

# Investor Presentation

Strategy & ESG

July 2022

**StanleyBlack&Decker**



# Cautionary Statement

This presentation contains “forward-looking statements,” that is, statements that address future, not past events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as: “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These statements are based on assumptions of future events that may not prove accurate. They are also based on our current plans and strategy and such plans and strategy could change in the future. Actual results may differ materially from those projected or implied in any forward-looking statements. Please refer to our most recent SEC filings, including our 2021 Annual Report on Form 10-K, subsequently filed Quarterly reports on Form 10-Q, as well as our other filings with the SEC, for detailed information regarding factors that could cause or contribute to actual results differing materially from those expressed or implied in such forward-looking statements. We do not undertake to update our forward-looking statements. This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities of Stanley Black & Decker, Inc. (the "Company"). If the Company were to conduct an offering of securities in the future, it would be made under an effective registration statement, and a prospectus relating to that offering could be obtained from the underwriters of that offering or from the Company.

# Company Overview & Strategy

**StanleyBlack&Decker**



# More Streamlined Company With Great Franchises

## StanleyBlack&Decker

2021 Revenue: \$15.6B

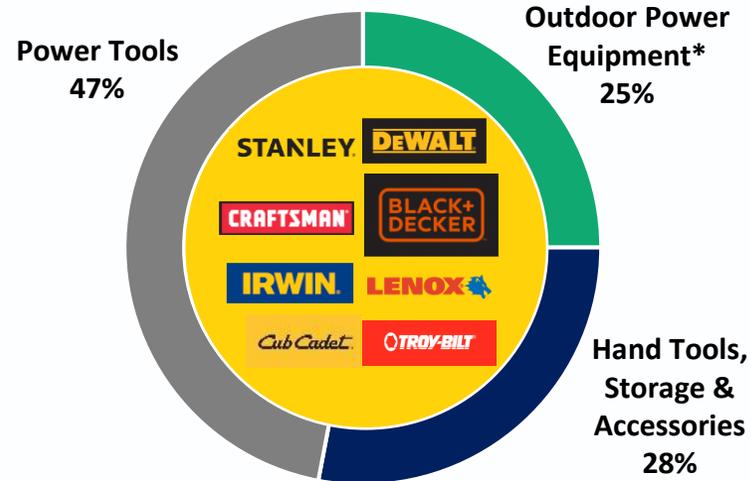
Market Cap: \$18.5B

Cash Dividend Yield: 2.6%

Dividend Paid Consecutively For 146 Years; Increased For Past 54 Consecutive Years  
(NYSE: SWK)

## Tools & Outdoor

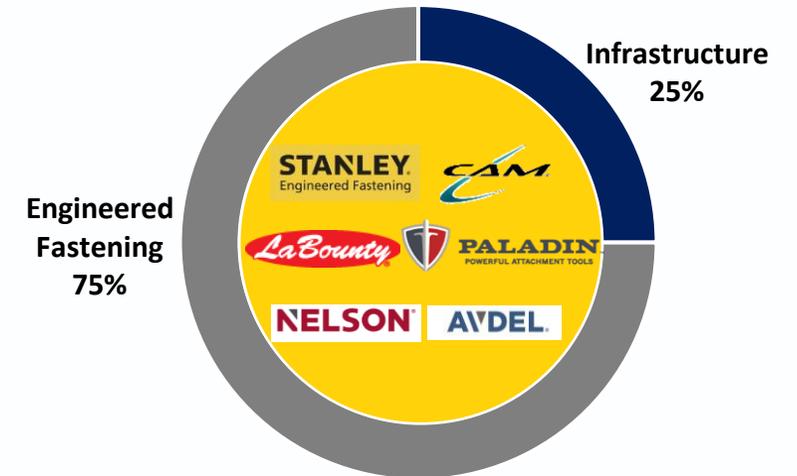
2021 Revenue: \$12.8 Billion



World-Wide Leader In Tools & Outdoor

## Industrial

2021 Revenue: \$2.5 Billion



Highly-Engineered B-2-B Businesses

## Core Capabilities

- 1 Portfolio Of Iconic Brands**
- 2 Powerful Innovation**
- 3 Broadest Category & Channel Coverage**
- 4 Leverage SBD Operating Model**

Powered By Our People And Guided By Our Purpose – For Those Who Make The World

# Focused Mandate To Deliver Runway Of Growth & Margin Expansion

*The Company Is Reprioritizing \$200 - \$250M In Investments To Drive Growth And \$1B Of Cost Productivity...*

## Growth Investments

*Driving Share Gain*



Innovation



Electrification



eCommerce



Industrial Market Recovery

## Portfolio Transformation

*Focused Company With Great Franchises  
Simplification Supports Corporate Streamlining*



**Outdoor Acquisitions  
And  
Security Divestitures**



**STANLEY.**  
Security

**STANLEY.**  
Access Technologies

## Operational Execution

*Increasing Operating Margin And Cash Flow  
Generation*

Accelerate Supply Chain  
Transformation

Price Realization &  
Inventory Management

StanleyBlack&Decker



*Enabling \$4 Billion Return Of Capital Through Share Repurchase In 2022 & 2023*

*...These Focused Near-Term Priorities Will Create Long-Term Shareholder Value*

# Strategic & Financial Objectives

## Strategic Framework

### Continue Organic Growth Momentum

- Utilize SBD Operating Model As A Catalyst
- Mix Into Higher Growth, Higher Margin Businesses
- Increase SBD Weighting Of Emerging Markets

### Be Selective And Operate In Markets Where

- Brand Is Meaningful
- Innovation Drives Definable & Sustainable Value Proposition
- Global Cost Leadership Is Achievable

### Pursue Acquisitive Growth

- Build Upon Global Tools & Outdoor Platform
- Expand Industrial Platform (Engineered Fastening | Infrastructure)

## Our Long-Term Financial Goals

### Revenue Growth

- ~4-6% Organic
- ~10-12% Total

### Financial Performance

- ~10-12% EPS Growth\*
- FCF ≥ Net Income
- CFROI In 12-15% Range
- 10+ Working Capital Turns

### Dividend

- Continued Growth

### Credit Rating

- Strong Investment Grade

**Key Themes: Sustain Above-Market Organic Growth And Margin Expansion**

# Global Franchises – Long Term Value Drivers

*A Company That Has Built Well Established, Global Franchises...*

## Business Value Drivers

#1

**In Tools & Outdoor**

- Brands
- Innovation & Outdoor Electrification
- Global Scale
  - » Power & Hand Tools
  - » Construction, DIY, Auto Repair & Industrial
  - » Developed & Developing Market Presence

**The Tool & Outdoor Company To Own**



*A Global Leader In Engineered Fastening*

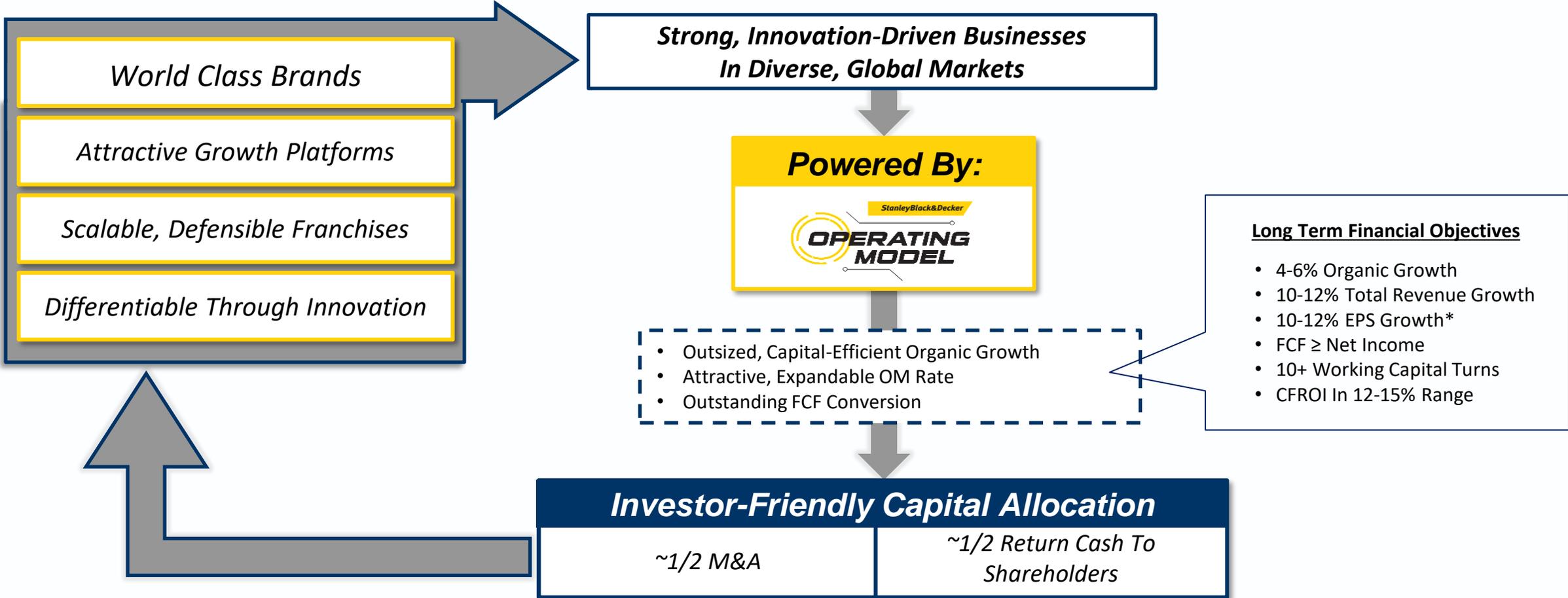
- Highly Engineered, Value-Added Innovative Solutions
- Recurring Revenue Model
- Global Scale

**High Profitability; GDP + Growth**

**STANLEY**

*...With Asset Efficiency And Customer Level Execution Aided By The SBD Operating Model*

# Stanley Black & Decker Value Creation Model



**World Class Branded Franchises With Sustainable Strategic Characteristics That Create Exceptional Shareholder Value**

# Our Evolving Operating Model



# Our Approach To ESG

**StanleyBlack&Decker**



# Powered By Purpose: For Those Who Make The World™

**StanleyBlack&Decker**

## *World Class Businesses With A Track Record Of Performance*



*The World's Leading Tool Company*



*Highly Engineered, Application Based Solutions*

## **TO BE A FORCE FOR GOOD**

**1** **Continue Delivering** Top-Quartile Long-Term Performance

**2** **Be Recognized** As One Of The World's Most Innovative Companies

**3** **Elevate** Our Commitment To Corporate Social Responsibility

# Our Approach To ESG



Grounded By Stakeholder Capitalism  
*Rooted In Our Purpose - For Those Who Make The World™*

## ALIGNED TO WORLD ECONOMIC FORUM FRAMEWORK

### ENVIRONMENT



**Planet**  
*Protecting The Planet*

### SOCIAL



**People**  
*Furthering Progress  
At Work*



**Prosperity**  
*Fostering  
Communities*

### GOVERNANCE



**Governance**  
*Purpose & Progress  
Against Key ESG Milestones*

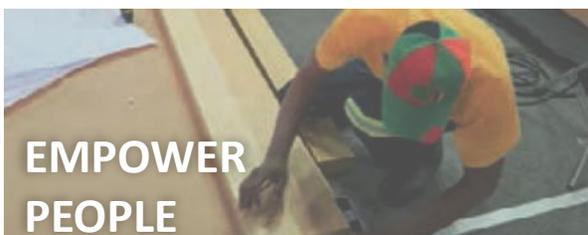
## OUR 2030 STRATEGY



*Positively impact the environment  
through our operations*



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



*Enable 10 million makers to thrive in a changing  
world, and practice DE&I in everything we do*

# Leading The Charge

## ESG FOCUS AREAS

### Climate Change

Go Beyond Carbon Neutral By 2030  
Zero Waste to Landfill  
Sustainable Water Use

### DEI & Talent Development

Racial Equity 10 Point Plan  
Gender Parity  
Skillset Development

### Governance

Diverse & Inclusive Board  
Shareholder Rights  
Risk Management & Oversight

## PRODUCT & STRATEGY EXAMPLES

*Electrification // Circular Design // Sustainable Supply Chain*



## ADOPTED LEADING STANDARDS



## HIGHLY RECOGNIZED FOR ESG

 <b>ENVIRONMENT</b> <b>CDP</b> 4 <sup>th</sup> Consecutive Year—CDP A List for Climate Change & Water Security <b>DOW JONES SUSTAINABILITY INDEX</b> 4 <sup>th</sup> Consecutive Year—World Index 11 <sup>th</sup> Consecutive Year—North America Index	 <b>REPUTATION</b> <b>FORTUNE</b> World's Most Admired Companies <b>FAST COMPANY</b> #41 Best Workplace for Innovators	 <b>DE &amp; I</b> <b>FORBES</b> America's Best Large Employers America's Best Employers for Women America's Best Companies for Diversity <b>CORPORATE EQUALITY INDEX</b> Best Places to Work for LGBTQ Equality
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# 2030 ESG Strategy – Public Commitments

## Environment

## Social

### PLANET: CREATE A MORE SUSTAINABLE WORLD

### PRODUCTS: INNOVATE WITH PURPOSE

### PEOPLE: EMPOWER MAKERS & CHAMPION DEI

#### Carbon Neutral and Beyond

By 2030, as part of our science-based target commitment, SBD will reduce absolute Scope 1 and Scope 2 carbon emissions 100%, against a 2015 baseline, and then move beyond, meaning our carbon capture is greater than our carbon emission.



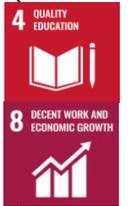
#### Innovate with Purpose

By 2030, SBD will address unmet societal needs by delivering products that are innovative and purposeful to improve the lives of 500 million people.



#### Empower Makers

By 2030, SBD will empower 10 million makers to thrive in a changing world through STEAM education, vocational and trade skills, makerspace training, and employee (60,000) career mobility.



#### Sustainable Water Use

By 2030, SBD will set and meet context-based water targets, where relevant and necessary.



#### Circular Design

SBD will design products for circularity across material selection, use and end-of-life considerations, with a goal of 100% reusable, recyclable or compostable packaging.



#### Racial Equity

By 2025, SBD will support communities by building a strong network through outreach and donating at least \$10.5M to strategically aligned racial equity related organizations.



#### Zero Waste to Landfill

By 2030, SBD will achieve zero waste to landfill (ZWTL) across direct operations (one-off construction and other events may be excluded).



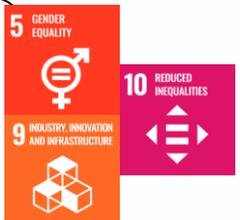
#### Sustainable Supply Chain

By 2025, two-thirds of SBD's supply chain will develop science-based Scope 1 and Scope 2 targets. By 2030, SBD will reduce our absolute Scope 3 emissions by 35% compared to a 2017 baseline.



#### Supplier Diversity

By 2025, SBD will expand our partnerships with minority- and women-owned businesses to increase supplier diversity spend from 3% to 10%.



#### Gender Parity

By 2030, SBD will strive for 50-50 gender parity in leadership, as an early member of Paradigm for Parity®.



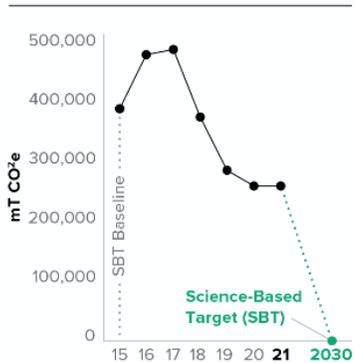
# Our 2030 Strategy

## Our 2030 Strategy/Overall Objectives\*

### Planet

#### CREATE A MORE SUSTAINABLE WORLD

Positively impact the environment through our operations



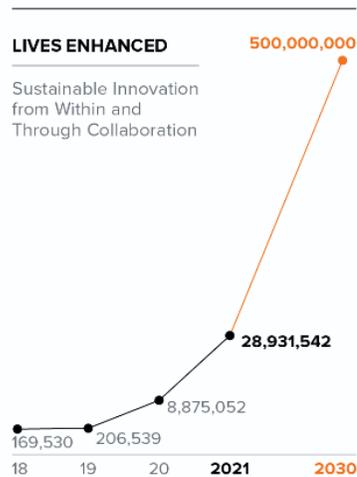
• Scope 1 & 2 Emissions  
SBT trajectory - starting in 2018, maintain an ~8% annual reduction in our absolute carbon emissions from our 2015 baseline



### Product

#### INNOVATE WITH PURPOSE

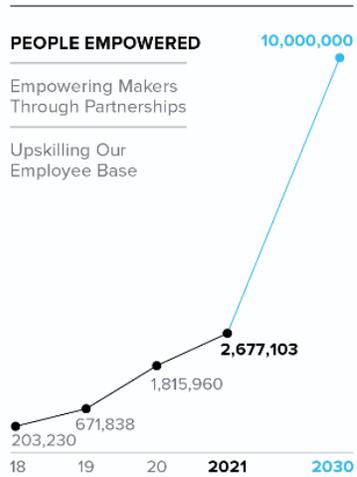
Innovate our products to enhance the lives of 500 million people



### People

#### EMPOWER MAKERS

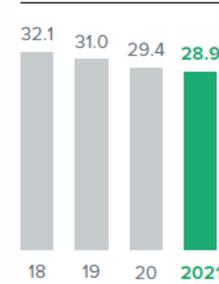
Enable 10 million creators and makers to thrive in a changing world



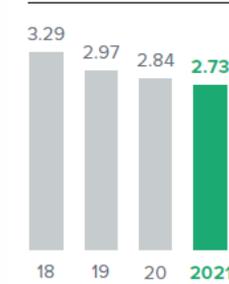
[Link: 2021 Online ESG Report](#)

## Sustainability Performance\*

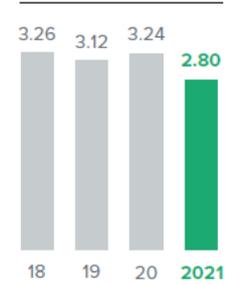
### ENERGY (KBTU/HR)



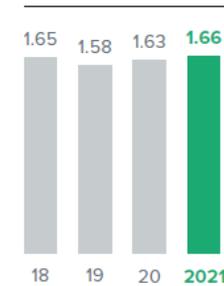
### CARBON (MT/KHR)



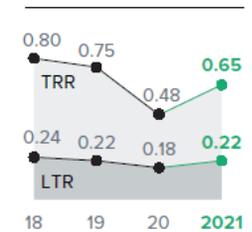
### WATER (GAL/HR)



### WASTE (LBS/HR)



### TOTAL RECORDABLE RATE (TRR) AND LOST TIME RATE (LTR) INCIDENTS/100 HEADS



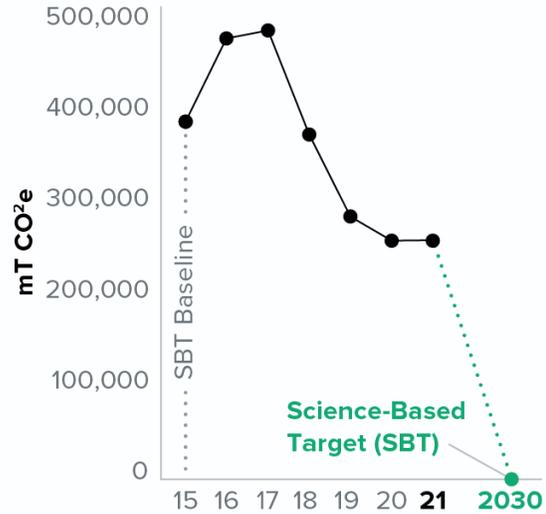
We Remain Focused On Our 2030 Goals

*Elevating & Executing On Our Commitment To Corporate Social Responsibility*

# Action Plan – Create A More Sustainable World



Positively impact the environment through our operations



● Scope 1 & 2 Emissions  
 SBT trajectory - starting in 2018, maintain an ~8% annual reduction in our absolute carbon emissions from our 2015 baseline



## Actions To 2030 Goal

### Go Beyond Carbon Neutral Operations

By 2030, We Aim To Reduce Our Operational (Scope 1 & 2) Carbon Emissions To Zero And Eliminate Additional Emissions Through Means Of Carbon Capture, Such As Carbon Removal And Other Mitigation Technologies.



### Sustainable Water Use

We Aim To Use Water Sustainably Wherever We Do Business. We Are Identifying Water Risks And Will Set And Meet Targets Where Relevant And Necessary That Address Site-Specific Concerns In Each River Basin, A Key Consideration Due To Localized Water Availability And Risk.



WORLD RESOURCES INSTITUTE



### Zero Waste Landfill (ZWTL)

We Continue To Work Toward Achieving ZWTL, Across Our Daily, Direct Operations (One-Off Construction And Other Events May Be Excluded). We Encourage Waste Minimization, Reuse And Recycling In All Instances As Reflected In Our 2023 Interim Goals.

**Our Commitment To Environmental Sustainability Remains Core To the Way We Operate**

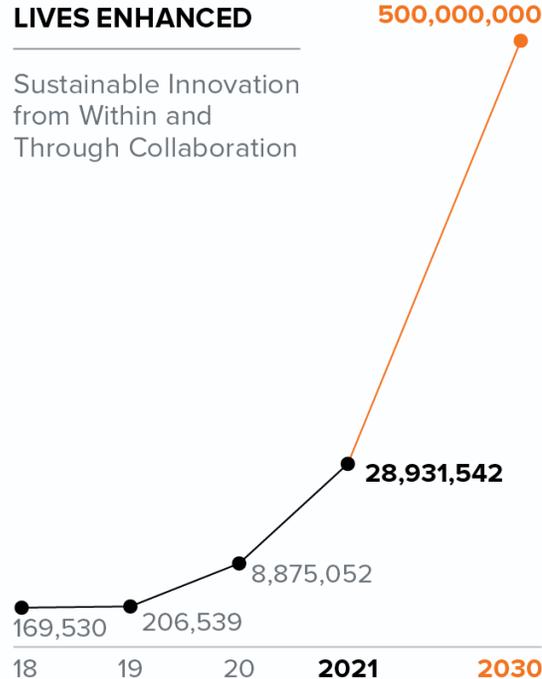
# Action Plan – Innovate With Purpose



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

## LIVES ENHANCED

Sustainable Innovation from Within and Through Collaboration



## Actions To 2030 Goal

### Addressing Unmet Societal Needs

Deliver “Innovation With Purpose” Projects That Enhance The Lives Of 500 Million People.



### Embrace Circular Design

Design Products For Circularity Across Material Selection, Use And End-of-life Considerations, With A Near Term Goal Of 100% Reusable, Recyclable Or Compostable Packaging.



### Achieve A More Sustainable Supply Chain

Work With Suppliers To Achieve Superior Social And Environmental Performance. By 2025, Two-thirds Of Our Supply Chain By Spend Will Develop Science-based Scope 1 And Scope 2 Targets. By 2030, We’ve Committed To Reducing Our Absolute Scope 3 Emissions By 35% Compared To A 2017 Baseline.

### Electrification

Opportunities Include Outdoor Products, Fully Electric & Hybrid Electric Vehicles.

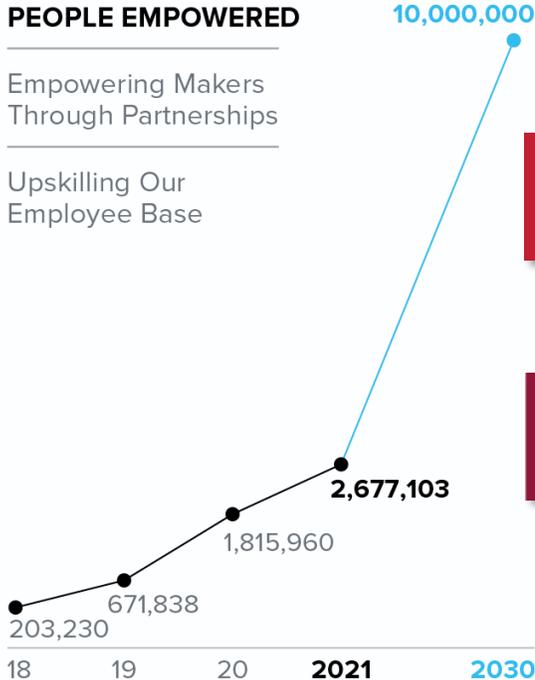


**Developing New Products & Services That Fulfill Critical Societal Needs & Help To Create A Better World**

# Action Plan – Empower Makers



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



## Actions To 2030 Goal

### Employee Career Mobility

Prepare Employees For Career Mobility Relevant For Industry 4.0 By Supporting Their Upskilling & Repurposing.



### STEAM Education

Enable People To Access STEAM Education & Training To Improve Livelihoods And Help Support The Workforce Of Tomorrow.



### Vocational And Trade Skills

Help People Develop Cutting-Edge Vocational And Trade Skills.



### Makerspace Training

Enrich The Education, Creativity And Hands-On Job Experience Of People Through Makerspaces Around The World.



Helping Our Employees & Communities Gain The Skills & Expertise To Thrive In This Changing World

# Attracting World Class Talent



**Launched A Number Of Initiatives To Create A More Contemporary Workplace & Infuse Talent...**



**Combined With Our Purpose, Values & Leadership Principles**

*For Those Who Make The World™*



Courage & Innovation

Agility & Performance

Inclusivity & Collaboration

Integrity & Accountability

**Create Clarity**

- Define The Vision
- Set Clear Expectations
- Prioritize For Impact

**Inspire Engagement**

- Maximize Positive Energy
- Empower With Inclusion
- Actively Acknowledge

**Grow & Deliver**

- Innovate With Purpose
- Build Resilience
- Execute With Accountability

**...A Culture Committed To Lifelong Learning, Innovation & Growth**

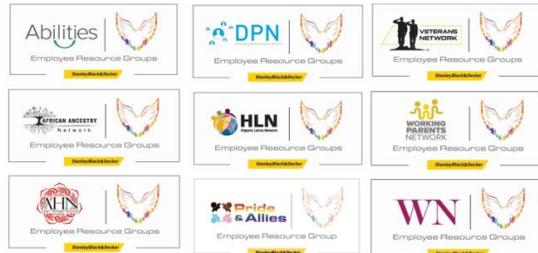
# Diversity, Equity & Inclusion

**Building A Purpose-Driven Culture Where Inclusivity Is A Reflex, Not An Initiative**

## Employee Resource Groups & Diversity Councils

### A Cornerstone Of Our Culture:

- 9 ERGs & 2 DE&I Councils
- 90+ Global Chapters
- 12,000+ Engaged Employees



As Of January 1, 2022:

CEO & Direct Staff		Total Workforce	
36% Women (Global)	36% U.S. Diverse	33% Women (Global)	34% U.S. Diverse

**Additional Disclosure Provided Within The Company's EEO-1 Report, Which Is Available On Our Website**

## R.I.S.E. : Reach | Inspire | Support | Engage A Unified Commitment To Equity & Opportunity



### Gender & Racial Equity Actions Reflect Our Commitment To:

**CULTURE**  
Evolving who we are as a company

**CAREER**  
Laying the groundwork for success

**COMMUNITY**  
Building a strong network through outreach

- Inclusive Leadership And Ally Competency Building
- Robust Career Development Opportunities For All
- Support For Our Global Communities.

### Our Current Gender Parity Efforts Include:

- An **Executive Sponsor Program** That Enables Aspiring Leaders To Advance Their Careers.
- A **Workforce Returner's Program**, To Augment Our Talent Pipeline With Professionals Who've Exited The Workforce For 2+ Years.
- **Total Rewards And Benefits** That Help Our Employees Manage Daily Responsibilities And Life Challenges.

### Our Current Racial Equity Efforts Include:

- **The R.I.S.E Community to Career Initiative** To Support & Develop Racially Diverse Middle School, High School Students and College Students
- **Leadership Scholarship** At 5 Leading HBCU and 3 not-for-profit educational organizations.
- **Augmented Employee and Leadership Development Opportunities** For Black, Asian & Hispanic/Latino Current & Emerging Leaders.

**» Fostering A Culture Where Diversity Can Thrive «**

# Building A Culture To Be Proud Of

<b>2021 BEST WORKPLACE FOR INNOVATORS</b> Fast Company	<b>2022 BEST PLACES FOR LGBTQ EQUALITY</b> Corporate Equality Index	<b>5<sup>th</sup> Year on WORLD'S MOST ADMIRED COMPANIES</b> Fortune 2022	<b>2022 AMERICA'S MOST RESPONSIBLE COMPANIES</b> Newsweek	<b>11<sup>TH</sup> CONSECUTIVE YEAR</b> Dow Jones Sustainability NA Index 2022	<b>4<sup>TH</sup> CONSECUTIVE YEAR</b> Dow Jones Sustainability World Index 2022	<b>9 YEARS</b> on CDP Climate Change A List & <b>6 YEARS</b> on Water A List 2022
<b>2<sup>nd</sup> YEAR INNOVATION LEADER</b> American Innovation Index 2021	<b>14 TOOL AWARDS</b> Popular Mechanics 2021	<b>46 PRODUCTS NAMED</b> Pro Tool Innovation Awards 2021	<b>BARRON'S 100 MOST SUSTAINABLE COMPANIES 2022</b>	<b>2021 WORLD'S TOP FEMALE FRIENDLY COMPANY</b> Forbes	<b>2022 AMERICA'S BEST LARGE EMPLOYERS</b> Forbes	<b>2021 AMERICA'S BEST EMPLOYERS FOR WOMEN</b> Forbes

## COMPARABLY AWARDS

<b>2020 Best Company</b> <b>LEADERSHIP</b>	<b>2020 Best CEOs for</b> <b>DIVERSITY</b>	<b>2020 Best CEOs for</b> <b>WOMEN</b>	<b>2020 Best Company</b> <b>PROFESSIONAL DEVELOPMENT</b>	<b>2021 Best Company</b> <b>LEADERSHIP</b>	<b>2021 Best CEOs for</b> <b>WOMEN</b>	<b>2021 Best Teams</b> <b>MARKETING</b>	<b>2021 Best Teams</b> <b>HR</b>
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**Well Positioned To Build On Our Accomplishments**

# Governance



**StanleyBlack&Decker**

# ESG & Disclosure Enhancements

- **Amended Our Governance Documents To Allow Shareholders To Act By Written Consent**
- **Eliminated All Express Or Default Supermajority Vote Provisions Applicable To The Company Under The Connecticut Business Corporation Act**
- **Adopted A Majority Voting Standard For An Uncontested Election Of Directors**
- **Continued Commitment To Board Diversity And Inclusion With The Board Comprising 36% Women And 18% Racial/Ethnic Diversity**
- **Added Robust Human Capital Management Disclosure Inclusive of Diversity, Equity & Inclusion, Lifelong Learning, Talent Attraction, Advancement & Retention And Employee Wellness, Health & Safety**
- **Proactively Amended Our By-Laws To Reduce Minimum Aggregate Stock Ownership Threshold For Calling A Special Meeting From 35% To 25%**
- **Enhanced Disclosures On Board Refreshment & Qualifications Through The Board Skills Matrix**
- **Enhanced Disclosures On the Board's Commitment To Diversity - The Charter Of The Corporate Governance Committee Confirms The Board's Commitment To Consideration Of Diversity In The Process Of Identifying Director Candidates**
- **Enhanced Disclosure Explaining How Our Governance And Compensation Practices Are Linked To Our Corporate Vision, Strategy And Long-Term Financial Objectives**
- **Enhanced Disclosure Of Our ESG Commitments, Including The Corporate Governance Committee's Oversight Of The Company's Policies, Objectives And Practices Regarding Our ESG Initiatives**
- **Proactive Adoption Of A Proxy Access Provision**

# Governance Policies Aligned With Shareholders

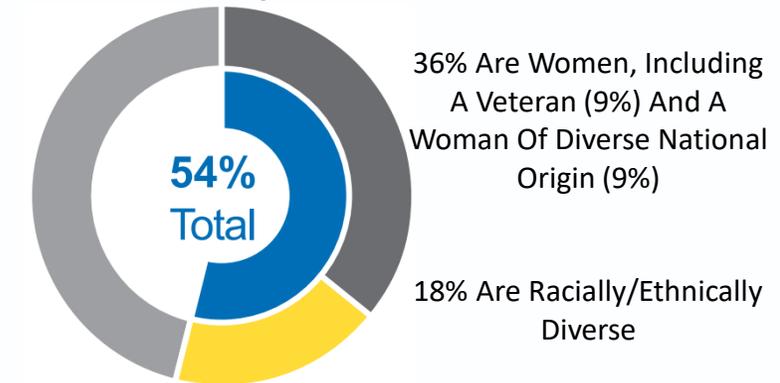
- ✓ **Robust Stock Ownership Guidelines For Directors And Executive Officers**
- ✓ **Policy Against Hedging And Pledging Applicable To All Directors And Executive Officers**
- ✓ **Recoupment Policy Relating To Unearned Equity & Cash Incentive Compensation**
- ✓ **Proactive Lowering Of Minimum Threshold For Shareholders To Call Special Meeting From 35% To 25%**
- ✓ **No Poison Pill**
- ✓ **Annual Board & Committee Self-Evaluation That Focuses On Areas For Improvement**
- ✓ **Annual Director Elections Drive Accountability**
- ✓ **Annual Say-On-Pay Vote**
- ✓ **Proxy Access**
- ✓ **Code Of Business Ethics For All Directors, Officers & Employees | Code Of Ethics For The CEO & Senior Financial Officers**
- ✓ **Robust Director Refreshment Process**

# Board Independence

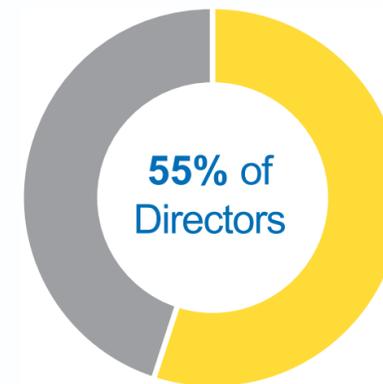
- ✓ Independent Chair Or Independent Lead Director Since 2000
- ✓ Board Adopted Director Independence Standards
  - » Standardized, Specific Criteria For Determining Independence
- ✓ Supermajority, Independent Board (10 Of 11 Directors; >90%)
- ✓ Four Independent Directors Added In The Last Three Years
- ✓ 55% Of Directors Have Public Company CEO Experience
- ✓ Average SWK Board Tenure 7 Years
- ✓ Annual Election Of Directors | Right Balance Of Institutional Knowledge & Fresh Perspective
- ✓ Independent Directors Meet In Executive Session Every Board Meeting
- ✓ Fully Independent Audit, Corporate Governance, Compensation & Finance Committees

## Board Diversity

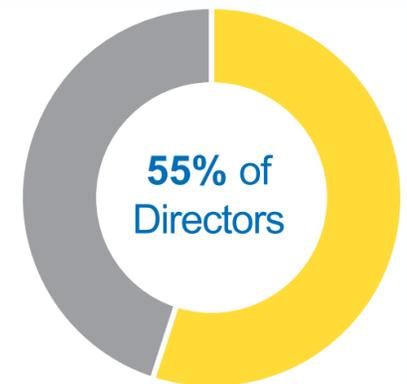
### Gender And Racial/Ethnic Diversity<sup>\*(a)</sup>



### Global Experience<sup>\*(b)</sup>



### CEO Experience<sup>\*</sup>



\*As Of July 1<sup>st</sup>, 2022

(a) The Board Includes Four Women, Including A Woman Of Diverse National Origin And A Veteran, And Two Racially/Ethnically Diverse Directors, An African American Man And An Asian Man

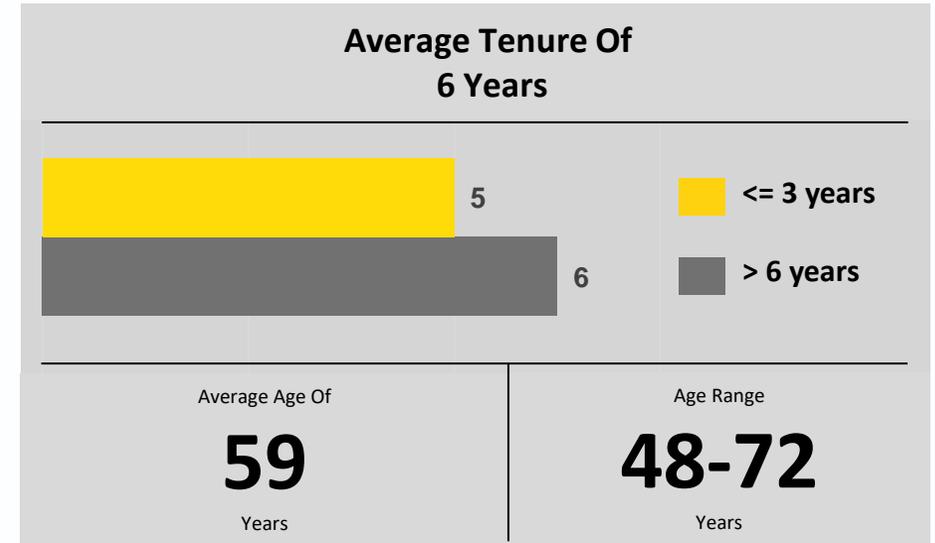
(b) Our Directors Whose Global Experience Includes Living Outside The U.S. And/Or Who Hold Dual Citizenship

# Corporate Governance

## Board Composition And Governance Features

- ✓ Independent Chairperson
- ✓ 4 New Non-Management Directors In The Last 3 Years
- ✓ Balance Of Institutional Knowledge And Fresh Perspective
- ✓ Key Governance Features:
  - ✓ Proxy Access
  - ✓ Annual Say-On-Pay Vote
  - ✓ Recoupment Policy Relating To Unearned Management Compensation
  - ✓ Robust Stock Ownership Guidelines For Directors & Management

## Board Refreshment And Tenure



## Management Incentives Support Our Long-Term Objectives

Annual Incentives On Performance Against:

EPS | Cash Flow Multiple | Gross Margin | Organic Sales Growth

Long-Term Incentives On Pre-Established Performance Goals On:

CFROI | EPS | Relative TSR

*In Order To Fully Evaluate The Most Appropriate, Quantifiable Metrics Aligned With Our Long-Term ESG And Broad Company Strategy, We Aim To Further Embed And Monitor ESG Performance In Business Reviews Throughout 2022, As Our Baseline Year, As We Anticipate More Formally Incorporating ESG Within Our Incentive Program In Future Years*

**Corporate Governance Policies That Align The Interests Of Management With Shareholders**

# Independent, Experienced & Diverse Board Of Directors

*Andrea J. Ayers*



*Chair  
Stanley Black & Decker  
Former President & CEO Convergy's*

- ✓ *Expertise In Multi-Channel Customer Experience, Customer Management Analytics & Technology*
- ✓ *Led Transformation Of Convergy's From A Company With Three Business Lines To A Customer Management Solutions Company With ~125K Employees Worldwide*

*Donald Allan, Jr.*



*President & CEO  
Stanley Black & Decker*

- ✓ *Appointed Stanley Black & Decker's President & Chief Executive Officer Effective July 1<sup>st</sup>, 2022*
- ✓ *Integral Knowledge Of The Daily Workings Of The Company Enhanced By 23 Years Of Experience In Roles Of Increasing Responsibility – Most Recently President & CFO*

*Patrick D. Campbell*



*Former SVP & CFO  
3M*

- ✓ *Expertise In Finance, M&A & Information Technology*
- ✓ *25 Years At General Motors With Extensive International CFO Experience*

*Carlos M. Cardoso*



*Principal  
CMPC Advisors*

- ✓ *Expertise In Managing The Daily Operations Of A Complex Company*
- ✓ *Former Chairman, President & CEO At Kennametal*

*Robert B. Coutts*



*Former EVP Electronic Systems  
Lockheed Martin & Chairman Sandia  
National Labs*

- ✓ *Expertise In Manufacturing, Program & Supply Chain Management, Cyber Technology & Government Contracting*
- ✓ *20 Years In Management Positions With General Electric*

*Debra A. Crew*



*President, North America  
Diageo*

- ✓ *Expertise In Consumer/Retail, Branding, Marketing, Operations & Strategy*
- ✓ *Global Perspective With Proven Commercial Capabilities And Exposure To World-Class Innovation Planning Processes*

# Independent, Experienced & Diverse Board Of Directors

*Michael D. Hankin*



*President & CEO  
Brown Advisory*

- ✓ *Expertise In Financial & Investment Planning, Capital Structure, Valuation & Cybersecurity*
- ✓ *Grew Brown Advisory From \$1.5B To Over \$130B In AUM*

*Adrian V. Mitchell*



*EVP & CFO  
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.*

- ✓ *Oversees A Leading Portfolio Of Industrial Operating Segments And Has Executive Oversight For Dow Business In Asia Pacific*
- ✓ *Experienced In Sales, Digital Marketing Innovation, M&A And Operations With Background In Engineering & Product Design*

*Modjeh Poul*



*EVP, Health Care  
3M Company*

- ✓ *Leads 3M's Health Care Business Group, Which Includes Medical Solutions, Health Information Systems, Drug Delivery Systems And Food Safety*
- ✓ *Prior To 3M, Led Teams In Highly Regulated Industries And Businesses Requiring Strong Product Engineering And Market Development Expertise*

*Irving Tan*



*EVP, Global Operations  
Western Digital Corporation*

- ✓ *Expertise In Operating Strategy, M&A, Innovation & Digitization*
- ✓ *Global Perspective & Deep Knowledge Of Asian Markets*

# Committee Structure



## Audit Committee



Campbell (C)



Hankin



Mitchell



Poul



Tan

## Corporate Governance Committee



Cardoso (C)



Coutts



Mitchell



Palmieri



Poul



Tan

## Compensation & Talent Development Committee



Crew (C)



Ayers



Campbell



Coutts

## Finance & Pension Committee



Hankin (C)



Ayers



Cardoso



Crew



Palmieri

## Executive Committee



Ayers (C)



Allan



Campbell



Cardoso



Crew



Hankin

# Management Compensation Aligned With Performance

## The Right Compensation Structure For Our Long-Term Strategy

### Pay For Performance

- Pay Is Strongly Aligned With Financial Performance Including TSR Relative To Our Compensation Peer Group<sup>1</sup>
- Rewards Long-Term Growth And Value Creation And Limits Pay In Case Of Underperformance
- Annual Incentives Based On Performance Against EPS, Cash Flow Multiple, Gross Margin Expansion And Organic Sales Growth
- Long-Term Incentives Based On Pre-Established Performance Goals On Cash Flow Return On Investment (CFROI), EPS And Relative TSR

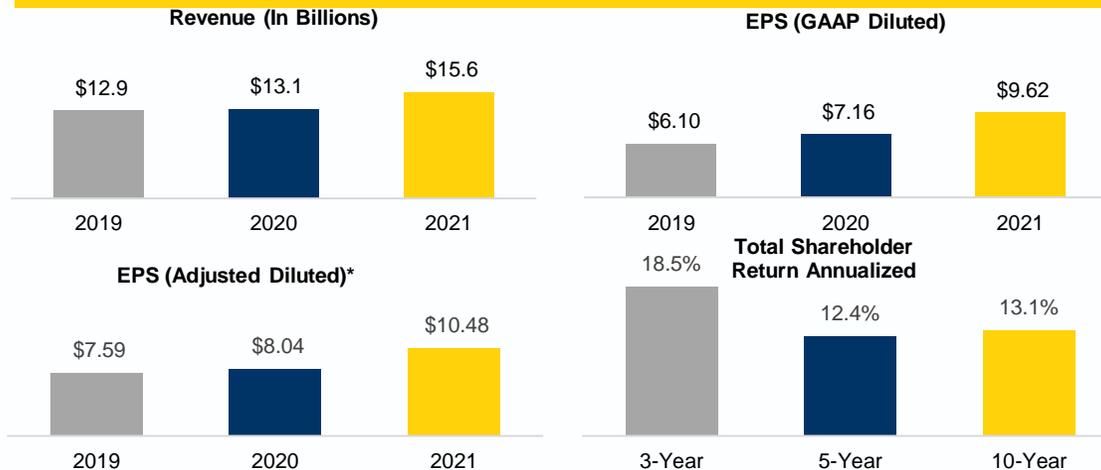
### Align Pay With Shareholder Interests

- Alignment Through Stock-Based Compensation, Stock Ownership Requirements And Performance Metrics
- Robust Stock Ownership Guidelines For All Executive Officers
- “Hold Until Met Ownership Policy” Requires Post-Vesting Share Retention
- Executive Compensation Opportunity Is Benchmarked At The 50th Percentile Of Compensation Peer Group<sup>1</sup>

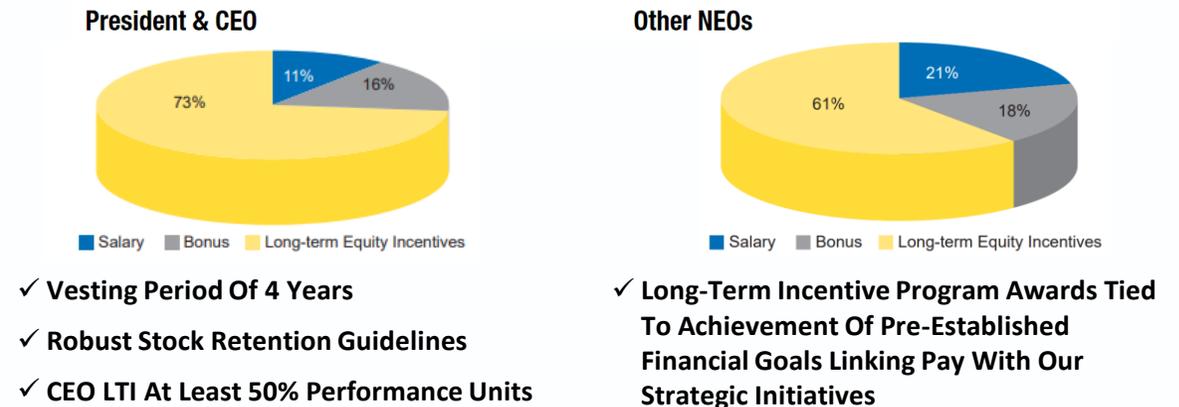
### Manage Risk

- Compensation Committee Conducts Annual Risk Assessment
- Independent Compensation Consultant, *Pay Governance*
- Prohibits Hedging And Discourages Pledging Of Stock
- Prohibits Option Repricing And Cash Buyouts Of “Out-Of-The-Money” Options Without Shareholder Approval
- Forfeiture Of Incentive Awards In The Event Of A Financial Restatement Under Certain Conditions

## Delivering Value For Our Shareholders



## Pay For Performance Philosophy



# Appendix

**StanleyBlack&Decker**



# Reconciliation Of GAAP To Non-GAAP Measures

	GAAP Diluted EPS		Acquisition-Related Charges & Other*		Non-GAAP Diluted EPS**
FY19	\$6.10	+	\$1.49	=	\$7.59
FY20	\$7.16	+	\$0.88	=	\$8.04
FY21	\$9.62	+	\$0.86	=	\$10.48

\* Please refer to the Company's 2021 Annual Report available at <https://www.stanleyblackanddecker.com/investors> for a discussion of items that make up Acquisition-Related Charges & Other.

\*\* The non-GAAP 2021, 2020 and 2019 information, as reconciled to GAAP above, is considered relevant to aid analysis and understanding of the Company's results, business trends and outlook measures aside from the material impact of acquisition-related and other charges and ensures appropriate comparability to operating results of prior periods. Includes Automatic Doors Business.