



# LRQA Independent Assurance Statement

Relating to Stanley Black & Decker, Inc.'s Assertion for the Calendar Year 2023

This Assurance Statement has been prepared for Stanley Black & Decker, Inc. in accordance with our contract.

## Terms of Engagement

LRQA was commissioned by Stanley Black & Decker, Inc. (SBD) to provide independent assurance of its greenhouse gas (GHG) emissions inventory and ESG data ("the Inventory") for the Calendar Year (CY) 2023 against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using LRQA's verification procedure and ISO 14064 - Part 3 for greenhouse gas emissions. LRQA's verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered SBD's global operations and activities under its operational control and specifically the following requirements:

- Verifying conformance with:
  - SBD's reporting methodologies for the selected datasets.
  - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data<sup>1</sup>.
- Reviewing whether the Inventory has taken account of:
  - The GHG Protocol Scope 3 Accounting and Reporting Standard.
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
  - Direct (Scope 1), Energy Indirect (Scope 2) and Other Indirect (Scope 3) GHG emissions.
    - Scope 3 GHG emissions verified by LRQA consist of Category 1: Purchased Goods & Services, Scope 3 Category 4: Upstream Transportation & Distribution, and Category 11: Use of Sold Products.
  - Process water consumed and Sanitary water generated;
  - Non-hazardous and Hazardous Waste generated, as well as Zero Waste to Landfill; and
  - Safety: Total Recordable Rate (TRR), Lost Time Injury Rate (LTIR), and Fatalities.

Our assurance engagement excluded the data and information of SBD's suppliers, contractors and any third-parties mentioned in the report, except for the Scope 3 categories mentioned above, and safety metrics which include data related to long-term contractors.

Fugitive GHG emissions of Hydrofluorocarbons (HFCs) were excluded from the inventory. Scope 1 and Scope 2 GHG emissions for sites with insignificant operations were also excluded. Both of these exclusions are estimated to be de minimis.

LRQA's responsibility is only to SBD. LRQA disclaims any liability or responsibility to others as explained in the end footnote. SBD's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Inventory and for maintaining effective internal controls over the systems from which the Inventory is derived. Ultimately, the Inventory has been approved by, and remains the responsibility of SBD.

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<sup>1</sup> <http://www.ghgprotocol.org/>



### LRQA’s Opinion

Based on LRQA’s approach, except for the effect of the matters described in the Basis for Qualified Opinion, nothing has come to our attention that would cause us to believe that SBD has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance<sup>2</sup> and at the materiality of the professional judgement of the verifier.

### Basis for Qualified Opinion

- Scope 1 carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) emission factors are inaccurate resulting in a -0.3% difference;
- Scope 1 GHG emissions include upstream emissions from solar rather than Scope 3 GHG emissions;
- For a number of sites, the GHG, waste, water, and safety data reported did not match the supporting records, resulting in an immaterial impact to each metric.

These qualifications are not material, either individually or in combination.

**Table 1. Summary of SBD’s Key Data for CY 2023:**

| Category   | Parameter  | Quantity    | Units                              |
|--|--|-------------|------------------------------------|
| GHG emissions  | Scope 1  | 104,121     | Metric Tons CO <sub>2</sub> e      |
|  | Scope 2 (Location-based) <sup>1,2</sup>            | 271,607     | Metric Tons CO <sub>2</sub> e      |
|  | Scope 2 (Market-based) <sup>1</sup>                | 186,614     | Metric Tons CO <sub>2</sub> e      |
|  | Scope 3 Category 1: Purchased Goods & Services     | 8,538,321   | Metric Tons CO <sub>2</sub> e      |
|  | Scope 3 Category 4: Upstream T&D                   | 489,881     | Metric Tons CO <sub>2</sub> e      |
|  | Scope 3 Category 11: Use of Sold Products          | 5,420,054   | Metric Tons CO <sub>2</sub> e      |
| Waste  | Waste  | 147,385     | Metric Tons                        |
|  | Hazardous Waste                                    | 5,145       | Metric Tons                        |
|  | Zero Waste to Landfill                             | 37          | %                                  |
| Water  | Process Water                                      | 292,785,181 | Gallons                            |
|  | Sanitary Water                                     | 213,175,164 | Gallons                            |
| Safety   | Total Recordable Incident Rate (TRIR) <sup>3</sup> | 0.74        | Recordable incidents per 100 heads |
|  | Lost Time Injury Rate (LTIR) <sup>4</sup>          | 0.23        |                                    |
|  | Total Recordable Fatalities <sup>5</sup>           | 0           | Employee & Contractor              |
| Note 1: Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015<br>Note 2: Scope 2 international emission factors are sourced from Carbon Footprint Ltd<br>Note 3: Safety TRIR = (Number of recordable injuries or illness cases * 200,000 hours)/hours worked for the year<br>Note 4: Safety LTIR = (Number of lost injuries or illness cases * 200,000 hours)/hours worked for the year<br>Note 5: Total Recordable Fatalities: Contractors are defined as temporary/agency workers |  |             |                                    |

<sup>2</sup> The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



### **LRQA's Approach**

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- analysing GHG emissions and EHS data from a sample of facilities;
- interviewing relevant employees of the organization responsible for managing GHG emissions data and records;
- assessing SBD's data management systems to confirm they are designed to prevent significant errors, omissions or mis-statements in the Inventory by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal quality control;
- verifying historical GHG emissions data and records at both an aggregated level and raw source data for the CY 2023;
- Confirming SBD recalculated their CY 2022 base year emissions inventory as required by their base year recalculation policy. SBD will publish the recalculated base year, along with a description of changes, in their next sustainability report, which will be released in 2024. LRQA did not verify the recalculated CY 2022 base year.

### **Observations**

Further observations and findings, made during the assurance engagement, are:

- In order to minimize frequent inconsistencies between site-level supporting documentation and the data reported in the inventories, LRQA recommends implementing a training program to support accuracy and consistency amongst site level responsible parties.

### **LRQA's Standards, Competence and Independence**

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity audit – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification audits is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Signed

Dated: 22 July 2024

*Kate Pagan*

LRQA Lead Verifier  
On behalf LRQA, Inc.  
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