a lower carbon footprint. This includes introducing products such as Black &amp; Decker Reviva, bio-based lubricants, and fluids. The company also prioritizes stakeholder feedback by implementing initiatives to address safety hazards and ergonomic risk factors associated with their products. These initiatives involve the introduction of features such as lanyard-ready tools, corded to cordless conversions for applications with tripping risks, and aviation snips designed to reduce muscle exertion.</p>
<p><b>Impact:</b> Organizations should monitor, measure and be accountable for how their actions impact broader ecosystems</p>	<p>For FY22, SBD's Science Based Targets initiative (SBTi) is aligned with achieving a 100% reduction of Scope 1 and 2 greenhouse gas (GHG) emissions by 2030 against their 2015 baseline; there was a significant rise in Scope 3 category 11 due to their acquisition of MTD Holdings, which has a portfolio of gas engine products. For Report Year 2022 SBD will disclose progress against their existing Science Base Targets which call for 100% reduction in Scope 1 and Scope 2 emissions by Target Year 2030 against a 2015 Base Year; and 35% reduction in Scope 3 Categories 1, 4, and 9 emissions by Target Year 2030 against a 2017 Base Year. Given significant changes to the company structure due to recent acquisitions and divestitures, in 2023 SBD plans to submit new Science Based Targets into the Initiative.</p> <p>SBD has made progress in achieving their context-based water targets, but the lack of an updated WWF Water Filter analysis in FY22 due to site integration and divestiture has hindered a comprehensive assessment. In FY22, 42% of SBD's manufacturing sites and distribution centers achieved Zero Waste to Landfill (ZWTL). SBD implements initiatives focused on EHS, such as Wellness Toolkit, Healthy for Life program, and four key initiatives, namely, Key Safe Behavior, Standardized Training utilizing AI learning, Hand Safety campaign, and Safety Timeouts for safety updates and discussions. Additionally, the company measures safety performance through their roadmap, which drives continuous improvement, standardization, and risk mitigation across facilities, based on ISO 45001 and 14001 standards.</p>

# S&P Global Sustainable1 Assurance

## Findings, conclusions and recommendations

### THE PRINCIPLES:

Nothing came to Sustainable1's attention to suggest that SBD's CDP Response does not adhere to the AA1000 Principles.

### DATA RELIABILITY:

SBD has implemented rigorous processes to collect and aggregate global energy consumption, GHG emissions, water use, waste & hazardous waste generation, and employee safety. Upon evaluating this system, Sustainable1 found that data was accurate overall, and any minor corrections were made as necessary.

SBD's emissions from Scope 3 category 9 and category 11 have increased in 2022 when compared to 2021. This change in emissions has occurred due to the following factors: change in calculation methodology. Sustainable1 has reviewed the Scope 3 category 9 and category 11 emissions based on the updated calculation methodology

We recommend SBD to refer to GHG Protocol for calculation of their GHG inventory.

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### ASSURANCE PROVIDER

Sustainable1 has been researching, standardizing and validating corporate environmental performance data since 2000. Sustainable1's research team has the relevant professional and technical competencies and experience to conduct an assurance to the AA1000 standard.

Sustainable1 has conducted this assurance independently and impartially and in compliance with S&P Global's policies and procedures, including its Code of Business Ethics that provide a framework relating to ethical conduct, conflict of interest and compliance with law.

### S&P Global Sustainable1, a business of S&P Global Inc. London, June 2023

#### Richard Mattison

Vice-Chair, Sustainable1

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# Endnotes

- 1 Non-GAAP financial measure; non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. Organic revenue 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 twelve months and any foreign currency impacts divided by prior year sales. Adjusted Gross Margin is GAAP Gross Margin excluding the impacts of acquisition-related and other charges. Free cash flow is defined as cash flow from operations less capital and software expenditures.
- 2
  1. By 2030, reduce supply chain emissions by 35%.
  2. By 2030, go beyond carbon neutral across our operations.
  3. By 2030, empower 10,000,000 makers and creators to thrive in a changing world.
  4. By 2030, enhance the lives of 500 million people with products that fulfill unmet societal needs.
  5. By 2030, deliver "innovation with purpose" projects designed to enhance people's lives and contribute 10% of Stanley Black & Decker revenue.
  6. By 2030, achieve 50-50 gender parity in leadership.
  7. By 2030, set and meet context based water targets, where relevant and necessary.
  8. By 2025, make our packaging reusable, recyclable, or compostable.
  9. By 2025, increase our spend with certified diverse suppliers to at least 10% and develop diverse suppliers.
  10. By 2025, donate up to \$25 million to fund vocational and trade skilling initiatives.
  11. By 2023, reduce operational energy intensity by 5% against 2020 baseline.
  12. By 2023, maintain an 8% year-over-year absolute Scope 1 and Scope 2 reduction against our 2015 baseline.
  13. By 2023, decarbonize 5% of our global service fleet.
  14. By 2023, zero life changing events (LCEs).
  15. By 2023, 60% of operations to achieve zero waste to landfill status.
- 3 Since 2021, \$6M cash and \$1.3M tool donations has been awarded to support this goal.
- 4 Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain.
- 5 For purposes of our goal, our Scope 3 emissions include only our emissions measured in Scope 3 categories 1, 4 and 11, because those emissions are the most significant and we have the ability to reduce them through our decision-making.
- 6 Scope 1: All direct emissions from those activities under our control, stationary and mobile, including fuel combustion on-site such as gas-fired furnaces and boilers.  
Scope 2: Indirect emissions from electricity purchased and used.
- 7 Zero Waste to Landfill (ZWTL) goal applies to our our manufacturing facilities and distribution centers where we have control of the operations and Incineration with energy recovery is included in our ZWTL performance.
- 8 Data points include acquisitions and divestitures through the close of the respective transactions.
- 9 An empowered maker is a person whose capabilities or resources have been enhanced through education, equipment or experiences enabled by Stanley Black & Decker.
- 10 We consider an enhanced life to be one that is improved because the person chose and used our enhanced product offering over the average product offering.
- 11 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.
- 12 Water intensity in withdrawal gallons per work hour.
- 13 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.
- 14 For each year, results reflect current company business structure and applicable discontinued operations. Data points include acquisitions and divestitures through the close of the transaction.
- 15 Total recordable rate and lost time rate = # of applicable incidents per 100 employees per year.
- 16 Percentage of factories and distribution centers certified to applicable EHS/Sustainability management system standards in that reporting year.
- 17 Based on grants issued in 2021 and upskill and reskill training in 2022.
- 18 As of December 31, 2022, the two outstanding points of our racial equity roadmap were: (1) Donate at least \$10.5M by 2025 to strategically aligned racial equity-related organizations, and (2) By 2025 increase our spend with diverse suppliers to at least 10% and develop diverse suppliers.
- 19 Each year, we perform a rigorous inventory of our Scope 3 emissions in accordance with the GHG Protocol. Schneider Electric led the 2022 inventory, the results of which are significantly different than in prior years. Between the acquisition of MTD and Excel Industries, the divestment of our Security and Oil & Gas businesses, and some critical future-focused methodology changes, our Scope 3 profile has changed. Most notably, our "Use of Sold Products" category is now the largest largely due to the new portfolio of outdoor gas-powered equipment which has an outsized lifetime emissions impact when compared to electric. 2022 will serve as a baseline for our new Scope 3 emissions reduction targets.
- 20 As reported in the [2023 Proxy Statement](#).
- 21 This number excludes employees that were part of the Security and Oil & Gas divestitures in 2022.
- 22 SBD's portfolio has changed in recent years with the Outdoor acquisitions and the Security divestitures. As a result of these recent changes, SBD is no longer disclosing the accounting metrics under the "Electrical & Electronic Equipment" and "Appliance Manufacturing" industries and will focus its disclosures under the "Industrial Machinery & Goods" industry, which is the recommended industry for the Company per the SASB.



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