


ALIGNING OUR SUPPLY CHAIN MANAGEMENT STRATEGY TO ESG OBJECTIVES

An overview of our Corporate Social Responsibility (ESG) Objectives is shown in the graphic below. Our Global Supply Management Team (GSM) utilizes these objectives to guide their strategy and activities. The following key ESG objectives are included in the GSM Strategy – 1) Value Chain Sustainability 2) Supply Chain Emissions, 3) Diversity, Equity and Inclusion 4) Employee Health and Safety, and 5) Human Rights. Additional details describing how these are implemented in practice is shown in the table below.

OUR CORPORATE SOCIAL RESPONSIBILITY (ESG) OBJECTIVES

INSPIRING MAKERS AND INNOVATORS TO CREATE A MORE SUSTAINABLE WORLD

PILLARS	EMPOWER MAKERS	INNOVATE WITH PURPOSE	CREATE A MORE SUSTAINABLE WORLD
	<p>Enable 10 million creators and makers to thrive in a changing world by 2030</p>	<p>Enhance the lives of 500 million people with products that fulfill unmet social needs by 2030</p>	<p>Go beyond carbon neutral across our operations by 2030</p>
<p>OUR PRIORITIES</p>	<p>Provide skill mobility for all of our employee in a diverse, equitable and inclusive workplace</p> <p>Increase access to makerspaces</p> <p>Partner to drive STEAM education</p> <p>Nurture vocational and trade skills</p>	<p>Create and use products to meet underserved societal needs</p> <p>Improve the lifecycle impact of our products and sourcing and reduce supply chain GHG emissions</p>	<p>Improve our environmental impacts related to GHG emissions, water and waste.</p> <p>Invest in transforming our operations to go beyond carbon neutral, and vastly reducing the carbon impact of our products while leading our supply chain to do the same</p>
<p>FOUNDATIONAL ISSUES</p>	<p>Business Ethics Customer Satisfaction Diversity Employee Engagement and Wellbeing Employee Health and Safety Governance Green Building Intellectual Property, Data Privacy & Information Security Human Rights Local Community Engagement Philanthropy and Volunteering Product Innovation Product Safety Transparency, Accountability, Responsible Marketing</p>		

ESG OBJECTIVES	GSM OBJECTIVES	ACTIVITY
Value Chain Sustainability	<p>Understand impact associated with our supply base and purchase from suppliers with lowest impact.</p>	<p>New SBD suppliers with projected over \$1 million annual spend are required to commit to setting Science Based Scope 1 and Scope 2 emission reduction targets. - 2021 ESG Report Page 31</p>
Reduce Supply Chain Emissions	<p>Work with leading transportation suppliers focused on emission reduction. Build manufacturing locations close to end market (Make where you sell) and source locally for those locations (Buy where we Make). Minimize high impact transport modes (Air).</p>	<p>By 2025 Stanley Black & Decker commits to ensure two-thirds of suppliers by spends have set Science Based Scope 1 and Scope 2 targets using minimum well-below 2°C scenario. 2021 ESG Report Page 10</p> <p>Reduce our Scope 3 Emissions 35% from a 2017 baseline by 2030 - 2021 ESG Report Page 10.</p> <p>We expect our suppliers to meet the highest standards of quality, ethics and sustainability as outlined in our Stanley Black & Decker Supplier Handbook. We also encourage our suppliers to participate in our CDP Supply Chain Program.</p> <p>We are working to bring our supply chain along with us on the path to a Net Zero future, and to helping our suppliers achieve superior environmental performance.</p>
Respect and Encourage Diversity, Equity and Inclusion	<p>Increase our spend with certified Diverse Suppliers to at least 10% and develop diverse suppliers by 2025 - 2021 ESG Report Page 36.</p>	<p>Corporate Supplier Diversity Program – Described on page 12 of the Supplier Handbook</p> <p>Expand our partnerships with minority & women-owned businesses - 2021 ESG Report Page 42</p> <p>In alignment with our supplier diversity policy, and with the guidance of our supplier diversity advisory council, we will include at least one diverse supplier in every Request for Proposal conducted in the U.S. To help drive expansion of diversity in our supply chain, we also partner with network organizations to ensure we are proactively and continuously connecting with diverse suppliers through outreach and mentorship.</p>
Employee Health and Safety	<p>Only engage in business relationships with partners who ensure safe working conditions for their employees.</p>	<p>Workplace Condition Requirements – Described on page 6 of the Supplier Handbook</p> <p>Suppliers must adhere to the code of conduct and Suppliers failing to provide satisfactory working conditions for their employees jeopardize their business relationship</p>
Human Rights	<p>Only engage in business relationships with partners who respect human rights.</p>	<p>Employment Condition Requirements – Described on page 5-7 of the Supplier Handbook</p> <p>We conduct annual supplier sustainability audits, working with suppliers to review their social responsibility performance & opportunities for improvement - 2021 ESG Report Page 50</p> <p>Suppliers must adhere to the code of conduct and Suppliers failing to provide satisfactory working conditions for their employees jeopardize their business relationship</p> <p>Conduct supplier sustainability audits, working with our suppliers to review their social responsibility performance, analyzing opportunities for improvement and helping implement action plans on a continuous improvement cycle.</p>