Don Tyler
Corporate Director Environment, Health & Safety
New Britain CT

A&WMA-NES Fall 2016 Conference
Thursday, October 27, 2016
Sheraton Framingham Hotel & Conference Center
Framingham, Massachusetts

Khakis
Who We Are

Largest Tool Manufacturer in the World

Founded in 1843
173 Years

Security Solutions
$2B

Engineered Fastening
$2B

Global Tools & Storage
$8B

$12B Revenues

Fredrick T. Stanley
Our Brands
How Climate Change Changed Us…

- Growing concerns on the environment
- Public appetite for all things “green”
- Adjust to shift in demographics from “Baby Boomer” to “Millennials”
- Shift on the “Street” to companies who embrace “green”
- Employee concerns
- We became socially responsible

We address it through sustainability
How we brand sustainability

EWW
How we go after it: Energy, Waste & Water

Green is a trend, Sustainability is a mindset
The millennials are driving a completely new approach to marketing
2020 EHS Goals

Set transparent, measurable goals that holds everyone accountable for driving success

People

• Drive prevention and set a goal to eliminate any life changing injuries

Planet

• Reduce energy and water by 20%
• Reduce waste generation by 20%; 80% reused
• Reduce carbon emissions by 20%; source 10% renewable energy

Product

• Set a global standard with 65% external certifications
• Improve product sustainability and social accountability with select suppliers in CDP

SBD Benefits:

By 2020 for MFG/DC

• Save 50 mil gal water
• Save $5 mil via elimination of life changing injuries
• Save 370 mil kBTU energy
• Save 1100 tons waste from landfill
• Source sufficient renewable energy to power Latin America MFG/DC operations annually

Public commitment to reduce impacts on our people, planet and products
The Index represents the top 20% of the largest 600 U.S. companies in the Dow Jones Sustainability North America Index based on economic, environmental and social criteria.

DJSI Companies outperform S&P 500 companies
“Stanley Black & Decker has been selected as a component of the Dow Jones Sustainability Index (DJSI) for North America for the fifth consecutive year. This year’s recognition reported an overall increase in our score from 71 to 75.”

“Achieving the highest attainable score on both the Climate Disclosure Leadership Index and Climate A List reflects the hard work and dedication on the part of all the Stanley Black & Decker associates who instill sustainable thinking into everything that we do”

~John Lundgren, Chairman
Tag to Websites: Produce web videos, articles, blogs that highlight sustainable products, “green” DIY projects...

Tag to Packaging QR Codes: Link back to sustainability page for more information, content, project ideas....

Consumers drive for sustainable products
<table>
<thead>
<tr>
<th>Generation</th>
<th>Born</th>
<th>Performance Cues</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRADITIONALIST</td>
<td>1930 to 1945</td>
<td>Hard Work, Sacrifice, Delayed Gratification</td>
<td>95% Retired</td>
</tr>
<tr>
<td>BABY BOOMER</td>
<td>1946 to 1964</td>
<td>Competitive Enjoy Leading Teams “Work Hard, Pay Your Dues”</td>
<td>50%+ Consumer Spending</td>
</tr>
<tr>
<td>GEN X</td>
<td>1965 to 1980</td>
<td>Naturally Skeptical Loyal To Individuals Technology &amp; Media Savvy</td>
<td>49% At Least Some College</td>
</tr>
<tr>
<td>MILLENNIAL</td>
<td>1981 to -</td>
<td>Job Hoppers Multi-Taskers Work/Life Balance</td>
<td>90% Plan To Leave Within 5 Years</td>
</tr>
</tbody>
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Millennials are more socially conscious and more willing to jump
**Planet**
- EHS Annual Sustainability Reports
- Showcase leadership using sustainability awards and recognitions

**Product**
- Marketing differentiation
- Transparency in our marketing
- Innovation: design and development
- Environmental impact

**People**
- Corporate Social Responsibility
- Community outreach programs
- Employee wellness programs
- Safety awards and recognitions

**Innovation:** “Leading companies are increasingly using life cycle analysis to drive innovation, deliver cost savings and lower environmental impacts to their customers.”
*DJSI Analyst*

**Talent:** “Machinery and electrical companies’ ability to innovate and successfully commercialize ‘sustainable’ products depends on their ability to attract and retain ‘sustainable’ talent.”
*DJSI Analyst*

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**Strategic direction for each of the categories**
Competition for talent has climate change in its foundation.
At Stanley Black & Decker, we believe in excellence through sustainability—in our products, our people, and our practices. We’re committed to sustainable business policies and initiatives that reduce our impact on the environment and improve the quality of life in every community we reach.

In addition to corporate level technologies and processes that reduce our environmental impacts, many of our industrial and consumer tools and solutions are designed to help our customers reduce their water consumption, energy use, and waste generation.

Read a message about sustainability from our President and CEO, John Lundgren.
Moving from ‘Proactive’ to ‘Transformative’ to advance our Sustainability strategy.

Source: Green Order, July 2013
Energy

Global Approach

- Manufacturing sites required to reduce energy consumption by 6% a year
- LED lighting is king
- Solar panels
- ISO 50001 Certification
- Green Mouse
- Instantaneous energy measuring

By 2020 reduce our energy consumption by 370 mil kBTU energy
LED Lighting Upgrade
Manufacturing
Milwaukie, OR

Results:
• Cost: $90K ($115,623 rebate) ROI: <3 yrs
• 903,936 kWh reduction
• 343 tons CO₂ reduction

$57K
Annual Savings

Energy Upgrades
Manufacturing
Reynosa, Mexico

Results:
• Cost: $898K over 2 years ROI: <3 yrs
• 4,179,304 kWh annual reduction
• 2,882 tons CO₂ emission reduction

$460K
Annual Savings

Example of manufacturing site energy reductions projects
By 2020 reduce our water consumption by 50 million gallons

Global Approach

- Manufacturing sites required to reduce water consumption by 6% a year
- Advances in plating line technologies
- Water scarcity used in business development
- Sanitary usage leveraged
- Social responsibility
THANK YOU!