**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**

# FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 30, 2023**
**or**
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from ___________ to ___________**
**Commission File Number 001-05224**

# STANLEY BLACK & DECKER, INC.

**(Exact Name Of Registrant As Specified In Its Charter)**

| **Connecticut** | **06-0548860** |
|---|---|
| **(State or Other Jurisdiction of Incorporation or Organization)** | **(I.R.S. Employer Identification Number)** |

**1000 STANLEY DRIVE**
**NEW BRITAIN, CT 06053**
**(Address of Principal Executive Offices)**

**Registrant's Telephone Number, Including Area Code 860 225-5111**

**Securities Registered Pursuant to Section 12(b) of the Act:**

| **Title Of Each Class** | **Trading Symbol(s)** | **Name Of Each Exchange on Which Registered** |
|---|---|---|
| Common Stock $2.50 Par Value per Share | SWK | New York Stock Exchange |

**Securities Registered Pursuant To Section 12(g) Of The Act:**
**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large Accelerated Filer | ☑ | Accelerated Filer | ☐ |
| Non-Accelerated Filer | ☐ | Smaller Reporting Company | ☐ |
| | | Emerging Growth Company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

As of June 30, 2023, the aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was $14.4 billion based on the New York Stock Exchange closing price for such shares on that date. On February 20, 2024, the registrant had 153,802,067 shares of common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive proxy statement relating to its 2024 annual meeting of shareholders (the "2024 Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The 2024 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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# PART I

## ITEM 1. BUSINESS

Stanley Black & Decker, Inc. ("the Company") was founded in 1843 by Frederick T. Stanley and incorporated in Connecticut in 1852. In March 2010, the Company completed a merger with The Black & Decker Corporation (“Black & Decker”), a company founded by S. Duncan Black and Alonzo G. Decker and incorporated in Maryland in 1910. At that time, the Company changed its name from The Stanley Works to Stanley Black & Decker, Inc. The Company’s principal executive office is located at 1000 Stanley Drive, New Britain, Connecticut 06053 and its telephone number is (860) 225-5111.

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, with 2023 consolidated annual revenues of $15.8 billion. Approximately 62% of the Company’s 2023 revenues were generated in the United States, with the remainder largely from Europe (16%), emerging markets (12%) and Canada (5%).

In recent years, the Company has re-shaped its portfolio through a series of acquisitions and divestitures. In December 2021, the Company completed the acquisitions of the remaining 80 percent ownership stake of MTD Holdings Inc. ("MTD") for $1.5 billion and Excel Industries ("Excel") for $374 million. The MTD acquisition expanded the Company's presence in the $25 billion outdoor category, with strong brands and growth opportunities. Excel was a strategically important bolt-on acquisition that bolstered the Company's presence in the independent dealer network. In July 2022, the Company sold its Convergent Security Solutions ("CSS") business comprised of the commercial electronic security and healthcare businesses for net proceeds of $3.1 billion and its Mechanical Access Solutions ("MAS") business comprised of the automatic doors business for net proceeds of $916 million. In August 2022, the Company sold its Oil & Gas business comprised of the pipeline services and equipment businesses. Most recently, the Company announced in December 2023 that it had entered into a definitive agreement to sell its Infrastructure business, comprised of the attachment and handheld hydraulic tools business, for $760 million in cash. These recent acquisitions and divestitures are part of the Company's strategic commitment to simplify and streamline its portfolio to focus on its leading market positions in tools and outdoor, as well as engineered fastening systems.

Refer to *Note E, Acquisitions*, and *Note T, Divestitures*, of the *Notes to Consolidated Financial Statements* in *Item 8* for further discussion.

Leveraging the benefits of a more focused portfolio, the Company initiated a business transformation in mid-2022 that includes reinvestment for faster growth as well as the $2.0 billion Global Cost Reduction Program through 2025. The Company’s primary areas of multi-year strategic focus remain unchanged as follows:

- Advancing innovation, electrification and global market penetration to achieve organic revenue growth of 2 to 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; and
- Prioritizing cash flow generation and inventory optimization.

In terms of capital allocation, the Company remains committed, over time, to returning excess capital to shareholders through a strong and growing dividend as well as opportunistically repurchasing shares. In the near term, the Company intends to direct any capital in excess of the quarterly dividend on its common stock toward debt reduction and internal growth investments.

The Company’s environmental, social and governance ("ESG") strategy is integrated into, and informed by, its overall long-term business strategy. The portfolio changes discussed above prompted the Company to re-baseline its ESG data and update its ESG targets to align with the more focused Company and its business priorities and goals, while maintaining continuity with the legacy ESG pillars of people, products, and planet. The Company’s renewed ESG priorities are as follows:

- The People strategy includes broad based diversity, equity & inclusion ("DEI") initiatives supported by equal employment opportunities and the Company's Growing the Trades program. Refer to the *"Human Capital Management"* section below for additional information regarding the Company's commitment to supporting its employees and improving DEI. To grow the trades, the Company is tailoring its philanthropic efforts to fund trade skill-building initiatives with $30 million pledged by 2027. The Company believes this will generate end-user loyalty and brand ambassadorship that fuels long-term demand.

- The Product strategy is focused on minimizing the environmental footprint of the Company’s products through an emphasis on Sustainable Innovation. The Company’s products are increasingly designed with sustainability in mind – from more sustainable materials specified in product design and packaging, to more eco-friendly impacts resulting from the use of its products, to thoughtful end-of-life repair, reuse and recycling programs. To measure progress in this space, the Company set an intensity-based goal to reduce the greenhouse gas ("GHG") emissions of its products' material, transportation, and use phases (Scope 3) by 52% by 2030. To reach this goal, the Company plans to engage two-thirds of its suppliers to set their own Scope 1 and 2 GHG emissions reduction targets by 2027. The Company plans to work with customers and suppliers to try to reduce or eliminate problematic plastics in its packaging and improve packaging sustainability, with a specific goal to be set by 2025; and plans to continue the transformation of its product portfolio to quieter, safer, and more eco-friendly offerings through electrification.

- The Planet strategy for Sustainable Operations is focused on the responsible stewardship of the Company’s owned and operated facilities. The Company is implementing a climate science-based plan with a goal to reduce its internal operational GHG emissions by 42% (Scope 1 and Scope 2) by 2030, against the 2022 baseline. The Company expects to do this by continuing to invest in renewable power sources, such as wind and solar, while improving efficiencies through capital investments, and evaluating additional tools like power purchase agreements and energy attribute certificates. The Company will also pursue zero-waste-to-landfill across all its global manufacturing and distribution sites by 2040. The Company believes the responsible stewardship of its operations is important for energy independence and operations resilience, and increasingly as a value proposition for its customers, who value sustainable upstream suppliers as they work to reduce their own carbon footprint.

The Company’s annual ESG report, issued in August 2023, details the evolution of its ESG strategy and refreshed public commitments. The report includes a comprehensive review of the Company's ESG program and builds on a long history of annually reporting its sustainability metrics and public goals. As explained in the ESG report, the Company's goals contemplate a number of assumptions and there can be no assurances that those assumptions will be correct or that such goals will be achieved or retained.

**Description of the Business**

The Company’s operations are classified into two reportable business segments: Tools & Outdoor and Industrial. Both reportable segments have significant international operations and are exposed to translational and transactional impacts from fluctuations in foreign currency exchange rates.

Additional information regarding the Company’s business segments and geographic areas is incorporated herein by reference to the material captioned “*Business Segment Results*” in *Item 7* and *Note P, Business Segments and Geographic Areas*, of the *Notes to Consolidated Financial Statements* in *Item 8*.

Tools & Outdoor

The Tools & Outdoor segment is comprised of the Power Tools Group ("PTG"), Hand Tools, Accessories & Storage ("HTAS"), and Outdoor Power Equipment ("Outdoor") product lines. Annual revenues in the Tools & Outdoor segment were $13.4 billion in 2023, representing 85% of the Company’s total revenues. The segment is a worldwide leader in the tools and outdoor markets and carries iconic brands in the industry, including DEWALT®, CRAFTSMAN®, STANLEY®, BLACK+DECKER® and CUB CADET®.

The PTG product line includes both professional and consumer products. Professional products, primarily under the DEWALT® brand, include professional grade corded and cordless electric power tools and equipment including drills, impact wrenches and drivers, grinders, saws, routers and sanders, as well as pneumatic tools and fasteners including nail guns, nails, staplers and staples, and concrete and masonry anchors. DIY and tradesperson focused products include corded and cordless electric power tools sold primarily under the CRAFTSMAN® brand, and consumer home products such as hand-held vacuums, paint tools and cleaning appliances primarily under the BLACK+DECKER® brand.

The HTAS product line sells hand tools, power tool accessories and storage products. Hand tools include measuring, leveling and layout tools, planes, hammers, demolition tools, clamps, vises, knives, saws, chisels and industrial and automotive tools. Power tool accessories include drill bits, screwdriver bits, router bits, abrasives, saw blades and threading products. Storage products include tool boxes, sawhorses, medical cabinets and engineered storage solution products.

The Outdoor product line primarily sells corded and cordless electric lawn and garden products, including hedge trimmers, string trimmers, lawn mowers, pressure washers and related accessories, and gas powered lawn and garden products, including lawn tractors, zero turn ride on mowers, walk behind mowers, snow blowers, residential robotic mowers, utility terrain vehicles (UTVs), hand-held outdoor power equipment, garden tools, and parts and accessories to professionals and consumers under the DEWALT®, CRAFTSMAN®, CUB CADET®, BLACK+DECKER®, and HUSTLER® brand names.

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.

Industrial

The Industrial segment is comprised of the Engineered Fastening and Infrastructure businesses. Annual revenues in the Industrial segment were $2.4 billion in 2023, representing 15% of the Company’s total revenues.

The Engineered Fastening business is a global leader of highly engineered, application-based solutions. The business primarily sells highly engineered components such as fasteners, fittings and various engineered products, which are designed for specific application across multiple verticals. The product lines include externally threaded fasteners, blind rivets and tools, blind inserts and tools, drawn arc weld studs and systems, engineered plastic and mechanical fasteners, self-piercing riveting systems, precision nut running systems, micro fasteners, high-strength structural fasteners, axel swage, latches, heat shields, pins, and couplings. The business sells to customers in the automotive, manufacturing, electronics, construction, and aerospace industries, amongst others, and its products are distributed through a direct sales force and, to a lesser extent, third-party distributors.

The Infrastructure business designs, manufactures, and sells attachments, typically used on excavators, and handheld hydraulic and battery-powered tools for applications in infrastructure, construction, scrap recycling, demolition, and railroad infrastructure. The products and services are primarily distributed through a direct sales force and, to a lesser extent, third-party distributors.

**Other Information**

Competition

The Company competes on the basis of its reputation for product quality, its well-known brands, its commitment to customer service, its strong customer relationships, the breadth of its product lines, its innovative products and customer value propositions.

The Company encounters active competition in the Tools & Outdoor and Industrial segments from both larger and smaller companies that offer the same or similar products and services or that produce different products appropriate for the same uses. Certain large customers offer private label brands (“house brands”) that compete across a wide spectrum of the Company’s Tools & Outdoor segment product offerings.

Major Customers

A significant portion of the Company’s Tools & Outdoor products are sold to home centers and mass merchants in the U.S. and Europe. A consolidation of retailers both in North America and abroad has occurred over time. While this consolidation and the domestic and international expansion of these large retailers have provided the Company with opportunities for growth, the increasing size and importance of individual customers creates a certain degree of exposure to potential sales volume loss. Lowe's accounted for approximately 14%, 15% and 15% of the Company's consolidated net sales in 2023, 2022 and 2021, respectively, while The Home Depot accounted for approximately 13%, 13% and 15% of the Company's consolidated net sales in 2023, 2022 and 2021, respectively. No other customer exceeded 10% of the Company's consolidated net sales in 2023, 2022 or 2021.

Working Capital

The Company continues to practice the operating principles encompassed by Operational Excellence, one element of the supply chain transformation, leveraging the principles of: sales and operations planning, operational lean, global supply management, order-to-cash excellence, and upskilling the Company's workforce. The Company aims to develop standardized business processes and system platforms to reduce costs and provide scalability. Working capital turns were 4.2 at the end of 2023, up 0.7 turns from 2022, driven by the Company's focus on optimizing inventory levels via improved supply chain conditions and strategic inventory management. As a result of this focus and planned production curtailments initiated during the back half of 2022, inventory as of December 30, 2023 was $4.7 billion, down $1.9 billion from its peak at the end of the second quarter of 2022. The Company plans to continue leveraging Operational Excellence to generate ongoing improvements in working capital turns, cycle times, and customer service levels.

Raw Materials

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. 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. The Company does not anticipate difficulties in obtaining supplies for any raw materials used in its production processes and has maintained the proactive measures taken in 2022 to secure energy supply in its European factories to insulate the Company's production from supply constraints in the region.

Patents and Trademarks

No business segment is solely dependent, to any significant degree, on patents, licenses, franchises or concessions, and the loss of one or several of these patents, licenses, franchises or concessions would not have a material adverse effect on any of the Company's businesses. The Company owns numerous patents, none of which individually are material to the Company's operations as a whole. These patents expire at various times over the next 20 years. The Company holds licenses, franchises and concessions, none of which individually or in the aggregate are material to the Company's operations as a whole. These licenses, franchises and concessions vary in duration, but generally run from one to 40 years.

The Company has numerous trademarks that are used in its businesses worldwide. In the Tools & Outdoor segment, significant trademarks include DEWALT®, CRAFTSMAN®, STANLEY®, BLACK+DECKER®, DEWALT FLEXVOLT®, DEWALT POWERSTACK®, DEWALT POWERSHIFT™, IRWIN®, LENOX®, PORTER-CABLE®, BOSTITCH®, FATMAX®, Powers®, Guaranteed Tough®, MAC TOOLS®, PROTO®, Vidmar®, FACOM®, Expert®, LISTA®, MTD®, CUB CADET®, TROY-BILT®, HUSTLER®, and the yellow & black color scheme for power tools and accessories. Significant trademarks in the Industrial segment include STANLEY®, NELSON®, CribMaster®, POP®, Avdel®, Tucker®, NPR®, Spiralock®, CAM®, Bristol Industries®, Voss™, Aerofit™, EA Patten™, Integra®, and Optia®. The terms of these trademarks typically vary from 10 to 20 years, with most trademarks being renewable indefinitely for like terms.

Governmental Regulations

The Company's operations are subject to numerous federal, state and local laws and regulations, both within and outside the U.S., in areas such as environmental protection, international trade, anti-corruption, data privacy, tax, consumer protection, government contracts, climate change and others. The Company is subject to import and export controls, tariffs, and other trade-related regulations and restrictions in the countries in which it has operations or otherwise does business. These controls, tariffs, regulations, and restrictions have had, and may continue to have, a material impact on the Company's business, including its ability to sell products and to manufacture or source components. Refer to *Item 1A. Risk Factors* in *Part I* of this Annual Report on Form 10-K for additional information regarding various laws and regulations that affect the Company's business operations.

The Company is also subject to various environmental laws and regulations in the U.S. and foreign countries where it has operations. In the normal course of business, the Company is involved in various legal proceedings relating to environmental issues. The Company’s policy is to accrue environmental investigatory and remediation costs for identified sites when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. In the event that no amount in the range of probable loss is considered most likely, the minimum loss in the range is accrued. The amount of liability recorded is based on an evaluation of currently available facts with respect to each individual site and includes such factors as existing technology, presently enacted laws and regulations, and prior experience in remediation of contaminated sites. The liabilities recorded do not take into account any claims for recoveries from insurance or third parties. As assessments and remediation progress at individual sites, the amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. As of December 30, 2023 and December 31, 2022, the Company had reserves of $124.5 million and $129.3 million, respectively, for remediation activities associated with Company-owned properties, as well as for Superfund sites, for losses that are probable and estimable. Of the 2023 amount, $46.0 million is classified as current and $78.5 million as long-term, which is expected to be paid over the estimated remediation period. As of December 30, 2023, the Company has recorded $17.0 million in other assets related to funding by the Environmental Protection Agency ("EPA") and monies received have been placed in trust in accordance with the Consent Decree associated with the West Coast Loading Corporation ("WCLC") proceedings, as further discussed in *Note S, Contingencies*, of the *Notes to Consolidated Financial Statements* in *Item 8*. Accordingly, the Company's net cash obligation as of December 30, 2023 associated with the aforementioned remediation activities is $107.5 million. As of December 30, 2023, the range of environmental remediation costs that is reasonably possible is $79.9 million to $226.8 million, which is subject to change in the near term. The Company may be liable for environmental remediation of sites it no longer owns. Liabilities have been recorded on those sites in accordance with the Company's policy.

The amount recorded for identified contingent liabilities is based on estimates. Amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. Actual costs to be incurred in future periods may vary from the estimates, given the inherent uncertainties in evaluating certain exposures. Subject to the imprecision in estimating future contingent liability costs, the Company does not expect that any sum it may have to pay in connection with these matters in excess of the amounts recorded will have a materially adverse effect on its financial position, results of operations or liquidity. Additional information regarding environmental matters is available in *Note S, Contingencies*, of the *Notes to Consolidated Financial Statements* in *Item 8*.

Compliance with government regulations, including environmental and climate change regulations, has not had, and based on current information and the applicable laws and regulations currently in effect, is not expected to have a material effect on the Company's capital expenditures, results of operations or competitive position. However, laws and regulations may be changed, accelerated or adopted that impose significant operational restrictions and compliance requirements upon the Company and which could negatively impact its operating results and financial condition.

Human Capital Management

The Company has a strategic vision to grow as an employer of choice with leading market positions in each of its major categories. The Company’s human capital management fuels every part of the path to this vision, supporting long-term growth. It begins with its Purpose (why we do what we do), Values (intrinsically what we prioritize), Leadership Principles (how we lead), Focus Forward Priorities (what we work on), Operating Model (how we work), and Key Performance Indicators (how we measure success).

To achieve this vision, the Company will be focusing intently on its Focus Forward strategy, which details the long-term focus areas that will guide the journey forward. The priorities and core focus areas include a strong foundation of attracting, developing and retaining talent, building organizational capabilities, and evolving the Company's culture. The Company’s People & Culture foundation is something that everyone is responsible for – especially people managers. The Company’s goal is to continue to strive to cultivate a diverse and inclusive environment where all employees thrive and are motivated to deliver their best work, extraordinary outcomes and achieve full potential. The Company remains fully engaged in its key priorities of: Health & Safety; Diversity, Equity & Inclusion; Environmental & Social Responsibility; and Integrity & Compliance.

As of December 30, 2023, the Company had approximately 50,500 employees in 59 countries. Approximately 36% of total employees were employed in the U.S. In addition, the Company had approximately 7,300 temporary contractors globally, primarily in operations. The workforce is comprised of approximately 69% hourly-paid employees, principally in manufacturing and distribution centers, and 31% salaried employees. There were approximately 1,000 U.S. employees covered by collective bargaining agreements dispersed among 8 different local labor unions, and a majority of European employees are represented by Works Councils. Three U.S. collective bargaining agreements are scheduled for renegotiation in the next 12 months. The Company strives to maintain a positive relationship with all its employees, as well as the unions and Works Councils representing them, where applicable.

**Talent Attraction, Development, Retention and Compensation**

*Attraction*

In 2023, the Company continued to invest in developing a global talent acquisition center of excellence, including hiring a dedicated Global Talent Acquisition Leader and continuing the work started in 2022 within the regions to better focus on skill shortages locally. Additionally, the Company commenced work with a dedicated focus on improving the candidate experience, from attraction through onboarding to enhance the ease of application for job seekers. The Company plans to continue this work through 2024. The Company also began the rollout of a comprehensive hiring toolkit, which focuses on implementing equal employment opportunity principles, such as competency versus skills-based interviewing and aims to reduce bias in the recruitment process.

The Company has also placed an emphasis on fostering strategic partnerships with organizations that intentionally connect with candidates of diverse backgrounds, work experiences, global perspectives, and varied skills. These include organizations such as Heroes MAKE America for Veterans, Ready Willing and Able (RWA), Community Living for individuals with intellectual disabilities, Hartford Promise Scholars, Society of Hispanic Professional Engineers, Society of Asian Scientists and Engineers, and Thurgood Marshall College Fund. In addition, the Company has a partnership program with Historically Black Colleges and Universities (HBCUs) providing scholarships and career opportunities. The Company has a process in place to post opportunities to diversity-focused job boards such as DirectEmployers Association, Inc. to improve visibility of its career opportunities with diverse applicants. Approximately 35% of global new hires in 2023 were women versus 39% in 2022, and in the U.S. approximately 40% of new employees were racially or ethnically diverse versus 39% in 2022.

*Development*

Talent development is a key enabler of the People & Culture pillar of the Company's Focus Forward strategy. Key parts of development include clearly defined goals and performance feedback. Throughout 2023, the Talent Development team has continued preparing for the Company’s annual feedback process and utilizing the new Human Capital Management tool. The performance feedback process has been simplified and encourages both self-reflection and leader feedback against goals to support on-going development. The process started in the fourth quarter of 2023 and is targeted for full implementation by the middle of 2024. Lifelong learning is supported internally through Stanley Black & Decker University and externally with third-party partners. The Company offers over 25,000 training courses to its colleagues, and employees attended more than 29,000 hours of online and in-person voluntary learning in 2023. Additionally, the Company focuses on leadership development anchored around its Leadership Principles and Values, while promoting leadership habits and behaviors that highlight the importance of attributes like empathy, inclusivity and listening.

To further development in 2023, the Company invested in a 360-assessment process for many of its leaders where they had the chance to gain valuable feedback and insights into their leadership strengths and opportunities based on the leadership behaviors. The Company intends to use this information through 2024 to aid in the creation of enterprise-wide training and development experiences and courses to aid in the accelerated preparation of the Company's leaders. In 2023, the Company had approximately 4,600 users with 10,000 published videos and 179,000 workflow views to assist operations employees with on-the-job training.

*Retention*

The Company monitors organizational health through a variety of channels including employee opinion surveys, town halls, roundtables, listening sessions, and an internal communications and social collaboration platform called Workplace. The Company recently launched its new Human Capital Management tool which will allow the Company’s Human Resources data team to continuously share new metrics, reports and dashboards related to headcount, hiring, and retention to provide value driven insight from people data.

*Compensation*

Compensation and benefits are globally managed and tailored by country to maintain market competitiveness, and effectively attract, retain, and reward employees. The Company’s portfolio of programs is designed in the context of its compensation philosophy underpinned by the tenets of competitive pay, pay for performance, alignment with shareholder interests, balance of risk versus reward, and the Company's intent to provide fair and equitable pay supporting an inclusive culture. In addition to standard compensation and benefits packages, a sizable portion of managers and select individual contributors receive annual incentives contingent on achievement of business objectives, and all employees are generally eligible for special recognition awards.

**Diversity, Equity & Inclusion**

The Company strives to build and nurture an inclusive culture of passion and belonging where employees feel valued and heard, and are positioned to succeed through equal employment opportunities. As of December 30, 2023, the Company's Board of Directors (the "Board") is comprised of 45% women versus 33% in 2022, 18% racially or ethnically diverse directors versus 17% in 2022, and 18% that are of a diverse national origin versus 17% in 2022. The Chief Executive Officer ("CEO") and his direct staff are comprised of 25% women leaders, versus 42% in 2022, and 25% racially or ethnically diverse leaders versus 25% in 2022. Women represented approximately 34% of the Company's global workforce in 2023 versus 35% in 2022. In the U.S., approximately 35% of employees are racially or ethnically diverse in both 2023 and 2022. 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.

The Chief Diversity Officer ("CDO"), with the support of a dedicated team of diversity, equity, and inclusion professionals, promotes a broad approach to DEI 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.

Management monitors hiring, retention, promotion and continued progress toward achieving the Company's DEI goals. Ongoing DEI reviews are completed by management to support diverse representation throughout the organization and emphasize leadership accountability to support a diverse and inclusive workplace across various dimensions of diversity. The Company provides training and guidance to employees including inclusive workforce modules. An internal knowledge library of DEI resources is available on the Company's intranet. Mentorship programs cultivate talent at the Company by pairing women, people of color, early career talent and DEI leadership development program participants with the Company's leaders to influence leadership growth and mentor allyship.

The Company has nine Employee Resource Groups ("ERGs") and two regional inclusion councils. These ERGs are formed around various dimensions of diversity and employees are encouraged to engage with all ERGs when and how they prefer. The ERGs include Abilities (visible and invisible abilities), African Ancestry, Asian Heritage, Hispanic/Latino/Latinx, Developing Professionals, Pride & Allies (LGBTQ+), Veterans, Women, and Working Parents. Company executives and leaders actively participate, sponsor and engage with the ERGs. The CEO and direct staff also provide executive sponsorship and support for one or more ERGs, which serves as one of the cornerstones for inclusion and engagement of talent at scale.

The Company's 10-point racial equity roadmap has guided its progress in this space since it was launched in 2020, and has been refined to align with the Company's timing and progress related to its ongoing business transformation. In light of the business transformation, the Company is now revising the two outstanding points of the roadmap to align with its plan to build a new, resilient supply chain and to continue to strengthen and sustain its relationships with external partners supporting its DEI efforts. The Company prioritizes investing in its communities by supporting individuals and organizations that advance DEI goals across regions in which it operates. There is a wide array of program offerings provided through the Company's DEI 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, in high school and college, access to expanded experiential learning beyond their classrooms. The Company's goal is to help its RISE scholars discover their passions, expose them to business, technology, and STEM career opportunities, and help to develop them as leaders.

The Company continues to support gender representation in leadership as a part of its broader DEI goals. The Company also participates in the Business Roundtable, where many of the largest U.S.-based employers are committed to building a more inclusive environment. The Company was also among the signatories of the CEO Action for Diversity & Inclusion initiative.

**Employee Well-being**

The Company believes that employees who are thriving as individuals are best capable of sustainable and resilient high performance and contributing to a thriving company culture. Therefore, the need to optimize employee well-being has been identified as a strategic enabler for the success of the Company's Focus Forward strategy. In 2023, the Company embarked on a long-term vision to develop a global well-being strategy dedicated to supporting employee well-being as a competitive benefit to attract and retain talent. The implementation of the strategy will vary by country but will include benefits to support the broad wellness of employees' healthy lifestyles, mental health, and retirement readiness, which will be bolstered by programs to support a healthy, psychologically safe culture at work. The Company also supports its employees and promotes work/life balance through benefits such as paid parental leave, paid time off, flexible work arrangements and virtual/hybrid working model policies.

**Environment, Health and Safety**

The Company's Environmental, Health and Safety ("EHS") Management System 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. In 2023, the Company reinforced EHS as a key priority that applies to employees and operating locations worldwide, including manufacturing facilities, distribution centers, warehouses, laboratories, field service centers, retail locations, office locations and mobile units, as well as to the Company's subsidiaries. With a focus on continuous improvement, the Company launched efforts to update its EHS Management System to better align with its current organization and allows the Company to be even more proactive in risk recognition and mitigation at all levels. Legal requirements and responses may vary in the different countries in which the Company's facilities are located. The Company also organized the Corporate EHS team to support technically and more effectively with developing capabilities that enable strong performance at the Company's sites globally.

**Governance and Oversight**

The CEO and the management Executive Committee are entrusted with developing and advancing the Company's human capital strategy which is reviewed annually with periodic updates on progress with the Board. The Chief Human Resources Officer ("CHRO"), who reports directly to the CEO, is charged with the development and stewardship of this strategy on an enterprise-wide basis. This incorporates a broad range of dimensions, including culture, values, labor and employee relations, leadership expectations and capabilities, talent development, performance management and total rewards. Each year, the Company conducts an extensive talent review with its CEO where the leadership team, key talent, and succession plans are reviewed. Afterwards, the CEO or CHRO leads a talent review with the Compensation & Talent Development Committee of the Board and the entire membership of the Board, at least annually.

Refer to the caption "Information About Our Executive Officers" in *Part 1* of this Annual Report on Form 10-K and *Item 10. Directors, Executive Officers and Corporate Governance of the Registrant* in *Part III* of this Annual Report on Form 10-K for additional information regarding the Company's Executive Officers.

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. 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. Additional information regarding the Company's Human Capital programs and initiatives is available in the Company's ESG Report located under the "Impact" heading of the Company's website. The information on the Company's website is not, and is not intended to be, part of this Annual Report on Form 10-K and is not incorporated into this report by reference.

Research and Development Costs

Research and development costs, which are classified in Selling, general and administrative ("SG&A"), were $362.0 million, $357.4 million and $276.3 million for fiscal years 2023, 2022 and 2021, respectively. The Company continues to invest in its innovation model with both breakthrough and core innovations and places an emphasis on electrification.

Available Information

The Company's website is located at http://www.stanleyblackanddecker.com. This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to the Company's website. Additionally, this Annual Report on Form 10-K includes several website addresses and references to additional materials found on those websites. These websites and materials, including the information on the Company's website that may be referenced in this Annual Report on Form 10-K, is provided for convenience only and is not intended to be part of this Annual Report on Form 10-K and is not incorporated into this report by reference. The Company makes its Forms 10-K, 10-Q, 8-K and amendments to each available free of charge on its website as soon as reasonably practicable after filing them with, or furnishing them to, the U.S. Securities and Exchange Commission ("SEC").

## ITEM 1A. RISK FACTORS

*The Company's business, operations and financial condition are subject to various risks and uncertainties. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including those risks set forth under the heading entitled "Cautionary Statements Under the Private Securities Litigation Reform Act of 1995" in Item 7, and in other documents that the Company files with the SEC, before making any investment decision with respect to its securities. If any of the risks or uncertainties actually occur or develop, the Company's business, financial condition, results of operations and future growth prospects could change. Under these circumstances, the trading prices of the Company's securities could decline, and you could lose all or part of your investment in the Company's securities.*

**Strategic Risks**

***The successful execution of the Company's business strategy depends on its ability to recruit, retain, train, motivate, and develop employees and execute effective succession planning.***

The success of the Company's efforts to grow its business depends on the contributions and abilities of key executives and management personnel, its sales force and other personnel, including the ability of its sales force to adapt to any changes made in the sales organization and achieve adequate customer coverage. The Company must therefore continue to recruit, retain, train and motivate management, sales and other personnel sufficiently to maintain its current business and support its projected growth. In addition, the Company must invest heavily in reskilling and upskilling its employees, including placing an emphasis on lifelong learning. Additionally, any unplanned turnover or inability to attract and retain key employees could have a negative effect on the Company's results of operations.

A shortage of key employees might jeopardize the Company's ability to implement its business strategy, and changes in the key management team can result in loss of continuity, loss of accumulated knowledge, departure of other key employees, disruptions to the Company's operations and inefficiency during transitional periods. The Company's reputation, business, revenue and results of operations could be materially and adversely affected if it is unable to recruit, retain, train, motivate, and develop employees and successfully execute organizational change and management transitions at leadership levels.

***The Company's acquisitions, exiting of businesses, divestitures, strategic investments and alliances and joint ventures, as well as general business reorganizations, may result in financial results that are different than expected and certain risks for its business and operations.***

As part of the Company's strategy, it may acquire businesses or assets, divest businesses or assets, enter into strategic alliances and joint ventures, and make investments to further its business (collectively, "business combinations and investment transactions"), and also handle any post-closing issues, such as integration and transition services. The Company may make additional divestitures or pursue acquisitions in the future.

Risks associated with business combinations and investment transactions include the following, any of which could adversely affect the Company's financial results, including its effective tax rate:

- the failure to identify the most suitable candidates for acquisitions and to close on such acquisitions within desired time frames and at a reasonable cost;
- difficulty in finding buyers or alternative exit strategies on acceptable terms in a timely manner, or disposing of a business at a price or on terms that are less desirable than the Company had anticipated;
- the ability to conduct and evaluate the results of due diligence with respect to business combinations and investment transactions;
- the failure to identify significant issues with a target company's product quality, financial disclosures, accounting practices or internal control deficiencies or the factors necessary to estimate reasonably accurate costs, timing and other matters, and the failure to identify, or accurately assess the risks of, historical practices of target companies that would create liability or other exposures for the Company if they continue post-completion or as a result of successor liability;
- the difficulties and cost in obtaining any necessary regulatory or government approvals on acceptable terms and any delay from the inability to satisfy pre-closing conditions;
- the anticipated additional revenues from the acquired companies do not materialize, despite extensive due diligence;
- the acquired businesses may lose market acceptance or profitability;
- difficulties in retaining existing or attracting new business and operational relationships, including with customers, suppliers and other counterparties;
- the impact of divestitures on the Company's revenue growth may be larger than projected, as the Company may experience greater dis-synergies than expected;
- the diversion of Company management's attention and other resources;
- incurring significant restructuring charges and amortization expense, assuming liabilities, ongoing or new lawsuits related to the transaction or otherwise or pre-closing regulatory violations of the acquired business, potential impairment of acquired goodwill and other intangible assets, and increasing the Company's expenses and working capital requirements;
- continued financial involvement in a divested business, such as through continuing equity ownership, guarantees, indemnities or other financial obligations;
- increased volatility and market vulnerability as a result of a more focused portfolio following completion of business combinations and investment transactions; and
- the loss of key personnel, distributors, clients or customers of acquired companies and difficulty in maintaining employee morale.

In addition, the current and the proposed changes to the U.S. and foreign regulatory approval process and requirements in connection with an acquisition or divestiture may jeopardize, delay or reduce the anticipated benefits of the transaction to the Company. Failure to effectively integrate acquired companies, strategic investments and alliances, consummate or manage any future acquisitions, exit businesses or consummate divestitures, or general business reorganizations, and mitigate the related risks, may adversely affect the Company’s existing businesses and harm its operational results due to large write-offs, significant restructuring costs, contingent liabilities, substantial depreciation, and/or adverse tax or other consequences. The Company cannot ensure that such integrations and reorganizations will be successfully completed or that all of the planned synergies and other benefits will be realized.

**Business and Operational Risks**

***The Company’s business is subject to risks associated with sourcing, manufacturing and maintaining appropriate inventory levels.***

The Company imports large quantities of finished goods, component parts and raw materials. Lead times for these items vary significantly and may be further impacted by global shortages of critical components. Global supply chain constraints in the wake of geopolitical tensions and conflicts have, and could again, adversely impact the availability and lead times for products, component parts and raw materials and thus negatively impact the Company’s results of operations. Specifically, the Company sources materials from South Korea, China and Taiwan, and any future tensions or conflicts in such regions could cause material disruptions in the Company's supply chain which could, in turn, cause product shortages, delays in delivery and/or increases in the Company's cost incurred to produce and deliver products to its customers. Other potential consequences arising from the further escalation of conflicts and global geopolitical tensions cannot be predicted.

In addition, the Company’s ability to import these items in a timely and cost-effective manner may be affected by conditions at ports or issues that otherwise affect transportation and warehousing providers, such as fluctuations in freight costs, port and shipping capacity, labor disputes and shortages, severe weather, including severe weather due to climate change, or increased homeland security requirements in the U.S. and other countries. These issues have delayed, and could delay in the future, importation of products or require the Company to locate alternative ports or warehousing providers to avoid disruption to customers. These alternatives may not be available on short notice or could result in higher transit costs, which could have an adverse impact on the Company’s business and financial condition.

The Company also relies on its ability to maintain inventory levels appropriate to meet consumer and customer demand. The Company is focused on optimizing inventory levels via improved supply chain conditions and strategic inventory management through the Global Cost Reduction Program implemented in mid-2022, which includes an initiative to reduce inventory levels by reducing complexity through SKU rationalization. Any failure to achieve SKU rationalization efforts in an efficient manner or reduce inventory levels in general, or otherwise maintain appropriate inventory levels to meet consumer and customer demand, may expose the Company to risks of excess inventory and less marketable or obsolete inventory and could require the Company to sell excess or obsolete inventory at a discount, which could result in inventory write-offs that would negatively impact the Company’s revenues and profit margin.

Substantially all of the Company's import operations are subject to customs requirements and to tariffs and quotas set by governments through mutual agreements, bilateral actions or, in some cases unilateral action. In addition, the countries in which the Company’s products and materials are manufactured or imported from (including importation into the U.S. of the Company's products manufactured overseas) may from time to time impose additional quotas, duties, tariffs or other restrictions on its imports (including restrictions on manufacturing operations) or adversely modify existing restrictions. Changes in U.S. policy regarding international trade, including import and export regulation and international trade agreements, have negatively impacted the Company’s business. For example, in 2018 the U.S. imposed tariffs on steel and aluminum as well as on goods imported from China and certain other countries, which resulted in retaliatory tariffs by China and other countries. Similar U.S. actions and any corresponding retaliatory efforts, could result in an increase in supply chain costs that the Company may not be able to offset or otherwise adversely impact the Company’s results of operations. Imports are also subject to unpredictable foreign currency changes which may increase the Company’s cost of goods sold. Adverse changes in these import costs and restrictions, or failure by the Company’s suppliers to comply with customs regulations or similar laws, could harm the Company’s business.

The Company’s operations are also subject to the effects of international trade agreements and regulations such as the United States-Mexico-Canada Agreement, and the activities and regulations of the World Trade Organization. Although these trade agreements generally have positive effects on trade liberalization, sourcing flexibility and cost of goods by reducing or eliminating the duties and/or quotas assessed on products manufactured in a particular country, trade agreements can also impose requirements that adversely affect the Company’s business, such as setting quotas on products that may be imported from a particular country into key markets including the U.S. or the European Union ("EU"), or making it easier for other companies to compete, by eliminating restrictions on products from countries where the Company's competitors source products.

The Company also relies on its suppliers to provide high quality products and to comply with applicable laws. The Company's ability to find qualified suppliers who meet its standards, including a majority of suppliers by spend having carbon emission reduction targets, and supply products in a timely, cost-effective and efficient manner is a significant challenge with the increasing demand from customers, especially with respect to goods sourced from outside the U.S. For certain products, the Company may rely on one or very few suppliers. A supplier's failure to meet the Company's standards, provide products in a timely, cost-effective and efficient manner, or comply with applicable laws is beyond the Company's control. These issues could have a material negative impact on the Company's business and profitability. Poor quality or an insecure supply chain, may also adversely affect the reliability and reputation of the Company.

The effects of extreme weather conditions, including as a result of climate change, could also place capacity constraints on the Company's supply chain. For example, steel and copper are critical to the design of the Company's products and some countries, including Chile and Australia from which steel and copper are sourced, have experienced and are expected to continue to experience severe weather. A severe weather event in these countries could cause disruptions in the Company's supply chain which could, in turn, cause product shortages, delays in delivery and/or increases in the Company's cost incurred to produce and deliver products to its customers.

***Changes in customer preferences, the inability to maintain mutually beneficial relationships with large customers, inventory reductions by customers, and the inability to penetrate new channels of distribution could adversely affect the Company's business.***

The Company has certain significant customers, particularly home centers and major retailers. In 2023, the two largest customers comprised approximately 27% of consolidated net sales, with U.S. and international mass merchants and home centers collectively comprising approximately 42% of consolidated net sales. The loss or material reduction of business, the lack of success of sales initiatives, or changes in customer preferences or loyalties for the Company's products, related to any such significant customer could have a material adverse impact on the Company's results of operations and cash flows. In addition, the Company's major customers are volume purchasers, a few of which are much larger than the Company, and have strong bargaining power with suppliers. This factor limits the ability to recover cost increases through higher selling prices. Furthermore, unanticipated inventory adjustments by these customers can have a negative impact on the Company's net sales.

In times of tough economic conditions, the Company has experienced significant distributor inventory corrections reflecting de-stocking of the supply chain associated with difficult credit markets. Such distributor de-stocking exacerbated sales volume declines pertaining to weak end user demand and the broader economic recession. The Company's results may be adversely impacted in future periods by such customer inventory adjustments. Further, the inability to continue to penetrate new channels of distribution may have a negative impact on the Company's future results.

***The Company faces active global competition and if it does not compete effectively, its business may suffer.***

The Company faces active competition and resulting pricing pressures. The Company's products compete on the basis of, among other things, its reputation for product quality, its well-known brands, price, innovation and customer service capabilities. The Company competes with both larger and smaller companies that offer the same or similar products and services or that produce different products appropriate for the same uses. These companies are often located in countries such as China, Taiwan and India where labor and other production costs are substantially lower than in the U.S., Canada and Western Europe. Also, certain large customers offer house brands that compete with some of the Company's product offerings as a lower-cost alternative. To remain profitable and maintain or grow market share, the Company must maintain a competitive cost structure, develop new products and services, lead product innovation, respond to competitor innovations and enhance its existing products in a timely manner. The Company also competes for labor, particularly in its manufacturing facilities, which can drive higher labor costs and adversely impact its ability to efficiently operate. Any failure to attract and retain employees at the Company's manufacturing facilities or in other parts of the Company's operations may adversely affect its business and ability to meet customer demand, which in turn could adversely affect the Company's liquidity and results of operations. The Company may not be able to compete effectively on all of these fronts and with all of its competitors, and the failure to do so could have a material adverse effect on its sales and profits.

Operational Excellence, one element of the supply chain transformation, is a continuous operational improvement process applied to many aspects of the Company's business such as procurement, quality in manufacturing, maximizing customer fill rates, integrating acquisitions and other key business processes. In the event the Company is not successful in effectively applying the Operational Excellence principles to its key business processes, including those of acquired businesses, its ability to compete and future earnings could be adversely affected.

In addition, the Company may have to reduce prices on its products and services, or make other concessions, to stay competitive. Price reductions taken by the Company in response to customer and competitive pressures, as well as price reductions and promotional actions taken to drive demand that may not result in anticipated sales levels, could also negatively impact its business. The Company engages in restructuring actions, sometimes entailing shifts of production to low-cost countries, as part of its efforts to maintain a competitive cost structure. If the Company does not execute restructuring actions well, its ability to meet customer demand may decline, or earnings may otherwise be adversely impacted. Similarly, if such efforts to reform the cost structure are delayed relative to competitors or other market factors, the Company may lose market share and profits.

***Customer consolidation could have a material adverse effect on the Company's business.***

A significant portion of the Company's products are sold through home centers and mass merchant distribution channels in the U.S. and Europe. A consolidation of retailers in both North America and abroad has occurred over time and the increasing size and importance of individual customers creates risk of exposure to potential volume loss. The loss of certain larger home centers as customers would have a material adverse effect on the Company's business.

***Low demand for new products and the inability to develop and introduce new products at favorable margins could adversely impact the Company's performance and prospects for future growth.***

The Company's competitive advantage is due in part to its ability to develop and introduce new products in a timely manner at favorable margins. The uncertainties associated with developing and introducing new products, such as market demand, the unavailability of raw materials necessary for production of the Company's products and costs of development and production, may impede the successful development and introduction of new products on a consistent basis. Introduction of new technology may result in higher costs to the Company than that of the technology replaced. That increase in costs, which may continue indefinitely or until increased demand and greater availability in the sources of the new technology drive down its cost, could adversely affect the Company's results of operations. Market acceptance of the new products introduced in recent years and scheduled for introduction in future years may not meet sales expectations due to various factors, such as the failure to accurately predict market demand, end-user preferences, evolving industry standards, or the emergence of new or disruptive technologies. Moreover, the ultimate success and profitability of the new products may depend on the Company's ability to resolve technical and technological challenges in a timely and cost-effective manner, and to achieve manufacturing efficiencies. The Company's investments in productive capacity and commitments to fund advertising and product promotions in connection with these new products could erode profits if those expectations are not met.

***The pace of technological change continues to accelerate and the Company's ability to react effectively to such change may present significant competitive risks.***

The Company's future growth rate depends upon a number of factors, including its ability to (i) identify and evolve with emerging technological and broader industry trends in its target end-markets; (ii) defend its market share against an ever-expanding number of competitors, including many new and non-traditional competitors; (iii) monitor disruptive technologies and business models; and (iv) attract, develop, and retain individuals with the requisite technical expertise and understanding of customers' needs to develop new technologies and introduce new products.

To remain competitive, the Company will need to stay abreast of new technologies, require its employees to continue to learn and adapt to new technologies and be able to integrate them into current and future business models, products, services and processes and also guard against existing and new competitors disrupting the marketplace using such technologies. For example, changing market trends, such as increased consumer demand for energy efficient products and technologies in response to climate change, require the Company to develop and adopt new innovations focused on electrification. The Company may not adequately meet these demands or develop and adapt to the applicable new technologies focused on electrification, which could adversely affect the Company's reputation and the consumer and customer demand for the Company's products. The failure of the Company's technologies or products to gain market acceptance due to more attractive offerings by its competitors or the failure to address any of the above factors could negatively impact revenues and adversely affect its competitive standing and prospects.

***The Company has significant operations outside of the U.S., which are subject to political, legal, economic and other risks arising from operating outside of the U.S.***

The Company has significant operations outside of the U.S. Such business operations are subject to political, legal, economic and other risks inherent in operating in certain countries, such as:

- the difficulty of enforcing agreements and protecting assets through legal systems outside the U.S. including intellectual property rights, which may not be recognized, and which the Company may not be able to protect outside the U.S. to the same extent as under U.S. law;
- managing widespread operations and enforcing internal controls, policies and procedures designed to deter prohibited practices under U.S. and foreign anti-bribery, anti-corruption, and anti-money laundering regulations and sanctions, such as the U.S. Foreign Corrupt Practices Act of 1977 ("FCPA") and the UK Bribery Act of 2010;
- trade protection measures and import or export licensing requirements including those related to the U.S.'s relationship with China and economic and trade sanctions administered by the Office of Foreign Assets Control;
- the application of certain labor regulations outside of the U.S.;
- compliance with a wide variety of non-U.S. laws and regulations;
- instability or changes in the general political and economic conditions in the countries where the Company operates (such as the conflicts between Russia and Ukraine, and Israel and Hamas and tensions in South Korea, China and Taiwan);
- the threat of nationalization and expropriation;
- increased costs and risks of doing business and managing a workforce in a wide variety of jurisdictions;
- the increased possibility of cyber threats in certain jurisdictions;
- government controls limiting importation of goods;
- government controls limiting payments to suppliers for imported goods;
- limitations on, or impacts from, the repatriation of foreign earnings; and
- exposure to wage, price and capital controls.

Changes in the political or economic environments in the countries in which the Company operates or violations or perceived violations of the laws and regulations of such countries could have a material adverse effect on its financial condition, results of operations or cash flows. Additionally, compliance with international and U.S. laws and regulations that apply to the Company's international operations increases the cost of doing business in foreign jurisdictions. Violations of such laws and regulations may result in severe fines and penalties, criminal sanctions, administrative remedies or restrictions on business conduct, and could have a material adverse effect on the Company's reputation, its ability to attract and retain employees, its business, operating results and financial condition.

***The Company's success depends on its ability to improve productivity and streamline operations to control or reduce costs.***

The Company is committed to continuous productivity improvement and evaluating opportunities to reduce fixed costs, simplify or improve processes, and eliminate excess capacity. The Company has undertaken restructuring and cost-reduction actions, the savings of which may be mitigated by many factors, including economic weakness, inflation, competitive pressures, higher labor costs and decisions to increase costs in areas such as sales promotion or research and development above levels that were otherwise assumed.

In mid-2022, the Company initiated a supply chain transformation designed to return adjusted gross margins to historical 35%+ levels by improving fill rates and better matching inventory with customer demand. This transformation has and will continue to involve significant investment from the Company, and the success and anticipated cost savings from this transformation are not assured. Failure to achieve, or delays in achieving, projected levels of efficiencies and cost savings from this transformation and other restructuring or cost reduction actions introduced by the Company, significant increases in the costs related to such actions, or unanticipated inefficiencies resulting from this transformation and other manufacturing and administrative reorganization actions in progress or contemplated, could adversely affect the anticipated cost savings.

***A material disruption of the Company's operations, particularly at its manufacturing facilities or within its information technology infrastructure, could adversely affect business.***

The Company's facilities, supply chains, distribution systems, and information technology systems are subject to catastrophic loss due to natural disasters or other disruptions, including hurricanes and floods, power outages, fires, explosions, terrorism or other geopolitical tensions, equipment failures, sabotage, cybersecurity incidents, any potential effects of climate change and adverse weather conditions, labor disputes, critical supply failure, inaccurate downtime forecast, political disruption, public health crises, like a regional or global pandemic such as COVID-19, and other reasons, which can result in undesirable consequences, including financial losses and damaged relationships with customers. The Company employs information technology systems and networks to support the business and relies on them to process, transmit and store electronic information, and to manage or support a variety of business processes and activities. Disruptions to its information technology infrastructure from system failures, shutdowns, power outages, telecommunication or utility failures, cybersecurity incidents, and other events, including disruptions at its cloud computing, server, systems and other third party IT service providers, could interfere with its operations, interrupt production and shipments, damage customer and business partner relationships, and negatively impact its reputation.

## Industry and Economic Risks

***The Company's results of operations could be negatively impacted by inflationary or deflationary economic conditions which could affect the ability to obtain raw materials, component parts, freight, energy, labor and sourced finished goods in a timely and cost-effective manner, as well as lead to changes in interest rate environments which impact its cost of funds, the general strength of the economy and demand for its products in the market.***

The Company's products are manufactured using both ferrous and non-ferrous metals including, but not limited to, steel, zinc, copper, brass, aluminum, and nickel. Additionally, the Company uses other commodity-based materials for components and packaging including, but not limited to, plastics, resins, wood and corrugated products. The Company's cost base also reflects significant elements for freight, energy and labor. The Company also sources certain finished goods directly from vendors. If the Company is unable to mitigate inflationary increases through various customer pricing actions and cost reduction initiatives, its profitability may be adversely affected.

Conversely, in the event there is deflation, the Company may experience pressure from its customers to reduce prices, and there can be no assurance that the Company would be able to reduce its cost base (through negotiations with suppliers or other measures) to offset any such price concessions which could adversely impact results of operations and cash flows.

Further, as a result of inflationary or deflationary economic conditions, the Company believes it is possible that a limited number of suppliers may either cease operations or require additional financial assistance from the Company in order to fulfill their obligations. In a limited number of circumstances, the magnitude of the Company's purchases of certain items is of such significance that a change in established relationships with suppliers or increase in the costs of purchased raw materials, component parts or finished goods could result in manufacturing interruptions, delays, inefficiencies or an inability to market products. Changes in value-added tax rebates, currently available to the Company or to its suppliers, could also increase the costs of the Company's manufactured products, as well as purchased products and components, and could adversely affect the Company's results.

***Uncertainty about the financial stability of economies outside the U.S. could have a significant adverse effect on the Company's business, results of operations and financial condition.***

The Company generates approximately 38% of its revenues outside the U.S., including 16% from Europe and 12% from various emerging market countries. Each of the Company's segments generates sales in these marketplaces. While the Company believes any downturn in the European or emerging marketplaces might be offset to some degree by the relative stability in North America, the Company's future growth, profitability and financial liquidity could be affected, in several ways, including, but not limited to, the following:

- depressed consumer and business confidence may decrease demand for products and services;
- customers may implement cost reduction initiatives or delay purchases to address inventory levels;
- significant declines of foreign currency values in countries where the Company operates could impact both the revenue growth and overall profitability in those geographies;
- a devaluation of foreign currencies could have an effect on the credit worthiness (as well as the availability of funds) of customers in those regions impacting the collectability of receivables;
- a devaluation of foreign currencies could have an adverse effect on the value of financial assets of the Company in the effected countries; and
- the impact of an event or changes to political and economic conditions (individual country default, or break up of the Euro) could have an adverse impact on the global credit markets and global liquidity potentially impacting the Company's ability to access these credit markets and to raise capital or disrupting global energy supply or supply chains.

***The Company is exposed to market risk from changes in foreign currency exchange rates which could negatively impact profitability.***

The Company manufactures and sells its products in many countries throughout the world. As a result, there is exposure to foreign currency risk as the Company enters into transactions and makes investments denominated in multiple currencies. The Company's predominant currency exposures are related to the Euro, Canadian Dollar, British Pound, Australian Dollar, Brazilian Real, Chinese Renminbi ("RMB") and the Taiwan Dollar. In preparing its financial statements, for foreign operations with functional currencies other than the U.S. dollar, asset and liability accounts are translated at current exchange rates, while income and expenses are translated using average exchange rates. With respect to the effects on translated earnings, if the U.S. dollar strengthens relative to local currencies, the Company's earnings could be negatively impacted. Although the Company utilizes risk management tools, including hedging, as it deems appropriate, to mitigate a portion of potential market fluctuations in foreign currencies, there can be no assurance that such measures will result in all market fluctuation exposure being eliminated. The Company generally does not hedge the translation of its non-U.S. dollar earnings in foreign subsidiaries but may choose to do so in certain instances.

The Company sources many products from China and other low-cost countries for resale in other regions. To the extent the RMB or other currencies appreciate, the Company may experience cost increases on such purchases. The Company may not be successful at implementing customer pricing or other actions in an effort to mitigate the related cost increases and thus its profitability may be adversely impacted.

**Financing Risks**

***The Company has incurred, and may incur in the future, significant indebtedness, and may in the future issue additional equity or debt securities, including in connection with mergers or acquisitions, which may impact the manner in which it conducts business or the Company's access to external sources of liquidity. The potential issuance of such securities may limit the Company's ability to implement elements of its business strategy and may have a dilutive effect on earnings.***

As described in *Note H, Long-Term Debt and Financing Arrangements*, of the *Notes to Consolidated Financial Statements* in *Item 8*, the Company has a five-year $2.5 billion committed credit facility and a $1.5 billion syndicated 364-Day Credit Agreement. No amounts were outstanding against any of these facilities on December 30, 2023. As of December 30, 2023, the Company had $7.3 billion of indebtedness, including $6.2 billion of principal and $1.1 billion of commercial paper borrowings.

The instruments and agreements governing certain of the Company's current indebtedness contain requirements or restrictive covenants that include, among other things:

- a limitation on creating liens on certain property of the Company and its subsidiaries;
- a restriction on entering into certain sale-leaseback transactions;
- customary events of default, including repayment of all amounts outstanding in the event of the occurrence and continuance of an event of default; and
- maintenance of a specified financial ratio.

The Company has an interest coverage covenant that must be maintained to permit continued access to its committed credit facilities. The interest coverage ratio tested for covenant compliance compares adjusted Earnings Before Interest, Taxes, Depreciation and Amortization to adjusted net Interest Expense ("Adjusted EBITDA"/"Adjusted Net Interest Expense"); such adjustments to interest or EBITDA include, but are not limited to, removal of non-cash interest expense and stock-based compensation expense. Subject to certain adjustments for portions of the 2023 and 2024 fiscal year periods as detailed below, the interest coverage ratio must not be less than 3.5 times and is computed quarterly, on a rolling twelve months (last twelve months) basis.

In February 2023, the Company entered into amendments to its credit facilities described above to: (a) amend the definition of Adjusted EBITDA to allow for additional adjustment addbacks, not to exceed $500 million in the aggregate, for amounts incurred during each four fiscal quarter period beginning with the period ending in the third quarter of 2023 through the period ending in the second quarter of 2024, and (b) amend the minimum interest coverage ratio to not less than 1.5 to 1.0 times computed quarterly, on a rolling twelve months (last twelve months) basis, for the period from and including the third quarter of 2023 through the second quarter of 2024. The minimum interest coverage ratio will revert back to 3.5 times for periods after the second quarter of 2024. The Company was compliant with its debt covenant requirements in each of the 2023 quarterly measurement periods. Management does not believe it is reasonably likely the Company will breach this covenant. Failure to maintain these ratios could adversely affect further access to liquidity.

Future instruments and agreements governing indebtedness may impose other restrictive conditions or covenants. Such covenants could restrict the Company in the manner in which it conducts business and operations as well as in the pursuit of its business strategy.

***The Company is exposed to counterparty risk in its hedging arrangements.***

From time to time, the Company enters into arrangements with financial institutions to hedge exposure to fluctuations in currency and interest rates, including forward contracts, options and swap agreements. The Company may incur significant losses from hedging activities due to factors such as demand volatility. The failure of one or more counterparties to the Company's hedging arrangements to fulfill their obligations could adversely affect the Company's results of operations.

***Tight capital and credit markets or the failure to maintain credit ratings could adversely affect the Company by limiting the Company's ability to borrow or otherwise access liquidity.***

The Company's long-term growth plans are dependent on, among other things, the availability of funding to support corporate initiatives and the ability to increase sales of existing product lines. While the Company has not encountered financing difficulties to date, the capital and credit markets have experienced extreme volatility and disruption in the past and may again in the future. Market conditions could make it more difficult for the Company to borrow or otherwise obtain the cash required for significant new corporate initiatives.

Furthermore, there could be a number of follow-on effects from a credit crisis on the Company's businesses, including insolvency of key suppliers resulting in product delays; inability of customers to obtain credit to finance purchases of the Company's products and services and/or customer insolvencies.

In addition, the major rating agencies regularly evaluate the Company for purposes of assigning credit ratings. The Company's ability to access the credit markets, and the cost of these borrowings, is affected by the strength of its credit ratings and current market conditions. Failure to maintain credit ratings that are acceptable to investors may adversely affect the cost and other terms upon which the Company is able to obtain financing, as well as its access to the capital markets.

***The Company is exposed to credit risk on its accounts receivable.***

The Company's outstanding trade receivables are not generally covered by collateral or credit insurance. While the Company has procedures to monitor and limit exposure to credit risk on its trade and non-trade receivables, there can be no assurance such procedures will effectively limit its credit risk and avoid losses, which could have an adverse effect on the Company's financial condition and operating results.

***If the Company were required to write-down all or part of its goodwill, indefinite-lived trade names, or other definite-lived intangible assets, its net income and net worth could be materially adversely affected.***

As of December 30, 2023, the Company has approximately $8.0 billion of goodwill, approximately $2.4 billion of indefinite-lived trade names and approximately $1.6 billion of net definite-lived intangible assets. The Company is required to periodically, at least annually, determine if its goodwill or indefinite-lived trade names have become impaired, in which case it would write down the impaired portion of the asset. The definite-lived intangible assets, including customer relationships, are amortized over their estimated useful lives and are evaluated for impairment when appropriate. Impairment of intangible assets may be triggered by developments outside of the Company's control, such as worsening economic conditions, technological change, intensified competition or other factors, which could have an adverse effect on the Company's financial condition and results of operations.

***If the investments in employee benefit plans do not perform as expected, the Company may have to contribute additional amounts to these plans, which would otherwise be available to cover operating expenses or other business purposes.***

The Company sponsors pension and other post-retirement defined benefit plans. The Company's defined benefit plan assets are currently invested in equity securities, government and corporate bonds and other fixed income securities, money market instruments and insurance contracts. The Company's funding policy is generally to contribute amounts determined annually on an actuarial basis to provide for current and future benefits in accordance with applicable law which require, among other things, that the Company make cash contributions to under-funded pension plans. During 2023, the Company made cash contributions to its defined benefit plans of approximately $42 million and expects to contribute $35 million to its defined benefit plans in 2024.

There can be no assurance that the value of the defined benefit plan assets, or the investment returns on those plan assets, will be sufficient in the future. It is therefore possible that the Company may be required to make higher cash contributions to the plans in future years which would reduce the cash available for other business purposes, and that the Company will have to recognize a significant pension liability adjustment which would decrease the net assets of the Company and result in higher expense in future years. The fair value of the defined benefit plan assets on December 30, 2023 was approximately $1.8 billion.

**Legal, Tax, Regulatory and Compliance Risks**

***The Company's brands are important assets of its businesses and violation of its trademark rights by imitators, or the failure of its licensees or vendors to comply with the Company's product quality, manufacturing requirements, marketing***

***standards, and other requirements could negatively impact revenues and brand reputation. Any inability to protect the Company's other intellectual property rights could also reduce the value of its products and services or diminish its competitiveness.***

The Company considers its intellectual property rights, including patents, trademarks, copyrights and trade secrets, and licenses held, to be a significant part and valuable aspect of its business. The Company attempts to protect its intellectual property rights through a combination of patent, trademark, copyright and trade secret laws, as well as licensing agreements and third-party nondisclosure and assignment agreements; however, there can be no assurances that these resources will adequately protect the Company's intellectual property rights and deter misappropriation or improper use of its technology.

The Company's trademarks have a reputation for quality and value and are important to the Company's success and competitive position. Unauthorized use of the Company's trademark rights may not only erode sales of the Company's products, but may also cause significant damage to its brand name and reputation, interfere with its ability to effectively represent the Company to its customers, contractors, suppliers, and/or licensees, and increase litigation costs. Similarly, failure by licensees or vendors to adhere to the Company's standards of quality and other contractual requirements could result in loss of revenue, increased litigation, and/or damage to the Company's reputation and business. There can be no assurance that the Company's ongoing efforts to protect its brand and trademark rights and ensure compliance with its licensing and vendor agreements will prevent all violations.

In addition, the Company's ability to compete could be negatively impacted by its failure to obtain and adequately protect its intellectual property and preserve its associated intellectual property rights, including patents, copyrights, trade secrets, and licenses, as well as its products and any new features of its products or processes. The Company's patent applications may not be approved and any patents owned could be challenged, invalidated or designed around by third parties. In addition, the Company's patents may not be of sufficient scope or strength to provide meaningful protection or commercial advantage.

***Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact the Company's reputation, operating results, and financial condition.***

The Company's information systems and data may be vulnerable to cybersecurity threats and incidents which can include uncoordinated individual attempts to gain unauthorized access to information technology ("IT") systems, sophisticated and targeted measures known as advanced persistent threats, breaches due to human error, malfeasance, or other cybersecurity incidents directed at the Company, its products, services and technologies, including those leveraging "Internet of Things" capabilities, its customers and/or its third-party service providers, including cloud providers. The Company deploys measures which leverage industry accepted frameworks to deter, prevent, detect, respond to, and mitigate these threats. The Company has invested and continues to invest in risk management and information security and data privacy measures in order to protect its systems and data, including employee and critical service provider training, organizational investments, incident response plans, tabletop exercises, technical defenses and defensive product software designs. The cost and operational consequences of implementing, maintaining and enhancing these measures could increase significantly to overcome increasingly intense, complex, and sophisticated cybersecurity threats.

Despite these efforts, cybersecurity incidents (against the Company or parties with whom the Company contracts), depending on their nature and scope, could potentially result in the misappropriation, disclosure, destruction, corruption or unavailability of critical data and confidential or proprietary information (the Company's or that of third parties) and the disruption of business operations. The potential consequences of a material cybersecurity incident and its effects include financial loss, reputational damage, litigation with third parties, theft of intellectual property, fines levied by the Federal Trade Commission or other government agencies, diminution in the value of the Company's investment in research, development and engineering, and increased cybersecurity protection and remediation costs due to the increasing sophistication and proliferation of threats, which in turn could adversely affect the Company's competitiveness and results of operations. Any of the foregoing can be exacerbated by a delay or failure to detect a cybersecurity incident or the full extent of such incident.

In addition, cybersecurity laws and regulations continue to evolve, and are increasingly demanding, both in the U.S. and globally, which adds compliance complexity and may increase costs of compliance and expose the Company to reputational damage or litigation, monetary damages, regulatory enforcement actions, penalties, or fines in one or more jurisdictions. While the Company carries cyber insurance, it cannot be certain that coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to the Company on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim.

The report, rumor, assumption, or perception of a potential or suspected cybersecurity incident may have similar results, even if no such incident has been attempted or occurred. Any of the foregoing may have a material adverse effect on the Company's reputation, operating results and financial condition.

***The Company is exposed to risks related to compliance with data privacy laws.***

To conduct its operations, the Company regularly moves data across national borders, and consequently is subject to a variety of continuously evolving and developing laws and regulations in the U.S. and abroad regarding privacy, data protection and data security. The scope of the laws that may be applicable to the Company is often uncertain and may be conflicting, particularly with respect to foreign laws. For example, lawmaking bodies within the EU, United Kingdom, China and India have increased their jurisdictional reach and added a broad array of requirements for handling personal data, including the public disclosure of significant data breaches. Similarly, in the U.S., state-specific privacy regulations have created and continue to create new industry requirements, consumer privacy rights and enforcement mechanisms. The Company's reputation and brand and its ability to attract new customers could also be adversely impacted if the Company fails, or is perceived to have failed, to properly respond to breaches resulting from its management of consumer data or of its or third party's information technology systems. Such failure to properly respond could also result in similar exposure to liability.

Additionally, other countries have enacted or are enacting data localization laws that require data to stay within their borders. In many cases, these laws and regulations apply not only to transfers between unrelated third parties but also to transfers between the Company and its subsidiaries.

All of these evolving compliance and operational requirements impose significant costs that are likely to increase over time. Privacy laws that may be implemented in the future, including laws regarding data and generative artificial intelligence, and court decisions impacting activities across borders, will continue to require changes to certain business practices, thereby increasing costs, or may result in negative publicity, require significant management time and attention, and may subject the Company to remedies that may harm its business, including fines or demands or orders that the Company modify or cease existing business practices.

***Significant judgment and certain estimates are required in determining the Company's worldwide provision for income taxes. Future tax law changes and audit results may materially increase the Company's prospective income tax expense.***

The Company is subject to income taxation in the U.S. as well as numerous foreign jurisdictions. Significant judgment is required in determining the Company's worldwide income tax provision and accordingly there are many transactions and computations for which the final income tax determination is uncertain. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments, and which may not accurately anticipate actual outcomes. The Company periodically assesses its liabilities and contingencies for all tax years still subject to audit based on the most currently available information, which involves inherent uncertainty. The Company is routinely audited by income tax authorities in many tax jurisdictions. Although management believes the recorded tax estimates are reasonable, the ultimate outcome of any audit (or related litigation) could differ materially from amounts reflected in the Company's income tax accruals. Additionally, the global income tax provision can be materially impacted due to foreign currency fluctuations against the U.S. dollar since a significant amount of the Company's earnings are generated outside the U.S. Lastly, it is possible that future income tax legislation, may be enacted that could have a material impact on the Company's worldwide income tax provision, cash tax liability, and effective tax rate beginning with the period that such legislation becomes enacted. For instance, the Organization for Economic Cooperation and Development has enacted model rules for a new global minimum tax framework applicable to multi-national corporations, and various governments have enacted, or are in the process of enacting, legislation implementing all or part of these rules.

***Climate change legislation or regulations and changing market trends in response to climate change may adversely affect the Company's business.***

There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Increased international, regional, state and/or federal requirements or other stakeholder expectations could mandate more restrictive or expansive standards, more prescriptive reporting of environmental, social and governance metrics than the voluntary commitments the Company adopted, or require related changes on a more accelerated time frame than the Company anticipates. A number of governmental bodies have finalized, proposed or are contemplating legislative and regulatory changes in response to the potential effect of climate change. Such legislation or regulation has and potentially could include provisions for a "cap and trade" system of allowances and credits or a carbon tax or require increased measurement of metrics and disclosure, among other provisions. The Company currently purchases renewable energy certificates ("RECs") to reduce Scope 2 emissions and is also assessing expanding its use of solar panels as an alternative energy source. If carbon tax legislation is changed or adopted, the Company may not be able to mitigate the future impact of carbon tax through the purchase of RECs and the use of solar panels or other measures. The Company may also face reputational risks and risks to the Company's investor confidence and market share if the Company is unable to make progress on the Company's voluntary environmental goals or is unable to keep apace with the progress made by the Company's peers. If environmental laws or regulations are either changed or adopted and impose significant operational restrictions and compliance requirements on the Company, they may have a material adverse effect on the Company's business, access to credit, capital expenditures, operating results and financial condition.

The Company also faces risks related to the transition to a lower-carbon economy, such as its ability to successfully adopt new technology, meet market-driven demands for low carbon, carbon neutral and renewable energy technology, or to comply with more stringent and increasingly complex environmental regulations or requirements for the Company's manufacturing facilities and business operations, increased prices related to freight and shipping costs and other permitting requirements.

In addition, many of the Company’s products incorporate battery technology. As the world moves towards a lower-carbon economy and as other industries begin to adopt similar battery technology for use in their products or increase their current consumption of battery technology, the increased demand could place capacity constraints on the Company’s supply chain. In addition, increased demand for battery technology may also increase the costs to the Company for both the battery cells as well as the underlying raw materials such as cobalt and lithium, among others. If the Company is unable to mitigate any possible supply constraints or related increased costs or drive alternative technology through innovation, its profitably and financial results could be negatively impacted.

***The Company’s failure to continue to successfully avoid, manage, defend, litigate and accrue for claims and litigation could negatively impact its results of operations or cash flows.***

The Company is exposed to and becomes involved in various legal proceedings, claims, disputes and investigations arising out of the conduct of its business, including the matters described in *Item 3. Legal Proceedings* in *Part I* of this Annual Report on Form 10-K and other, actual or threatened proceedings, claims, disputes or investigations relating to such items as securities laws, anti-trust laws, commercial transactions, product liability, workers compensation, employee benefits plans, arrangements between the Company and its distributors, franchisees or vendors, intellectual property claims and regulatory actions.

In addition, the Company is subject to environmental laws in each jurisdiction in which business is conducted. Some of the Company’s products incorporate substances that are regulated in some jurisdictions in which it conducts manufacturing operations. The Company has been, and could be in the future, subject to liability if it does not comply with these regulations. In addition, the Company is currently being, and may in the future be, held responsible for remedial investigations and clean-up costs resulting from the discharge of hazardous substances into the environment, including sites that have never been owned or operated by the Company but at which it has been identified as a potentially responsible party under federal and state environmental laws and regulations. Changes in environmental and other laws and regulations in both domestic and foreign jurisdictions could adversely affect the Company’s operations due to increased costs of compliance and potential liability for non-compliance.

The Company manufactures products and performs various services that create exposure to product and professional liability claims and litigation. The failure of the Company’s products and services to be properly manufactured, configured, installed, designed or delivered, resulting in personal injuries, property damage or business interruption could subject the Company to claims for damages. The Company has and is currently defending product liability claims, some of which have resulted in settlements or monetary judgments against the Company. The costs associated with defending ongoing or future product liability claims and payment of damages could be substantial. The Company’s reputation could also be adversely affected by such claims, whether or not successful.

There can be no assurance that the Company will be able to continue to successfully avoid, manage and defend such matters. In addition, given the inherent uncertainties in evaluating certain exposures, actual costs to be incurred in future periods may vary from the Company’s estimates for such contingent liabilities. Refer to *Note S, Contingencies*, of the *Notes to Consolidated Financial Statements* in *Item 8* for further information about legal proceedings and other loss contingencies.

***The Company’s products could be recalled.***

The Company maintains an awareness of and responsibility for the potential health and safety impacts on its customers and end users. The Company's product development processes include tollgates for product safety review, and extensive testing is conducted on product safety. Safety reviews are performed at various product development milestones, including a review of product labeling and marking to ensure safety and operational hazards are identified for the customer and end user.

Despite safety and quality reviews, the Consumer Product Safety Commission or other applicable regulatory bodies may require, or the Company may voluntarily institute, the recall, repair or replacement of the Company’s products if those products are found not to be in compliance with applicable standards or regulations. A recall could increase the Company's costs and adversely impact its reputation.

***The Company's sales to government customers exposes it to business volatility and risks, including government budgeting cycles and appropriations, procurement regulations, governmental policy shifts, early termination of contracts, audits, investigations, sanctions and penalties.***

The Company derives a portion of its revenues from contracts with the U.S. government, state and local governments and foreign governments. Government contractors must comply with specific procurement regulations and other requirements. These requirements, although customary in government contracts, could impact the Company's performance and compliance costs, including limiting or delaying the Company's ability to share information with its business partners, customers and investors, which may negatively impact the Company's business and reputation.

The U.S. government may demand contract terms that are less favorable than standard arrangements with private sector customers and may have statutory, contractual or other legal rights to terminate contracts with the Company. For example, the U.S. government may have contract clauses that permit it to terminate any of the Company's government contracts and subcontracts at its convenience, and procurement regulations permit termination for default based on the Company's performance. In addition, changes in U.S. government budgetary priorities could lead to changes in the procurement environment, affecting availability of government contracting or funding opportunities. Changes in government procurement policy, priorities, regulations, technology initiatives and requirements, and/or contract award criteria may negatively impact the Company's potential for growth in the government sector. Changes in government cybersecurity and system requirements could negatively impact the Company's eligibility for the award of future contracts, negatively impacting the Company's business and reputation.

Government contracts laws and regulations impose certain risks, and government contracts are generally subject to audits, investigations and approval of policies, procedures and internal controls for compliance with procurement regulations and applicable law. If violations of law are found, they could result in civil and criminal penalties and administrative sanctions, including termination of contracts, refund of a portion of fees received, forfeiture of profits, suspension of payments, fines and suspensions or debarment from future government business. Each of these factors could negatively impact the Company's business, results of operations, financial condition, and reputation.

**Other Risks**

***The Company's results of operations and earnings may not meet guidance or expectations.***

The Company's results of operations and earnings may not meet guidance or expectations. The Company may provide public guidance on expected results of operations for future periods. This guidance is comprised of forward-looking statements subject to risks and uncertainties, including the risks and uncertainties described in this Annual Report on Form 10-K and in the Company's other public filings and public statements, and is based necessarily on assumptions the Company makes at the time it provides such guidance. The Company's guidance may not always be accurate. The Company may also choose to withdraw guidance, as it did in response to the uncertainty of the COVID-19 pandemic in 2020, or lower guidance in future periods. If, in the future, the Company's results of operations for a particular period do not meet its guidance or the expectations of investment analysts, the Company reduces its guidance for future periods, or the Company withdraws guidance, the market price of the Company's common stock could decline significantly.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

## ITEM 1C. CYBERSECURITY

The Company has implemented a comprehensive cybersecurity program to assess, identify and manage risks from cybersecurity threats that may result in adverse effects to the confidentiality, integrity, and availability of its information systems and oversee compliance with applicable regulatory, operational, and contractual requirements.

**Cyber Incident Response Team and Governance**

Board of Directors

The Board has delegated the primary responsibility for oversight of cybersecurity matters to the Audit Committee. The Audit Committee regularly reviews compliance and disclosure control procedures for cybersecurity matters. Members of management responsible for cybersecurity and digital risk management for the Company, including the Vice President and Chief Information

Officer (the "CIO"), Chief Information Security Officer (the "CISO") and the Senior Vice President, General Counsel and Secretary (the "General Counsel"), provide regular updates to the Audit Committee regarding data protection and cybersecurity risks and the Company's new and existing cyber risk controls intended to mitigate them. The Audit Committee regularly briefs the full Board on these matters, and the full Board also receives briefings from management and third-party cybersecurity advisors on the Company's cybersecurity program, as appropriate. The Company has protocols and procedures by which certain cybersecurity incidents are escalated within the Company and, where appropriate, reported promptly to the Audit Committee and the full Board.

Management

At the management level, oversight of risks from cybersecurity threats has been integrated into the Company's overall risk management processes. The Senior Risk Council has broad oversight of the Company's risk management processes, and is also responsible for the assessment and management of risks from cybersecurity threats. The Senior Risk Council is comprised of senior management personnel representing different functional and business areas, including the Chief Executive Officer; Chief Financial Officer; General Counsel; Treasurer; and CIO, as well as other senior business leaders. The Company believes the experience that Senior Risk Council members have from serving on the Senior Risk Council provides them with an understanding of the Company's risk management process overall, and individual members are able to provide further insight to the risk analysis process based on their functional area of expertise within the business. The CIO also has extensive leadership experience in computer product engineering and information technology fields, including responsibility for overseeing cybersecurity risk management and digital risk management. The CIO also holds a bachelor's degree in computer science. The Senior Risk Council meets regularly to discuss the risk management measures implemented by the Company, including measures to identify and mitigate data protection and cybersecurity risks. The Senior Risk Council receives regular updates on cybersecurity incidents from the CISO and CIO.

The Company's CISO is the member of management principally responsible for overseeing the Company's cybersecurity risk management program, in coordination with the CIO and other business leaders across the Company, including legal, product engineering management, internal audit, finance and risk management. The CISO has extensive cybersecurity knowledge and skills gained from over 20 years of technical and business experience in the cybersecurity and information security fields, including as a Chief Information Security Officer and through other leadership and technical roles in IT governance and strategy, security risk and compliance, corporate product security and data privacy, and IT infrastructure. She also holds a Master of Science degree in Information and Cybersecurity from the University of California, Berkeley. The CISO reports directly to the CIO who in turn reports directly to the Chief Executive Officer. The CISO receives reports on cybersecurity threats from members of the Cyber Security Office on an ongoing basis and, in conjunction with the Senior Risk Council, regularly reviews risk management measures implemented by the Company to identify and mitigate data protection and cybersecurity risks. The CISO and CIO also work closely with the Company's legal department to oversee compliance with applicable legal, regulatory and contractual security requirements.

Internal Cybersecurity Team

The Company's Cyber Security Office, led by the CISO, is responsible for the implementation, monitoring, and maintenance of cybersecurity governance, operations and data protection practices across the Company. Reporting to the CISO are a number of experienced information security directors responsible for various parts of the Company's business, each of whom is supported by a team of trained cybersecurity professionals. The team also holds a number of industry recognized certifications such as Certified Information Systems Security Professional, Certified Information Security Manager, Certified in Risk and Information Systems Control, and Certified Ethical Hacker, among others. In addition to its internal cybersecurity capabilities, the Company also regularly engages assessors, consultants, auditors, or other third parties to assist with assessing, identifying, and managing cybersecurity risks.

**Risk Management & Strategy**

The Company has adopted information security policies that establish requirements and responsibilities with respect to the protection of the Company's interests and information technology assets against loss, improper disclosure and unauthorized modification. The Company regularly educates and shares best practices with its employees to raise awareness of cybersecurity threats and the Company's information security program, which the Company believes creates a culture of shared responsibility for the security of sensitive data and the Company's network. All employees are regularly offered information security and protection training, including specialized training for employees exposed to sensitive information, which prompt them to certify their awareness of and compliance with applicable information technology policies and additional technology and cybersecurity standards. The Company deploys technical safeguards that are designed to protect the Company's information systems from cybersecurity threats, including firewalls, encryption intrusion prevention and detection systems, anti-malware functionality, data monitoring, endpoint extended detection and response, architecture controls, access controls and ongoing vulnerability assessments.

The Company has adopted a Cybersecurity Incident Response Plan (the "IRP") that applies in the event of a cybersecurity threat or incident, which is designed to protect the Company's information systems from cybersecurity threats and to promptly respond to cybersecurity incidents. The IRP sets out a coordinated approach to investigating, containing, documenting and mitigating incidents, including reporting findings and keeping senior management and other key stakeholders informed and involved as appropriate. To facilitate the success of this program, multi-disciplinary teams throughout the Company are deployed to address cybersecurity threats and to respond to cybersecurity incidents in accordance with the IRP. Through the ongoing communications among these teams, the CISO, in coordination with the legal department and the Senior Risk Council, monitor the prevention, detection, mitigation and remediation of cybersecurity incidents, and report such incidents to the Board and the Audit Committee when appropriate, as discussed above. In general, the IRP leverages the National Institute of Standards and Technology guidance. The IRP applies to all Company personnel who provide or deliver technology systems (including employees or contractors and service providers).

As part of the Company's cybersecurity risk management strategy, the Company takes measures to test and improve its cybersecurity program, including reviewing and updating the information technology policies and IRP, such as engaging an independent third party to conduct regular assessments of its cyber security maturity against industry best practice frameworks and conducting tabletop exercises. The Company also engages in internal and external audits to meet its regulatory obligations or customer requirements. The assessment summaries and action plans are shared with the Audit Committee as part of the CISO's regular briefings, and in turn the Audit Committee Chair regularly updates the Board on such briefings.

The Company has processes and procedures as part of its centralized supplier risk management system to oversee, identify, assess and reduce cybersecurity threats and risks associated with key third-party service providers. As part of this process, the Company utilizes external frameworks and tools to provide assessment scoring, planning and monitoring against cybersecurity threats and risks and remediation recommendations, as applicable. Updates on third-party service provider risks are included in regular briefings to the Senior Risk Council by the CISO and CIO and escalated to the Audit Committee as appropriate.

**Cybersecurity Risks, Threats & Incidents**

Risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected the Company, including its business strategy, results of operations or financial condition, and the Company does not believe that such risks are reasonably likely to have such an effect over the long term.

The Company deploys measures which leverage industry accepted frameworks to deter, prevent, detect, respond to, and mitigate these threats. The Company has invested and continues to invest in risk management and information security and data privacy measures in order to protect its systems and data, including employee and critical service provider training, organizational investments, incident response plans, tabletop exercises and technical defenses. Despite these efforts, cybersecurity incidents (against the Company or parties with whom the Company contracts), depending on their nature and scope, could potentially result in the misappropriation, disclosure, destruction, corruption or unavailability of critical data and confidential or proprietary information (the Company's or that of third parties) and the disruption of business operations. Refer to *Item 1A. Risk Factors* in *Part I* of this Annual Report on Form 10-K, which should be read in conjunction with the foregoing information, for additional information on cybersecurity risks the Company faces.

## ITEM 2. PROPERTIES

As of December 30, 2023, the Company and its subsidiaries owned or leased significant facilities used for manufacturing, distribution and sales offices in 21 states and 22 countries. The Company leases its corporate headquarters in New Britain, Connecticut. The Company has 121 facilities including its corporate headquarters that are larger than 100,000 square feet, as follows:

| | Owned | Leased | Total |
|---|---|---|---|
| Tools & Outdoor | 49 | 46 | 95 |
| Industrial | 15 | 8 | 23 |
| Corporate | 2 | 1 | 3 |
| Total | 66 | 55 | 121 |

The combined size of these facilities is approximately 36 million square feet. The buildings are in good condition, suitable for their intended use, adequate to support the Company's operations, and generally fully utilized. Of the 121 facilities above, there are two owned and three leased facilities included in Industrial, which relate to the recently announced pending divestiture of the Infrastructure business.

## ITEM 3. LEGAL PROCEEDINGS

### Government Investigations

On January 19, 2024, the Company was notified by the Compliance and Field Operations Division (the "Division") of the Consumer Product Safety Commission that the Division intends to recommend the imposition of a civil penalty of approximately $32 million for alleged untimely reporting in relation to certain utility bars and miter saws that were subject to voluntary recalls in September 2019 and March 2022, respectively. The Company is currently evaluating and believes there are defenses to the Division's claims, and the Company is cooperating with the Division. However, given the early stage of this matter, at this time, the Company is not in a position to assess the likelihood of any potential loss or adverse effect on its financial condition or to estimate the amount of potential loss, if any, from this matter.

As previously disclosed, the Company has identified certain transactions relating to its international operations that may raise compliance questions under the FCPA and voluntarily disclosed this information to the U.S. Department of Justice ("DOJ") and the SEC in January 2023. The Company is cooperating with both agencies in their investigations of these transactions (the "FCPA Matters"). Currently, the Company does not believe that the FCPA Matters will have a material impact on its financial condition or results of operations, although it is possible that a loss related to the FCPA Matters may be incurred.

Given the ongoing nature of the FCPA Matters, management cannot predict the duration, scope, or outcome of the DOJ's or SEC's investigations or estimate the potential magnitude of any such loss or range of loss, or the cost of the ongoing investigations. Any determination that certain transactions relating to the Company's international operations were not in compliance with the FCPA could result in the imposition of fines, civil or criminal penalties, equitable remedies, including disgorgement, injunctive relief, or other sanctions against the Company. The Company also may become a party to litigation or other legal proceedings over the FCPA Matters described above.

The Company is committed to upholding the highest standards of corporate governance and is continuously focused on ensuring the effectiveness of its policies, procedures, and controls. The Company is in the process, with the assistance of professional advisors, of reviewing and further enhancing relevant policies, procedures, and controls.

### Class Action Litigation

As previously disclosed, on March 24, 2023, a putative class action lawsuit titled *Naresh Vissa Rammohan v. Stanley Black & Decker, Inc., et al.,* Case No. 3:23-cv-00369-KAD (the "*Rammohan* Class Action"), was filed in the United States District Court for the District of Connecticut against the Company and certain of the Company's current and former officers and directors. The complaint was filed on behalf of a purported class consisting of all purchasers of Stanley Black & Decker common stock between October 28, 2021 and July 28, 2022, inclusive. The complaint asserts violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 based on allegedly false and misleading statements related to consumer demand for the Company's products amid changing COVID-19 trends and macroeconomic conditions. The complaint seeks unspecified damages and an award of costs and expenses. On October 13, 2023, Lead Plaintiff General Retirement System of the City of Detroit filed an Amended Complaint that asserts the same claims and seeks the same forms of relief as the original complaint. The Company intends to vigorously defend this action in all respects and on December 14, 2023 filed a motion to dismiss the Amended Complaint in its entirety. Briefing on that motion is expected to conclude in April 2024. Given the early stage of this litigation, at this time, the Company is not in a position to assess the likelihood of any potential loss or adverse effect on its financial condition or to estimate the amount or range of potential losses, if any, from this action.

### Derivative Actions

As previously disclosed, on August 2, 2023 and September 20, 2023, derivative complaints were filed in the United States District Court for the District of Connecticut, titled *Callahan v. Allan, et al*., Case No. 3:23-cv-01028-OAW (the "*Callahan* Derivative Action") and *Applebaum v. Allan, et al.*, Case No. 3:23-cv-01234-OAW (the "*Applebaum* Derivative Action"), respectively, by putative stockholders against certain current and former directors and officers of the Company premised on the same allegations as the *Rammohan* Class Action. The *Callahan* and *Applebaum* Derivative Actions were consolidated by Court order on November 6, 2023 and defendants' responses to both complaints have been stayed pending the disposition of any motions to dismiss in the *Rammohan* Class Action. The individual defendants intend to vigorously defend the *Callahan* and *Applebaum* Derivative Actions in all respects. However, given the early stage of this litigation, at this time, the Company is not in a position to assess the likelihood of any potential loss or adverse effect on its financial condition or to estimate the amount or range of potential losses, if any, from these actions.

On October 19, 2023, a derivative complaint was filed in Connecticut Superior Court, titled *Vladimir Gusinsky Revocable Trust v. Allan, et al*., Docket Number HHBCV236082260S, by a putative stockholder against certain current and former directors and officers of the Company. Plaintiff seeks to recover for alleged breach of fiduciary duties and unjust enrichment under Connecticut state law premised on the same allegations as the *Rammohan* Class Action. By Court order on November 11, 2023, the Connecticut Superior Court granted the parties' motion to stay defendants' response to the complaint pending the disposition of any motions to dismiss in the *Rammohan* Class Action. The individual defendants intend to vigorously defend this action in all respects. However, given the early stage of this litigation, at this time, the Company is not in a position to assess the likelihood of any potential loss or adverse effect on its financial condition or to estimate the amount or range of potential losses, if any, from this action.

**Other Actions**

In addition to the matters above, in the normal course of business, the Company is involved in various lawsuits and claims, including product liability, environmental, intellectual property, contract and commercial, advertising, employment and distributor claims, and administrative proceedings. The Company does not expect that the resolution of these matters occurring in the normal course of business will have a materially adverse effect on the Company's consolidated financial position, results of operations or liquidity.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following is a list of the executive officers of the Company as of February 27, 2024:

| Name and Age | Office | Date Elected to Office as an Executive Officer |
|---|---|---|
| Donald Allan, Jr. (59) | President and Chief Executive Officer since July 2022. President and Chief Financial Officer (2021); Executive Vice President & Chief Financial Officer (2016); Senior Vice President and Chief Financial Officer (2010); Vice President and Chief Financial Officer (2009); Vice President and Corporate Controller (2002); Corporate Controller (2000); Assistant Controller (1999). | 10/24/2006 |
| Patrick D. Hallinan (56) | Executive Vice President, Chief Financial Officer since April 2023. Executive Vice President and Chief Financial Officer, Fortune Brands Innovations, Inc. (formerly, Fortune Brands Home & Security, Inc.) (2017); Senior Vice President Finance, Fortune Brands Innovations, Inc. (2017); Vice President Finance and Chief Financial Officer, Moen Incorporated (2013). | 4/21/2023 |
| Tamer K. Abuaita (51) | Senior Vice President, Chief Supply Chain Officer since January 2022. Senior Vice President and Chief Supply Chain Officer, SC Johnson & Son, Inc. (2017). | 4/6/2023 |
| Janet M. Link (54) | Senior Vice President, General Counsel and Secretary since July 2017. Executive Vice President, General Counsel, JC Penney Company, Inc. (2015); Vice President, Deputy General Counsel, JC Penney Company, Inc. (2014); Vice President, Deputy General Counsel, Clear Channel Companies (2013). | 7/19/2017 |
| John T. Lucas (64) | Senior Vice President, Chief Human Resources Officer since January 2023. Founder and Principal, True North Human Capital Consulting, LLC (2019); Senior Vice President and Chief Human Resources Officer, Goodyear Tire & Rubber Company (2015); Senior Vice President, Human Resources & Communications, Lockheed Martin Corporation (2009). | 1/30/2023 |
| Christopher J. Nelson (53) | Chief Operating Officer, Executive Vice President and President, Tools & Outdoor since June 2023. President, HVAC, Carrier Global Corporation (2020); President, Commercial HVAC, Carrier Global Corporation (2018); President, North America HVAC, Carrier Global Corporation (2012). | 6/14/2023 |
| Graham N. Robinson (55) | Senior Vice President and President, STANLEY Industrial since April 2020. President, Honeywell Industrial Safety, Honeywell International, Inc. (2018); President, Honeywell Sensing and Internet of Things, Honeywell International, Inc. (2016); Chief Marketing Officer and Vice President, Global Strategy & Marketing, Automation and Control Solutions, Honeywell International, Inc (2014). | 4/17/2020 |

## PART II

## ITEM 5. MARKET FOR THE REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company’s common stock is listed and traded on the New York Stock Exchange, Inc. (“NYSE”) under the abbreviated ticker symbol “SWK”, and is a component of the Standard & Poor’s (“S&P”) 500 Composite Stock Price Index. The Company increased its annual dividend per common share by $0.04 in 2023 compared to 2022 and intends to continue to pay quarterly dividends in 2024. In July 2023, the Company raised the quarterly dividend per common share, its 56th annual consecutive increase, which extended its record for the longest, consecutive quarterly and annual dividend payments among industrial companies listed on the NYSE. As of February 1, 2024, there were 8,258 holders of record of the Company’s common stock. Information required by Item 201(d) of Regulation S-K concerning securities authorized for issuance under equity compensation plans can be found under *Item 12* of this Annual Report on Form 10-K.

### Issuer Purchases of Equity Securities

The following table provides information about the Company’s purchases of equity securities that are registered by the Company pursuant to Section 12 of the Securities Exchange Act of 1934 for the three months ended December 30, 2023:

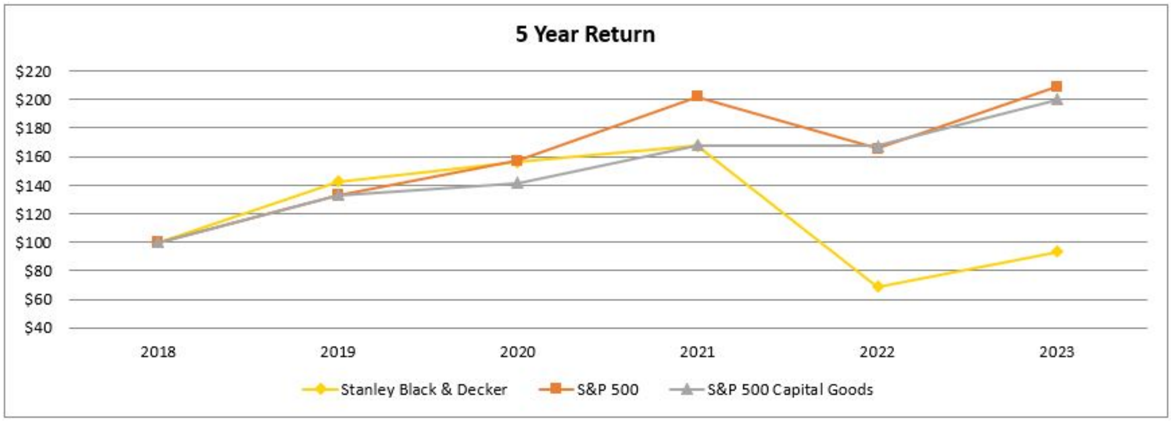
| 2023 | Total Number Of Common Shares Purchased (a) | Average Price Paid Per Common Share | Total Number Of Common Shares Purchased As Part Of A Publicly Announced Plan or Program | *(In Millions)* Maximum Number Of Common Shares That May Yet Be Purchased Under The Program (b) |
|---|---|---|---|---|
| October 1 - November 4 | — | $ — | — | 20 |
| November 5 - December 2 | — | — | — | 20 |
| December 3 - December 30 | — | — | — | 20 |
| Total | — | $ — | — | 20 |

(a) The Company issues time-vested restricted stock units (“RSUs”) as part of its benefit plans. In the Consolidated Financial Statements, shares of common stock withheld for tax purposes on behalf of the participant in connection with the vesting or delivery of RSUs are treated in a similar manner as common stock repurchases because they reduce the number of shares that would have been issued upon vesting or delivery. Such withholdings of shares of common stock are not considered common stock repurchases under the Company's authorized common stock repurchase program.

(b) On April 21, 2022, the Board approved a share repurchase program of up to 20 million shares of the Company’s common stock (the “April 2022 Program”). The April 2022 Program does not have an expiration date. The Company may repurchase shares under the April 2022 Program through open market purchases, privately negotiated transactions or share repurchase programs, including one or more accelerated share repurchase programs (under which an initial payment for the entire repurchase amount may be made at the inception of the program). Such repurchases may be funded from cash on hand, short-term borrowings or other sources of cash at the Company’s discretion, and the Company is under no obligation to repurchase any shares pursuant to the repurchase program. The currently authorized shares available for repurchase under the April 2022 Program do not include approximately 3.6 million shares reserved and authorized for purchase under the Company’s approved repurchase program in place prior to the April 2022 Program relating to a forward share purchase contract entered into in March 2015.

### Stock Performance Graph

The following line graph compares the yearly percentage change in the Company’s cumulative total shareholder return for the last five years to that of the S&P 500 Index and the S&P 500 Capital Goods Index. The S&P 500 Capital Goods Index represents a focused group of companies across major industrial manufacturing categories that carry similar operational characteristics to the Company.




| THE POINTS IN THE ABOVE TABLE ARE AS FOLLOWS: | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| **Stanley Black & Decker** | **$ 100.00** | **$ 142.37** | **$ 156.09** | **$ 167.50** | **$ 68.79** | **$ 93.18** |
| S&P 500 Index | $ 100.00 | $ 132.96 | $ 156.99 | $ 202.02 | $ 165.40 | $ 208.83 |
| S&P 500 Capital Goods Index | $ 100.00 | $ 133.11 | $ 141.33 | $ 168.07 | $ 167.61 | $ 199.85 |

The comparison assumes $100 invested at the closing price on December 28, 2018 in the Company’s common stock, S&P 500 Index, and S&P 500 Capital Goods Index. Total return assumes reinvestment of dividends.

## ITEM 6. REMOVED AND RESERVED

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The financial and business analysis below provides information which the Company believes is relevant to an assessment and understanding of its consolidated financial position, results of operations and cash flows. This financial and business analysis should be read in conjunction with the Consolidated Financial Statements and related notes. All references to "*Notes*" in this *Item 7* refer to the *Notes to Consolidated Financial Statements* included in *Item 8* of this Annual Report on Form 10-K.

The following discussion and certain other sections of this Annual Report on Form 10-K contain statements reflecting the Company's views about its future performance that constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which the Company operates as well as management's beliefs and assumptions. Any statements contained herein (including without limitation statements to the effect that the Company or its management "believes," "expects," "anticipates," "plans" and similar expressions) that are not statements of historical fact should be considered forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. There are a number of important factors that could cause actual results to differ materially from those indicated by such forward-looking statements. These factors include, without limitation, those set forth, or incorporated by reference, below under the heading "Cautionary Statements Under The Private Securities Litigation Reform Act Of 1995." The Company does not intend to update publicly any forward-looking statements whether as a result of new information, future events or otherwise.

### *Strategic Objectives*

Over the past two years, the Company has re-shaped its portfolio to focus on its leading positions in the tools & outdoor and engineered fastening markets. Leveraging the benefits of a more focused portfolio, the Company initiated a business transformation in mid-2022 that includes reinvestment for faster growth as well as a $2.0 billion Global Cost Reduction Program through 2025. The Company's primary areas of multi-year strategic focus remain unchanged as follows:

- Advancing innovation, electrification and global market penetration to achieve organic revenue growth of 2 to 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; and
- Prioritizing cash flow generation and inventory optimization.

The Company's business transformation is intended to drive strong financial performance over the long term, including:

- Organic revenue growth at 2 to 3 times the market;
- 35%+ adjusted gross margins;
- Free cash flow equal to, or exceeding, net income; and
- Cash Flow Return On Investment ("CFROI"), computed as cash from operations plus after-tax interest expense, divided by the two-point average of debt and equity, between 12-15%.

In terms of capital allocation, the Company remains committed, over time, to returning excess capital to shareholders through a strong and growing dividend as well as opportunistically repurchasing shares. In the near term, the Company intends to direct any capital in excess of the quarterly dividend on its common stock toward debt reduction and internal growth investments.

Share Repurchases And Other Securities

During the first quarter of 2022, the Company repurchased 12,645,371 shares of its common stock for approximately $2.3 billion through a combination of an accelerated share repurchase ("ASR"), which provided for an initial delivery of 85% of the total notional share equivalent at execution, or 10,756,770 shares, and open market share repurchases for a total of 1,888,601 shares. The final delivery of the remaining shares under the ASR totaled 3,211,317 and was completed during the second quarter of 2022.

Refer to *Note J, Capital Stock*, for further discussion.

In addition, on April 23, 2021, the Board of Directors approved repurchases by the Company of its outstanding securities, other than its common stock up to an aggregate amount of $3.0 billion. No repurchases have been executed pursuant to this authorization to date.

Pending Sale of Infrastructure Business

In December 2023, the Company announced that it had entered into a definitive agreement for the sale of its Infrastructure business to Epiroc AB for $760 million in cash. The transaction is subject to regulatory approval and other customary closing conditions. The Company expects to utilize the net proceeds to reduce debt.

Divestitures

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 approximately $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 $916.0 million.

Proceeds from the sale of these businesses were used to repay borrowings made in the first quarter of 2022 to fund the Company's share repurchase program previously discussed. The use of proceeds to support a share repurchase program is consistent with the Company's long-term capital allocation strategy.

The Company has also divested several smaller businesses in recent years that allowed the Company to invest in other areas that fit into its long-term strategy.

Refer to *Note T, Divestitures,* for further discussion of the Company's divestitures.

Acquisitions

On December 1, 2021, the Company acquired the remaining 80 percent ownership stake in MTD Holdings Inc. ("MTD"), a privately held global designer, manufacturer and distributor of lawn tractors, zero turn ride on mowers, walk behind mowers, snow blowers, residential robotic mowers, hand-held outdoor power equipment and garden tools for both residential and professional consumers under well-known brands like CUB CADET® and TROY-BILT®. The Company previously acquired a 20 percent interest in MTD in January 2019.

On November 12, 2021, the Company acquired Excel Industries ("Excel"), a leading designer and manufacturer of premium commercial and residential turf-care equipment under the HUSTLER® brand. This was a strategically important bolt-on acquisition that bolstered the Company's presence in the independent dealer network.

The combination of MTD, Excel and the Company's existing outdoor strategic business unit in Tools & Outdoor created a global leader in the $25 billion outdoor category, with strong brands and growth opportunities. As part of the integration of these businesses into the Tools & Outdoor segment, the Company designed, developed and manufactured battery and electric-powered solutions for professional and residential users. This positioned the combined businesses to be a leader in outdoor power equipment as preferences shift from gas powered equipment toward electrified solutions.

Refer to *Note E, Acquisitions,* for further discussion.

Global Cost Reduction Program

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. The program consists of a selling, general, and administrative ("SG&A") planned pre-tax run-rate cost savings of $500 million and a supply chain transformation expected to deliver $1.5 billion of pre-tax run-rate cost savings by the end of 2025 to achieve projected 35%+ adjusted gross margins.

The SG&A cost savings are expected to be generated by simplifying the corporate structure, optimizing organizational spans and layers and reducing indirect spend. These savings will help fund $300 million to $500 million of innovation and commercial investments through 2025 to accelerate organic growth. The charges associated with the SG&A savings were reflected in Non-GAAP adjustments in 2022 detailed below in "Results From Operations".

The $1.5 billion of pre-tax run-rate cost savings from the supply chain transformation will be driven by the following value streams:

- Strategic Sourcing: Implementing capabilities to source in a more efficient and integrated manner across all of the Company’s businesses and leveraging contract manufacturing;
- Operational Excellence: Leveraging the SBD Operating Model and re-designing in-plant operations following footprint rationalization to deliver incremental efficiencies, simplified organizational design and inventory optimization;
- Footprint Rationalization: Transforming the Company’s manufacturing and distribution network from a decentralized and inefficient system of sites built through years of acquisitions to a strategically focused supply chain, inclusive of site closures, transformations of existing sites into manufacturing centers of excellence and re-configuration of the distribution network; and
- Complexity Reduction: Reducing complexity through platforming products and implementing initiatives to drive a SKU reduction.

The charges associated with the supply chain transformation are reflected in the Non-GAAP adjustments detailed below in "Results From Operations" and the full year estimate of Non-GAAP adjustments detailed below in "2024 Outlook". The cash investment required to achieve the $1.5 billion of pre-tax run-rate supply chain cost savings is expected to be approximately $0.9 billion to $1.1 billion, of which approximately 40% is expected to be capital expenditures. Through 2023, the Company has made approximately $0.2 billion of these cash investments. The Company will continue prioritizing capital expenditures consistent with its existing approach and expects total capital expenditures, inclusive of the supply chain transformation, to be $400 million to $500 million for 2024 and to approximate 3.0% to 3.5% of net sales annually in 2025 and beyond.

During 2023 and since inception of the program, the Company has generated approximately $835 million and $1.0 billion, respectively, of pre-tax run-rate savings, driven by lower headcount, indirect spend reductions and the supply chain transformation. These savings are comprised of supply chain efficiency benefits, which will support gross margin improvements as the benefits turn through inventory, and SG&A savings. The Company believes that it is on track to grow to approximately $2 billion of pre-tax run-rate savings by year-end 2025. In addition, the Company has reduced inventory by approximately $1.9 billion since the end of the second quarter of 2022 and expects further inventory and working capital reductions to support free cash flow generation in 2024.

Driving Further Profitable Growth by Fully Leveraging the Company's Core Franchises

Each of the Company's core franchises share common attributes: they have iconic brands and attractive growth characteristics, they are scalable and defensible and they can differentiate through innovation.

- The Tools & Outdoor business carries strong brands, proven innovation, global scale, and a broad offering of power tools, hand tools, outdoor products, accessories, and storage and digital products across many channels in both developed and developing markets.
- The Engineered Fastening business within the Industrial segment is a highly profitable, GDP+ growth business offering highly engineered, value-added innovative solutions with recurring revenue attributes and global scale.

Management recognizes that the core franchises described above are important foundations that have a proven track record of providing strong cash flow and growth prospects. Management is committed to growing these businesses through accelerating investments into innovative product development, brand support, commercial activation, and accelerating the operations and supply chain transformation to improve fill rates and better match inventory with customer demand, while improving global cost competitiveness.

Continuing to Invest in the Stanley Black & Decker Brands

The Company has a strong portfolio of brands associated with high-quality products including the iconic DEWALT®, CRAFTSMAN® and STANLEY® brands, as well as BLACK+DECKER®, DEWALT FLEXVOLT®, DEWALT POWERSTACK®, DEWALT POWERSHIFT™, IRWIN®, LENOX®, PORTER-CABLE®, BOSTITCH®, PROTO®, MAC TOOLS®, FACOM®, Powers®, LISTA®, Vidmar®, GQ® and through the 2021 acquisitions of MTD and Excel added CUB CADET®, TROY-BILT® and HUSTLER® in the Americas.

During 2023, the National Collegiate Athletic Association sponsorship delivered DEWALT® to an estimated 237+ million viewers through TV-visible branding and 9+ million fans in stadiums at 25 colleges and universities across five Division 1 conferences (Atlantic Coast Conference, Big Ten, Big 12, Pac-12 and Mountain West).

CRAFTSMAN® returned as the title sponsor of the NASCAR CRAFTSMAN® Truck Series through the Company’s sponsorship with NASCAR as the “Official Tools Partner of NASCAR” and “Official Tools" of all NASCAR-owned tracks.

The Company has also maintained long-standing NASCAR and NHRA team sponsorships, which provided brand exposure during nearly 60 events in 2023 with the DEWALT®, CRAFTSMAN®, and MAC TOOLS® brands.

In 2023, the McLaren team sported the DEWALT® logo prominently on the team's cars, fire suits, and equipment during the Formula 1 season. The Company also advertises in the English Premier League, which is the number one soccer league in the world, featuring the DEWALT® brand to a global audience. The Company continued its sponsorship of one of the world's most popular football clubs, FC Barcelona, sponsoring both the Men's and Women's first teams, which includes team and player image rights, hospitality assets and stadium signage.

The above marketing initiatives highlight the Company's strong emphasis on brand building and commercial support, which has resulted in more than 300 billion global brand impressions from digital and traditional advertising and strong brand awareness. Allocating brand and advertising spend judiciously will continue to be the Company's focus. Among the goals: placing end-user data and insights at the core of product commercialization, generating demand and brand loyalty through promotional support, in-market execution and salesforce effectiveness, evolving proven marketing programs that tie trusted global brands with societal purpose and tapping into technologies to build meaningful 1:1 experiences with customers, consumers, employees and shareholders in line with the Company's mission and vision.

### ***Segments***

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") product lines.

The PTG product line includes both professional and consumer products. Professional products, primarily under the DEWALT® brand, include professional grade corded and cordless electric power tools and equipment including drills, impact wrenches and drivers, grinders, saws, routers and sanders, as well as pneumatic tools and fasteners including nail guns, nails, staplers and staples, and concrete and masonry anchors. DIY and tradesperson focused products include corded and cordless electric power tools sold primarily under the CRAFTSMAN® brand, and consumer home products such as hand-held vacuums, paint tools and cleaning appliances primarily under the BLACK+DECKER® brand.

The HTAS product line sells hand tools, power tool accessories and storage products. Hand tools include measuring, leveling and layout tools, planes, hammers, demolition tools, clamps, vises, knives, saws, chisels and industrial and automotive tools. Power tool accessories include drill bits, screwdriver bits, router bits, abrasives, saw blades and threading products. Storage products include tool boxes, sawhorses, medical cabinets and engineered storage solution products.

The Outdoor product line primarily sells corded and cordless electric lawn and garden products, including hedge trimmers, string trimmers, lawn mowers, pressure washers and related accessories, and gas powered lawn and garden products, including lawn tractors, zero turn ride on mowers, walk behind mowers, snow blowers, residential robotic mowers, utility terrain vehicles (UTVs), hand-held outdoor power equipment, garden tools, and parts and accessories to professionals and consumers under the DEWALT®, CRAFTSMAN®, CUB CADET®, BLACK+DECKER®, and HUSTLER® brand names.

<u>Industrial</u>

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 product lines include externally threaded fasteners, blind rivets and tools, blind inserts and tools, drawn arc weld studs and systems, engineered plastic and mechanical fasteners, self-piercing riveting systems, precision nut running systems, micro fasteners, high-strength structural fasteners, axel swage, latches, heat shields, pins, and couplings.

The Infrastructure business designs, manufactures, and sells attachments, typically used on excavators, and handheld hydraulic and battery-powered tools for applications in infrastructure, construction, scrap recycling, demolition, and railroad infrastructure.

## RESULTS OF OPERATIONS

The Company's results represent continuing operations and as a result of the 2022 divestitures of the Company's CSS and MAS businesses, as described in further detail under the heading "Divestitures" in this Item 7 above, exclude the commercial electronic security, healthcare, and automatic doors businesses. These divestitures represented a single plan to exit the Security segment and were considered a strategic shift that had a major effect on the Company's operations and financial results. Therefore, the operating results of these businesses were classified as discontinued operations through their respective dates of sale. The divestiture of the Oil & Gas business did not qualify for discontinued operations and therefore, its results were included in the Company's continuing operations within the Industrial segment through the date of sale in the third quarter of

2022. The pending divestiture of the Infrastructure business did not qualify for discontinued operations and therefore, its results are included in the Company's continuing operations within the Industrial segment for all periods presented.

***Certain Items Impacting Earnings and Non-GAAP Financial Measures***

The Company has provided a discussion of its results both inclusive and exclusive of certain gains and charges. The results and measures, including gross profit, SG&A, Other, net, Income taxes, and segment profit (including Corporate Overhead), on a basis excluding certain gains and charges, free cash flow, organic revenue and organic growth are Non-GAAP financial measures. The Company considers the use of Non-GAAP financial measures relevant to aid analysis and understanding of the Company's results and business trends aside from the material impact of these items and ensures appropriate comparability to operating results of prior periods. Supplemental Non-GAAP information should not be considered in isolation or as a substitute for the related GAAP financial measures. Non-GAAP financial measures presented herein may differ from similar measures used by other companies.

With the exception of forecasted free cash flow included in "2024 Outlook" as discussed below, the Non-GAAP financial measures of gross profit, SG&A, Other, net, Income taxes, and segment profit (including Corporate Overhead), presented on a basis excluding certain gains and charges, as well as free cash flow, organic revenue and organic growth are defined and reconciled to their most directly comparable GAAP financial measures below. Due to high variability and difficulty in predicting items that impact cash flow from operations, a reconciliation of forecasted free cash flow to its most directly comparable GAAP estimate has been omitted. The Company believes such a reconciliation would also imply a degree of precision that is inappropriate for this forward-looking measure.

The Company's operating results at the consolidated level as discussed below include and exclude certain gains and charges impacting gross profit, SG&A, Other, net, and Income taxes. The Company's business segment results as discussed below include and exclude certain gains and charges impacting gross profit and SG&A. These amounts for 2023, 2022 and 2021 are as follows:

2023

| *(Millions of Dollars)* | GAAP | Non-GAAP Adjustments[2] | Non-GAAP |
|---|---|---|---|
| Gross profit | **$ 3,932.6** | **$ 166.9** | **$ 4,099.5** |
| Selling, general and administrative[1] | **3,290.7** | **(99.4)** | **3,191.3** |
| (Loss) earnings from continuing operations before income taxes | **(375.7)** | **566.2** | **190.5** |
| Income taxes on continuing operations | **(94.0)** | **65.8** | **(28.2)** |
| Net (Loss) Earnings from Continuing Operations Attributable to Common Shareowners - Diluted | **(281.7)** | **500.4** | **218.7** |
| Diluted (loss) earnings per share of common stock - Continuing operations | **$ (1.88)** | **$ 3.33** | **$ 1.45** |

2022

| *(Millions of Dollars)* | GAAP | Non-GAAP Adjustments[2] | Non-GAAP |
|---|---|---|---|
| Gross profit | $ 4,284.1 | $ 127.4 | $ 4,411.5 |
| Selling, general and administrative[1] | 3,370.0 | (180.3) | 3,189.7 |
| Earnings from continuing operations before income taxes | 37.9 | 642.2 | 680.1 |
| Income taxes on continuing operations | (132.4) | 84.0 | (48.4) |
| Net Earnings from Continuing Operations Attributable to Common Shareowners - Diluted | 165.5 | 558.2 | 723.7 |
| Diluted earnings per share of common stock - Continuing operations | $ 1.06 | $ 3.56 | $ 4.62 |

2021

| *(Millions of Dollars)* | GAAP | Non-GAAP Adjustments[2] | Non-GAAP |
|---|---|---|---|
| Gross profit | $ 5,092.2 | $ 39.0 | $ 5,131.2 |
| Selling, general and administrative[1] | 3,193.1 | (183.6) | 3,009.5 |
| Earnings from continuing operations before income taxes and equity interest | 1,586.9 | 193.9 | 1,780.8 |
| Income taxes on continuing operations | 55.1 | 64.1 | 119.2 |
| Share of net earnings of equity method investment | 19.0 | 11.2 | 30.2 |
| Net Earnings from Continuing Operations Attributable to Common Shareowners - Diluted | 1,539.6 | 141.0 | 1,680.6 |
| Diluted earnings per share of common stock - Continuing operations | $ 9.33 | $ 0.85 | $ 10.18 |

1 Includes provision for credit losses

2 Refer to table below for additional detail of the Non-GAAP adjustments

Below is a summary of the pre-tax Non-GAAP adjustments for 2023, 2022 and 2021.

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| Supply Chain Transformation Costs: | | | |
| Footprint Rationalization[1] | **$ 96.9** | $ 25.3 | $ — |
| Strategic Sourcing & Operational Excellence[2] | **69.1** | — | — |
| Inventory step-up charges | **—** | 80.3 | 20.7 |
| Facility-related costs | **1.5** | 14.8 | 17.3 |
| Voluntary retirement program | **(0.4)** | 5.7 | — |
| Other charges (gains) | **(0.2)** | 1.3 | 1.0 |
| Gross Profit | **$ 166.9** | $ 127.4 | $ 39.0 |
| | | | |
| Supply Chain Transformation Costs: | | | |
| Footprint Rationalization[1] | **$ 10.8** | $ — | $ — |
| Complexity Reduction[3] | **9.0** | 7.2 | — |
| Acquisition & Integration-related costs[4] | **33.6** | 85.2 | 43.6 |
| Transition services costs related to previously divested businesses | **46.6** | 21.1 | — |
| Functional transformation initiatives | **—** | 19.2 | 28.1 |
| Voluntary retirement program | **(2.7)** | 33.4 | 0.8 |
| Craftsman contingent consideration remeasurement from MTD acquisition | **—** | — | 101.1 |
| Other charges (gains) | **2.1** | 14.2 | 10.0 |
| Selling, general and administrative | **$ 99.4** | $ 180.3 | $ 183.6 |
| | | | |
| Other, net[5] | **$ (25.1)** | $ 16.9 | $ 24.2 |
| Loss on sales of businesses | **10.8** | 8.4 | 0.6 |
| Restructuring charges[6] | **39.4** | 140.8 | 14.5 |
| Gain on equity method investment | **—** | — | (68.0) |
| Asset impairment charges[7] | **274.8** | 168.4 | — |
| (Loss) earnings from continuing operations before income taxes | **$ 566.2** | $ 642.2 | $ 193.9 |

1 Footprint Rationalization costs in 2023 relate to transfers and closures of targeted manufacturing sites, including Fort Worth, Texas and Cheraw, South Carolina as previously announced in March 2023, which resulted in accelerated depreciation of production equipment of $49.1 million, non-cash asset write-downs of $44.0 million (predominantly tooling, raw materials and WIP) and other site closure and re-configuration costs of $14.6 million.

2 Strategic Sourcing & Operational Excellence costs primarily relate to third-party consultant fees to provide expertise in identifying and quantifying opportunities to source in a more integrated manner and re-design in-plant operations following footprint rationalization, developing a detailed program and related governance, and assisting the Company with the implementation of actions necessary to achieve the related objectives.

3 Complexity Reduction costs primarily relate to third-party consultant fees to assist the Company with identifying strategies related to its SKU reduction and product platforming initiatives, quantifying the opportunities and designing detailed plans to achieve the related benefits.

4 Acquisition & Integration-related costs primarily relate to the MTD and Excel acquisitions, including costs to integrate the organizations and shared processes, as well as harmonize key IT applications and infrastructure.

5 Includes deal-related costs, net of income in 2023 and 2022 related to providing transition services to previously divested businesses.

6 Refer to “Restructuring Activities” below for further discussion.

7 Asset impairment charges in 2023 include a $124.0 million pre-tax impairment loss related to the Irwin and Troy-Bilt trade names and a $150.8 million pre-tax impairment loss related to the Infrastructure business. The $168.4 million pre-tax asset impairment charge in 2022 related to the Oil & Gas business.

Below is a summary of the Company’s operating results at the consolidated level, followed by an overview of business segment performance. Organic growth is utilized to describe the Company's results excluding the impacts of foreign currency fluctuations, acquisitions during their initial 12 months of ownership, and divestitures.

***Consolidated Results***

*Net Sales:* Net sales were $15.781 billion in 2023 compared to $16.947 billion in 2022, representing a decrease of 7%, as a 1% increase in price was more than offset by a 7% decrease in volume and a 1% decrease from the Oil & Gas divestiture. Tools & Outdoor net sales decreased 7% compared to 2022 due to a 7% decline in volume. Industrial net sales decreased 4% compared to 2022 as a 3% increase in price was more than offset by a 4% decrease from the Oil & Gas divestiture and a 3% decrease in volume.

Net sales were $16.947 billion in 2022 compared to $15.281 billion in 2021, representing an increase of 11% driven by a 7% increase in price and a 17% increase from acquisitions, partially offset by a 10% decrease in volume and a 3% decrease from foreign currency. Tools & Storage net sales increased 13% compared to 2021 due to a 7% increase in price and a 21% increase from acquisitions, partially offset by a 12% decrease in volume and a 3% decrease from foreign currency. Industrial net sales increased 2% compared to 2021 primarily due to a 1% increase in volume and an 8% increase in price, partially offset by a 5% decrease from foreign currency and a 2% decrease from the Oil & Gas divestiture.

*Gross Profit:* The Company reported gross profit of $3.933 billion, or 24.9% of net sales, in 2023 compared to $4.284 billion, or 25.3% of net sales, in 2022. Non-GAAP adjustments, which reduced gross profit, were $166.9 million in 2023 and $127.4 million in 2022. Despite lower volume, the impact of selling through high-cost inventory, and production curtailments, gross profit, excluding Non-GAAP adjustments, was 26.0% of net sales in both 2023 and 2022, due to price realization, supply chain transformation benefits, lower inventory destocking costs, and lower shipping costs.

The Company reported gross profit of $4.284 billion, or 25.3% of net sales, in 2022 compared to $5.092 billion, or 33.3% of net sales, in 2021. Non-GAAP adjustments, which reduced gross profit, were $127.4 million in 2022 and $39.0 million in 2021. Excluding these adjustments, gross profit was 26.0% of net sales in 2022 compared to 33.6% in 2021, as price realization was more than offset by commodity inflation, higher supply chain costs, including the impact of planned production curtailments, and lower volume.

*SG&A Expenses:* Selling, general and administrative expenses, inclusive of the provision for credit losses, were $3.291 billion, or 20.9% of net sales, in 2023 compared to $3.370 billion, or 19.9% of net sales, in 2022. SG&A declined year-over-year on an absolute dollar basis reflecting cost reductions. Within SG&A, Non-GAAP adjustments totaled $99.4 million in 2023 and $180.3 million in 2022. Excluding these adjustments, SG&A was 20.2% of net sales in 2023 compared to 18.8% in 2022, reflecting the impact of lower sales volume, but relatively flat year-over-year on an absolute dollar basis as the benefits from the Global Cost Reduction Program were offset by increased investments in growth initiatives, higher variable compensation expense and inflation.

SG&A expenses were $3.370 billion, or 19.9% of net sales, in 2022 compared to $3.193 billion, or 20.9% of net sales, in 2021. Within SG&A, Non-GAAP adjustments totaled $180.3 million in 2022 and $183.6 million in 2021. Excluding these adjustments, SG&A was 18.8% of net sales in 2022 compared to 19.7% in 2021 due to the successful implementation of cost control actions.

Distribution center costs (i.e. warehousing and fulfillment facility and associated labor costs) are classified within SG&A. This classification may differ from other companies who may report such expenses within cost of sales. Due to diversity in practice, to the extent the classification of these distribution costs differs from other companies, the Company's gross margins may not be comparable. Such distribution costs classified in SG&A amounted to $521.7 million, $498.7 million and $416.1 million in 2023, 2022, and 2021, respectively. The increase in distribution costs in 2023 compared to 2022 reflects costs associated with footprint rationalization actions under the supply chain transformation as well as the Company's focus on inventory reduction.

*Other, net:* Other, net totaled $320.1 million, $274.8 million, and $189.5 million in 2023, 2022, and 2021, respectively. Excluding Non-GAAP adjustments, Other, net, totaled $345.2 million, $257.9 million, and $165.3 million in 2023, 2022, and 2021, respectively. The increase in 2023 is driven by higher pension and environmental remediation costs as well as write-downs on certain investments. The year-over-year increase in 2022 was primarily due to higher intangible asset amortization due to the MTD and Excel acquisitions and appreciation of investments in 2021.

*Loss on Sales of Businesses:* During 2023, the Company reported a loss of $10.8 million primarily related to the divestiture of a small business in the Industrial segment. During 2022, the Company reported a net loss of $8.4 million primarily related to the divestiture of the Oil & Gas business. During 2021, the Company reported a $0.6 million net loss on divestitures.

*Gain on Equity Method Investment:* Upon the acquisition of MTD in the fourth quarter of 2021, the Company recognized a $68.0 million gain on its previously held equity method investment. Refer to *Note E, Acquisitions*, for further discussion.

*Asset Impairment Charges*: During 2023, the Company recorded impairment charges of $274.8 million, comprised of a $124.0 million impairment charge related to the Irwin and Troy-Bilt trade names and a $150.8 million impairment charge related to the Infrastructure business. During 2022, the Company recorded an impairment charge of $168.4 million related to the Oil & Gas business. Refer to *Note F, Goodwill and Intangible Assets*, for additional information on the trade name impairments. Refer to *Note T, Divestitures*, for additional information on the pending divestiture of the Infrastructure business and the 2022 divestiture of the Oil & Gas business.

*Interest, net:* Net interest expense in 2023 was $372.5 million compared to $283.8 million in 2022 and $175.6 million in 2021. The 2023 increase was primarily driven by higher U.S. interest rates and debt issuances in March 2023, partially offset by higher interest income due to an increase in rates. The increase in 2022 compared to 2021 was primarily driven by higher U.S. interest rates and higher average balances relating to the Company's commercial paper borrowings, as well as the $1.0 billion issuance of debt in the first quarter of 2022, partially offset by higher interest income due to an increase in rates.

*Income Taxes*: The Company's effective tax rate on continuing operations was 25.0% in 2023, (349.3)% in 2022, and 3.5% in 2021. Excluding the tax effect on Non-GAAP adjustments, the effective tax rate in 2023 on continuing operations was (14.8)%. This effective tax rate differs from the U.S. statutory tax rate primarily due to a tax benefit associated with an intra-entity asset transfer of certain intangible assets related to the continued reorganization of the supply chain, tax on foreign earnings at tax rates different than the U.S. tax rate, state income taxes, and tax credits, partially offset by U.S. tax on foreign earnings, non-deductible expenses, withholding taxes, and losses for which a tax benefit is not recognized.

Excluding the tax effect on Non-GAAP adjustments, the effective tax rate on continuing operations in 2022 was (7.1)%. This effective tax rate differs from the U.S. statutory tax rate primarily due to a tax benefit associated with an intra-entity asset transfer of certain intangible assets related to the continued reorganization of the supply chain, tax on foreign earnings at tax rates different than the U.S. tax rate, and the recognition of previously unrecognized foreign deferred tax assets, offset by U.S. tax on foreign earnings and the remeasurement of uncertain tax position reserves.

Excluding the tax effect on Non-GAAP adjustments, the effective tax rate on continuing operations in 2021 was 6.7%. This effective tax rate differs from the U.S. statutory tax rate primarily due to a tax benefit associated with an intra-entity asset transfer of certain intangible assets related to the Company's supply chain reorganization, tax on foreign earnings, the remeasurement of uncertain tax position reserves, the remeasurement of deferred tax assets and liabilities due to foreign corporate income tax rate changes, and the tax benefit of equity-based compensation.

On December 20, 2021, the Organization for Economic Cooperation and Development ("OECD") published a proposal for the establishment of a global minimum tax rate of 15% ("Pillar Two"). The Pillar Two rules provide a template that jurisdictions can translate into domestic law, to assist with the implementation within an agreed upon timeframe and in a coordinated manner, and are effective for fiscal years beginning after January 1, 2024. To date, jurisdictions in which the Company operates are in various stages of implementation.

The Company has performed an initial assessment of the potential impact to income taxes as a result of Pillar Two. The assessment of the potential impact is based on the most recent tax filings, country-by-country reporting, and financial statements of affected subsidiaries. Based on results of the assessment, the Company believes it can avail itself of the transitional safe harbor rules in most jurisdictions in which the Company operates. There are, however, a limited number of jurisdictions where the transitional safe harbor relief does not apply. The Company does not currently expect a material impact to income taxes in those jurisdictions in the near term. The Company continues to assess the potential impact of Pillar Two and monitor developments in legislation, regulation, and interpretive guidance in this area.

***Business Segment Results***

The Company's reportable segments represent businesses that have similar products, services and end markets, among other factors. The Company utilizes segment profit which is defined as net sales minus cost of sales and SG&A inclusive of the provision for credit losses (aside from corporate overhead expense), and segment profit as a percentage of net sales to assess the profitability of each segment.

The Company's operations are classified into two reportable business segments: Tools & Outdoor and Industrial.

***Tools & Outdoor:***

| *(Millions of Dollars)* | **2023** | **2022** | **2021** |
|---|---|---|---|
| Net sales | **$ 13,367** | $ 14,424 | $ 12,817 |
| Segment profit | **$ 688** | $ 972 | $ 1,985 |
| % of Net sales | **5.1 %** | 6.7 % | 15.5 % |

Tools & Outdoor net sales decreased $1.057 billion, or 7%, in 2023 compared to 2022 due to a 7% decline in volume. Organic revenue decreased 8%, 4% and 3% in North America, Europe and emerging markets, respectively. The overall 7% organic decline was a result of lower consumer outdoor and DIY market demand. The 2023 U.S. retail point-of-sale demand remained above pre-pandemic 2019 levels, supported by price increases and strength in professional tools.

Segment profit amounted to $687.6 million, or 5.1% of net sales, in 2023 compared to $971.9 million, or 6.7% of net sales, in 2022. Excluding Non-GAAP adjustments of $196.7 million and $235.4 million in 2023 and 2022, respectively, segment profit amounted to 6.6% of net sales in 2023 compared to 8.4% in 2022, as supply chain transformation savings and reduced shipping costs were more than offset by selling through high-cost inventory, production curtailments and lower volume.

Tools & Outdoor net sales increased $1.606 billion, or 13%, in 2022 compared to 2021 due to a 7% increase in price and a 21% increase from acquisitions, partially offset by a 12% decrease in volume and a 3% decrease from foreign currency. The overall 5% organic decline was a result of lower consumer and DIY market demand. Organic revenue in emerging markets increased 1% and declined in both Europe and North America by 6%.

Segment profit amounted to $971.9 million, or 6.7% of net sales, in 2022 compared to $1.985 billion, or 15.5% of net sales, in 2021. Excluding Non-GAAP adjustments of $235.4 million and $178.4 million in 2022 and 2021, respectively, segment profit amounted to 8.4% of net sales in 2022 compared to 16.9% in 2021, as the benefit from price realization was more than offset by commodity inflation, higher supply chain costs, production curtailment costs and lower volume.

***Industrial:***

| *(Millions of Dollars)* | **2023** | **2022** | **2021** |
|---|---|---|---|
| Net sales | **$ 2,414** | $ 2,523 | $ 2,463 |
| Segment profit | **$ 267** | $ 236 | $ 257 |
| % of Net sales | **11.0 %** | 9.4 % | 10.4 % |

Industrial net sales decreased $109.4 million, or 4%, in 2023 compared to 2022, as a 3% increase in price was more than offset by a 4% decrease from the Oil & Gas divestiture and a 3% decrease in volume. Engineered Fastening organic revenues were up 6%, with double-digit growth in both aerospace and automotive, which was partially offset by softness in general industrial fastener markets.

Segment profit totaled $266.5 million, or 11.0% of net sales, in 2023 compared to $236.2 million, or 9.4% of net sales, in 2022. Excluding Non-GAAP adjustments of $18.7 million and $7.8 million in 2023 and 2022, respectively, segment profit amounted to 11.8% of net sales in 2023 compared to 9.7% in 2022, as price realization and cost control more than offset lower volume.

Industrial net sales increased $60.3 million, or 2%, in 2022 compared to 2021, due to a 1% increase in volume and an 8% increase in price, partially offset by a 5% decrease from foreign currency and a 2% decrease from the Oil & Gas divestiture. Engineered Fastening organic revenues increased 7% driven by growth in the aerospace, automotive, and industrial markets. Infrastructure organic revenues were up 14% with Attachment Tools providing 17% growth, which was partially offset by an organic decline in Oil & Gas, prior to its divestiture.

Segment profit totaled $236.2 million, or 9.4% of net sales, in 2022 compared to $256.6 million, or 10.4% of net sales, in 2021. Excluding Non-GAAP adjustments of $7.8 million and $13.1 million in 2022 and 2021, respectively, segment profit amounted to 9.7% of net sales in 2022 compared to 10.9% in 2021, as higher volumes and price realization were more than offset by commodity inflation, higher supply chain costs and adverse mix.

***Corporate Overhead***

Corporate Overhead includes the corporate overhead element of SG&A, which is not allocated to the business segments. Corporate Overhead amounted to $312.2 million, $294.0 million, and $342.9 million in 2023, 2022, and 2021, respectively. Excluding Non-GAAP adjustments of $50.9 million, $64.5 million, and $31.1 million, in 2023, 2022, and 2021, respectively, the Corporate Overhead element of SG&A was $261.3 million, $229.5 million, and $311.8 million in 2023, 2022, and 2021, respectively. The year-over-year increase in 2023 compared to 2022 was primarily driven by higher employee-related variable compensation costs. The year-over-year decrease in 2022 compared to 2021 was primarily due to lower employee-related costs.

## RESTRUCTURING ACTIVITIES

A summary of the restructuring reserve activity from December 31, 2022 to December 30, 2023 is as follows:

| *(Millions of Dollars)* | December 31, 2022 | Net Additions | Usage | Currency | December 30, 2023 |
|---|---|---|---|---|---|
| Severance and related costs | $ 57.0 | $ 20.3 | $ (51.1) | $ (0.4) | **$ 25.8** |
| Facility closures and other | 5.3 | 19.1 | (21.3) | — | **3.1** |
| **Total** | $ 62.3 | $ 39.4 | $ (72.4) | $ (0.4) | **$ 28.9** |

During 2023, the Company recognized net restructuring charges of $39 million, primarily related to severance and facility closures associated with the footprint rationalization actions under the supply chain transformation. The Company expects to achieve annual net cost savings of approximately $45 million by the end of 2024 related to the restructuring costs incurred during 2023. The majority of the $29 million of reserves remaining as of December 30, 2023 is expected to be utilized within the next twelve months.

During 2022, the Company recognized net restructuring charges of $141 million, primarily related to severance and related costs, including SG&A cost actions under the Global Cost Reduction Program. The Company estimates that these actions resulted in net cost savings of approximately $300 million in 2023.

During 2021, the Company recognized net restructuring charges of $15 million, primarily related to facility closures and asset impairments. The Company estimates that these actions resulted in net cost savings of approximately $24 million in 2022.

*Segments:* The $39 million of net restructuring charges in 2023 includes: $31 million pertaining to the Tools & Outdoor segment; $1 million pertaining to the Industrial segment; and $7 million pertaining to Corporate.

The anticipated annual net cost savings of approximately $45 million related to the 2023 restructuring actions include: $40 million in the Tools & Outdoor segment; $2 million in the Industrial segment; and $3 million in Corporate.

## 2024 OUTLOOK

This outlook discussion is intended to provide broad insight into the Company's near-term earnings and cash flow generation prospects. The Company expects 2024 diluted earnings per share to approximate $1.60 to $2.85 on a GAAP basis ($3.50 to $4.50 excluding Non-GAAP adjustments). Free cash flow is expected to approximate $0.6 billion to $0.8 billion, significantly ahead of net income, as the Company continues to prioritize inventory reductions. This outlook assumes the previously announced Infrastructure divestiture closes at the end of the first quarter 2024.

The difference between 2024 diluted earnings per share outlook and the diluted earnings per share range, excluding Non-GAAP adjustments, is approximately $1.65 to $1.90, consisting primarily of charges related to the supply chain transformation under the Global Cost Reduction Program.

## FINANCIAL CONDITION

***Liquidity, Sources and Uses of Capital:*** The Company’s primary sources of liquidity are cash flows generated from operations and available lines of credit under various credit facilities.

*Operating Activities:* Cash flows provided by operations were $1.191 billion in 2023 compared to cash used in operations of $1.460 billion in 2022. The year-over-year change was primarily driven by the Company's focus on reducing inventory, as evidenced by a decline of $1.123 billion in inventory in 2023.

In 2022, cash flows used in operations were $1.460 billion compared to cash provided by operations of $663.1 million in 2021. The year-over-year change was mainly attributable to lower accounts payable balances, lower earnings from continuing operations, and higher inventory balances. During the second half of 2020 and during 2021, the Company experienced higher than historical customer demand and increased supply chain constraints, resulting in historically high inventory levels in the first half of 2022 as consumer and DIY demand softened.

*Free Cash Flow:* Free cash flow, as defined in the table below, was an inflow of $853 million in 2023 compared to an outflow of $1.990 billion in 2022 and an inflow of $144 million in 2021. The year-over-year changes in free cash flow are due to the same factors discussed above in operating activities, as well as lower planned capital expenditures in 2023. Management considers free cash flow an important indicator of its liquidity and capital efficiency, as well as its ability to fund future growth and provide dividends to shareowners, and is useful information for investors. Free cash flow does not include deductions for mandatory debt service, other borrowing activity, discretionary dividends on the Company's common and preferred stock and business acquisitions, among other items.

| *(Millions of Dollars)* | **2023** | **2022** | **2021** |
|---|---|---|---|
| Net cash provided by (used in) operating activities | **$ 1,191** | $ (1,460) | $ 663 |
| Less: capital and software expenditures | **(338)** | (530) | (519) |
| Free cash flow | **$ 853** | $ (1,990) | $ 144 |

*Investing Activities:* Cash flows used in investing activities totaled $328 million in 2023 primarily due to capital and software expenditures of $338 million.

Cash flows provided by investing activities in 2022 totaled $3.573 billion, primarily due to proceeds from the Security and Oil & Gas divestitures, net of cash sold, of $4.147 billion, partially offset by capital and software expenditures of $530 million.

Cash flows used in investing activities in 2021 totaled $2.624 billion, driven by business acquisitions of $2.044 billion, net of cash acquired, primarily related to the MTD and Excel acquisitions, and capital and software expenditures of $519 million.

*Financing Activities:* Cash flows used in financing activities totaled $816 million in 2023 primarily driven by net repayments of short-term commercial paper borrowings of $1.045 billion and cash dividend payments on common stock of $483 million, partially offset by net proceeds from debt issuances of $745 million.

Cash flows used in financing activities totaled $1.971 billion in 2022 primarily driven by share repurchases of $2.323 billion, credit facility repayments of $2.5 billion, the redemption and conversion of preferred stock for $750 million, cash dividend payments on common stock of $466 million, and net repayments of short-term commercial paper borrowings of $138 million, partially offset by $2.5 billion from credit facility borrowings, net proceeds from debt issuances of $993 million and proceeds from the issuance of remarketed Series D Preferred Stock of $750 million.

Cash flows provided by financing activities totaled $919 million in 2021 primarily driven by net short-term commercial paper borrowings of $2.225 billion and proceeds from issuances of common stock of $131 million, partially offset by the redemption and conversion of preferred stock for $750 million, cash dividend payments on common stock of $475 million, and $75 million related to the termination of interest rate swaps.

Fluctuations in foreign currency rates positively impacted cash by $2 million in 2023. Fluctuations in foreign currency rates negatively impacted cash by $32 million and $62 million in 2022 and 2021, respectively, due to the strengthening of the U.S. dollar against other currencies.

Refer to *Note H, Long-Term Debt and Financing Arrangements*, and *Note J, Capital Stock*, for further discussion regarding the Company's debt and equity arrangements.

***Credit Ratings and Liquidity:***

The Company maintains investment grade credit ratings from the major U.S. rating agencies on its senior unsecured debt (S&P A-, Fitch BBB+, Moody's Baa3), as well as its commercial paper program (S&P A-2, Fitch F2, Moody's P-3). In the first quarter of 2023, Fitch downgraded the Company's senior unsecured debt credit rating to BBB+, from its previous rating of A-, and its commercial paper program to F2, from its previous rating of F1. In the third quarter of 2023, S&P downgraded the Company's senior unsecured debt credit rating to A-, from its previous rating of A, and its commercial paper program to A-2, from its previous rating of A-1. In the fourth quarter of 2023, Moody's downgraded the Company's senior unsecured debt credit rating to Baa3, from its previous rating of Baa2, and its commercial paper program to P-3, from its previous rating of P-2. Failure to maintain investment grade rating levels could adversely affect the Company's cost of funds, liquidity, and access to capital markets, but would not have an adverse effect on the Company's ability to access its existing committed credit facilities.

Cash and cash equivalents totaled $449 million as of December 30, 2023 of which approximately 50% was held in foreign jurisdictions. Cash and cash equivalents totaled $396 million as of December 31, 2022, which was primarily held in foreign jurisdictions.

As a result of the Tax Cuts and Jobs Act (the "Act"), the Company's tax liability related to the one-time transition tax associated with unremitted foreign earnings and profits totaled $171 million at December 30, 2023. The Act permits a U.S. company to elect to pay the net tax liability interest-free over a period of up to eight years. See the "Contractual Obligations" table below for the estimated amounts due by period. The Company has considered the implications of paying the required one-time transition tax and believes it will not have a material impact on its liquidity.

The Company has a $3.5 billion commercial paper program which includes Euro denominated borrowings in addition to U.S. Dollars. As of December 30, 2023, the Company had commercial paper borrowings outstanding of $1.1 billion, of which $399.7 million in Euro denominated commercial paper was designated as a net investment hedge. Refer to *Note I, Financial Instruments*, for further discussion. As of December 31, 2022, the Company had commercial paper borrowings outstanding of $2.1 billion, which did not include any Euro denominated commercial paper.

The Company has a five-year $2.5 billion committed credit facility (the “5-Year Credit Agreement”). Borrowings under the 5-Year Credit Agreement may be made in U.S. Dollars, Euros or Pounds Sterling. A sub-limit amount of $814.3 million is designated for swing line advances which may be drawn in Euros pursuant to the terms of the 5-Year Credit Agreement. Borrowings bear interest at a floating rate plus an applicable margin dependent upon the denomination of the borrowing and specific terms of the 5-Year Credit Agreement. The Company must repay all advances under the 5-Year Credit Agreement by the earlier of September 8, 2026 or upon termination. The 5-Year Credit Agreement is designated to be a liquidity back-stop for the Company's $3.5 billion U.S. Dollar and Euro commercial paper program. As of December 30, 2023 and December 31, 2022, the Company had not drawn on its five-year committed credit facility.

In September 2023, the Company terminated its $1.5 billion syndicated 364-Day Credit Agreement (the "Syndicated 364-Day Credit Agreement") dated September 2022, as amended. There were no outstanding borrowings under the Syndicated 364-Day Credit Agreement upon termination and as of December 31, 2022. Contemporaneously, the Company entered into a new $1.5 billion syndicated 364-Day Credit Agreement (the "2023 Syndicated 364-Day Credit Agreement") which is a revolving credit loan. The borrowings under the 2023 Syndicated 364-Day Credit Agreement may be made in U.S. Dollars or Euros and bear interest at a floating rate plus an applicable margin dependent upon the denomination of the borrowing and pursuant to the terms of the 2023 Syndicated 364-Day Credit Agreement. The Company must repay all advances under the 2023 Syndicated 364-Day Credit Agreement by the earlier of September 4, 2024 or upon termination. The Company may, however, convert all advances outstanding upon termination into a term loan that shall be repaid in full no later than the first anniversary of the termination date provided that the Company, among other things, pays a fee to the administrative agent for the account of each lender. The 2023 Syndicated 364-Day Credit Agreement serves as part of the liquidity back-stop for the Company’s $3.5 billion U.S. Dollar and Euro commercial paper program. As of December 30, 2023, the Company had not drawn on its 2023 Syndicated 364-Day Credit Agreement.

In September 2023, the Company terminated its $0.5 billion revolving credit loan (the "Club 364-Day Credit Agreement") dated September 2022, as amended. There were no outstanding borrowings under the Club 364-Day Credit Agreement upon termination and as of December 31, 2022.

In addition, the Company has other short-term lines of credit that are primarily uncommitted, with numerous banks, aggregating $252 million, of which approximately $155 million was available at December 30, 2023. Approximately $97 million of the short-term credit lines were utilized primarily pertaining to outstanding letters of credit for which there are no required or reported debt balances. Short-term arrangements are reviewed annually for renewal.

At December 30, 2023, the aggregate amount of short-term and long-term committed and uncommitted lines of credit was approximately $4.3 billion. In addition, at December 30, 2023, $1.1 billion was recorded as short-term commercial paper borrowings. The weighted-average interest rates on U.S. dollar denominated short-term borrowings for the years ended December 30, 2023 and December 31, 2022 were 5.1% and 2.3%, respectively. The weighted-average interest rate on Euro denominated short-term borrowings for the year ended December 30, 2023 was 3.5%. For the year ended December 31, 2022, the Company had not drawn on its Euro denominated short-term borrowings.

The Company has an interest coverage covenant that must be maintained to permit continued access to its committed credit facilities described above. The interest coverage ratio tested for covenant compliance compares adjusted Earnings Before Interest, Taxes, Depreciation and Amortization to adjusted net Interest Expense ("Adjusted EBITDA"/"Adjusted Net Interest Expense"). In February 2023, the Company entered into an amendment to its 5-Year Credit Agreement to: (a) amend the definition of Adjusted EBITDA to allow for additional adjustment addbacks, not to exceed $500 million in the aggregate, for amounts incurred during each four fiscal quarter period beginning with the period ending in the third quarter of 2023 through the period ending in the second quarter of 2024, and (b) amend the minimum interest coverage ratio from 3.5 times to not less than 1.5 to 1.0 times computed quarterly, on a rolling twelve months (last twelve months) basis, for the period from and including the third quarter of 2023 through the second quarter of 2024. The minimum interest coverage ratio will revert back to 3.5 times for periods after the second quarter of 2024. The amended provisions described above also apply to the 2023 Syndicated 364-Day Credit Agreement.

In March 2023, the Company issued $350.0 million of senior unsecured term notes maturing March 6, 2026 ("2026 Term Notes") and $400.0 million of senior unsecured term notes maturing March 6, 2028 (“2028 Term Notes”). The 2026 Term Notes accrue interest at a fixed rate of 6.272% per annum and the 2028 Term Notes at a fixed rate of 6.0% per annum, with interest payable semi-annually in arrears, and both notes rank equally in right of payment with all of the Company's existing and future unsecured unsubordinated debt. The Company received total net proceeds from this offering of $745.3 million, net of $4.7 million of underwriting expenses and other fees associated with the transaction. The Company used the net proceeds from the offering for general corporate purposes, including repayment of indebtedness under the commercial paper program.

In February 2022, the Company issued $500.0 million of senior unsecured term notes maturing February 24, 2025 ("2025 Term Notes") and $500.0 million of senior unsecured term notes maturing May 15, 2032 (“2032 Term Notes”). The 2025 Term Notes accrue interest at a fixed rate of 2.3% per annum and the 2032 Term Notes at a fixed rate of 3.0% per annum, with interest payable semi-annually in arrears, and rank equally in right of payment with all of the Company's existing and future unsecured unsubordinated debt. The Company received total net proceeds from this offering of approximately $993 million, net of approximately $7 million of underwriting expenses and other fees associated with the transaction. The Company used the net proceeds from the offering for general corporate purposes, including repayment of indebtedness under the commercial paper program.

In November 2019, the Company issued 7,500,000 Equity Units with a total notional value of $750 million ("2019 Equity Units"). Each unit had a stated amount of $100 and initially consisted of a three-year forward stock purchase contract ("2022 Purchase Contracts") for the purchase of a variable number of shares of common stock, on November 15, 2022, for a price of $100 per share, and a 10% beneficial ownership interest in one share of 0% Series D Cumulative Perpetual Convertible Preferred Stock, without par, with a liquidation preference of $1,000 per share ("Series D Preferred Stock").

In November 2022, the Company generated cash proceeds of $750 million from the successful remarketing of the Series D Preferred Stock (the "Remarketed Series D Preferred Stock"), as described more fully in *Note J, Capital Stock*. Upon completion of the remarketing, the holders of the 2019 Equity Units received 4,723,500 common shares and the Company issued 750,000 shares of Remarketed Series D Preferred Stock. Holders of the Remarketed Series D Preferred Stock were entitled to receive cumulative dividends, if declared by the Board of Directors, at an initial fixed rate equal to 7.5% per annum of the $1,000 per share liquidation preference (equivalent to $75.00 per annum per share). On November 15, 2022, the Company informed holders that it would redeem all outstanding shares of the Remarketed Series D Preferred Stock on December 22, 2022 (the “Redemption Date”) at $1,007.71 per share in cash, which was equal to 100% of the liquidation preference of a share of Remarketed Series D Preferred Stock, plus accumulated and unpaid dividends to, but excluding, the Redemption Date. In December 2022, the Company redeemed the Remarketed Series D Preferred Stock, paying $750 million in cash.

In March 2015, the Company entered into a forward share purchase contract with a financial institution counterparty for 3,645,510 shares of common stock. The contract obligates the Company to pay $350 million, plus an additional amount related to the forward component of the contract. In November 2022, the Company amended the settlement date to November 2024, or earlier at the Company's option.

Refer to *Note H, Long-Term Debt and Financing Arrangements*, and *Note J, Capital Stock*, for further discussion regarding the Company's debt and equity arrangements.

***Contractual Obligations:*** The following table summarizes the Company's significant contractual and other obligations that impact its liquidity:

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| *(Millions of Dollars)* | Total | 2024 | 2025-2026 | 2027-2028 | Thereafter |
| Long-term debt (a) | $ 6,154 | $ 1 | $ 1,403 | $ 1,100 | $ 3,650 |
| Interest payments on long-term debt (b) | 3,204 | 237 | 421 | 343 | 2,203 |
| Short-term borrowings | 1,075 | 1,075 | — | — | — |
| Lease obligations | 613 | 135 | 196 | 126 | 156 |
| Inventory purchase commitments (c) | 789 | 787 | 2 | — | — |
| Deferred compensation | 25 | — | 1 | 1 | 23 |
| Marketing commitments | 73 | 38 | 35 | — | — |
| Forward stock purchase contract (d) | 350 | 350 | — | — | — |
| Pension funding obligations (e) | 35 | 35 | — | — | — |
| U.S. income tax (f) | 171 | 88 | 83 | — | — |
| Supplier agreements (g) | 199 | 88 | 82 | 29 | — |
| Derivatives (h) | 18 | 18 | — | — | — |
| **Total contractual cash obligations** | $ 12,706 | $ 2,852 | $ 2,223 | $ 1,599 | $ 6,032 |

(a) Future payments on long-term debt encompass all payments related to aggregate debt maturities, excluding certain fair value adjustments included in long-term debt, as discussed further in *Note H, Long-Term Debt and Financing Arrangements.*
(b) Future interest payments on long-term debt reflect the applicable interest rate in effect at December 30, 2023.
(c) Inventory purchase commitments primarily consist of open purchase orders to purchase raw materials, components, and sourced products.
(d) In March 2015, the Company entered into a forward share purchase contract with a financial institution counterparty which obligates the Company to pay $350 million, plus an additional amount related to the forward component of the contract. In November 2022, the Company amended the settlement date to November 2024, or earlier at the Company's option. See *Note J, Capital Stock,* for further discussion.
(e) This amount principally represents contributions either required by regulations or laws or, with respect to unfunded plans, necessary to fund current benefits. The Company has not presented estimated pension and post-retirement funding beyond 2024 as funding can vary significantly from year to year based upon changes in the fair value of the plan assets, actuarial assumptions, and curtailment/settlement actions.
(f) Income tax liability for the one-time deemed repatriation tax on unremitted foreign earnings and profits.
(g) Supplier agreements with long-term minimum material purchase requirements and freight forwarding arrangements.
(h) Future cash flows on derivative instruments reflect the fair value and accrued interest as of December 30, 2023. The ultimate cash flows on these instruments will differ, perhaps significantly, based on applicable market interest and foreign currency rates at their maturity.

To the extent the Company can reliably determine when payments will occur, the related amounts will be included in the table above. However, due to the high degree of uncertainty regarding the timing of potential future cash flows associated with the contingent consideration liability related to the Craftsman acquisition and the unrecognized tax liabilities of $209 million and $546 million, respectively, at December 30, 2023, the Company is unable to make a reliable estimate of when (if at all) these amounts may be paid. Refer to *Note M, Fair Value Measurements,* and *Note Q, Income Taxes,* for further discussion.

Payments of the above contractual and other obligations (with the exception of payments related to debt principal, the forward stock purchase contract, and tax obligations) will typically generate a cash tax benefit such that the net cash outflow will be lower than the gross amounts summarized above.

**Other Significant Commercial Commitments:**

| | Amount of Commitment Expirations Per Period | | | | |
|---|---|---|---|---|---|
| *(Millions of Dollars)* | Total | 2024 | 2025-2026 | 2027-2028 | Thereafter |
| U.S. lines of credit | $ 4,000 | $ 1,500 | $ 2,500 | $ — | $ — |

Short-term borrowings, long-term debt and lines of credit are explained in detail within *Note H, Long-Term Debt and Financing Arrangements*.

**MARKET RISK**

Market risk is the potential economic loss that may result from adverse changes in the fair value of financial instruments, currencies, commodities and other items traded in global markets. The Company is exposed to market risk from changes in foreign currency exchange rates, interest rates, stock prices, bond prices and commodity prices, amongst others.

Exposure to foreign currency risk results because the Company, through its global businesses, enters into transactions and makes investments denominated in multiple currencies. The Company’s predominant currency exposures are related to the Euro, Canadian Dollar, British Pound, Australian Dollar, Brazilian Real, Chinese Renminbi and the Taiwan Dollar. Certain cross-currency trade flows arising from both trade and affiliate sales and purchases are consolidated and netted prior to obtaining risk protection through the use of various derivative financial instruments which may include: purchased basket options, purchased options, collars, cross-currency swaps and currency forwards. The Company is thus able to capitalize on its global positioning by taking advantage of naturally offsetting exposures and portfolio efficiencies to reduce the cost of purchasing derivative protection. At times, the Company also enters into foreign exchange derivative contracts to reduce the earnings and cash flow impacts of non-functional currency denominated receivables and payables, primarily for affiliate transactions. Gains and losses from these hedging instruments offset the gains or losses on the underlying net exposures. Management determines the nature and extent of currency hedging activities, and in certain cases, may elect to allow certain currency exposures to remain un-hedged. The Company may also enter into cross-currency swaps and forward contracts to hedge the net investments in certain subsidiaries and better match the cash flows of operations to debt service requirements. Management estimates the foreign currency impact from its derivative financial instruments outstanding at the end of 2023 would have been an incremental pre-tax loss of approximately $19 million based on a hypothetical 10% adverse movement in all net derivative currency positions. The Company follows risk management policies in executing derivative financial instrument transactions, and does not use such instruments for speculative purposes. The Company generally does not hedge the translation of its non-U.S. dollar earnings in foreign subsidiaries, but may choose to do so in certain instances in future periods.

As mentioned above, the Company routinely has cross-border trade and affiliate flows that cause an impact on earnings from foreign exchange rate movements. The Company is also exposed to currency fluctuation volatility from the translation of foreign earnings into U.S. dollars and the economic impact of foreign currency volatility on monetary assets held in foreign currencies. It is more difficult to quantify the transactional effects from currency fluctuations than the translational effects. Aside from the use of derivative instruments, which may be used to mitigate some of the exposure, transactional effects can potentially be influenced by actions the Company may take. For example, if an exposure occurs from a European entity sourcing product from a U.S. supplier it may be possible to change to a European supplier. Management estimates the combined translational and transactional impact, on pre-tax earnings, of a 10% overall movement in exchange rates is approximately $217 million. In 2023, translational and transactional foreign currency fluctuations negatively impacted pre-tax earnings from continuing operations by approximately $89 million.

The Company’s exposure to interest rate risk results from its outstanding debt and derivative obligations, short-term investments, and derivative financial instruments employed in the management of its debt portfolio. The debt portfolio including both trade and affiliate debt, is managed to achieve capital structure targets and reduce the overall cost of borrowing by leveraging, as appropriate, a combination of fixed and floating rate debt as well as interest rate swaps, and cross-currency swaps.

The Company’s primary exposure to interest rate risk comes from its commercial paper program in which the pricing is partially based on short-term U.S. interest rates. At December 30, 2023, the impact of a hypothetical 10% increase in the interest rates associated with the Company’s outstanding commercial paper borrowings would have been an incremental pre-tax loss of approximately $5 million.

The Company has exposure to commodity prices in many businesses, particularly brass, nickel, resin, aluminum, copper, zinc, steel, and energy used in the production of finished goods. Generally, commodity price exposures are not hedged with derivative financial instruments, but instead are actively managed through customer product and service pricing actions, procurement-driven cost reduction initiatives and other productivity improvement projects.

The Company has $104.7 million of liabilities as of December 30, 2023 pertaining to unfunded defined contribution plans for certain U.S. employees for which there is mark-to-market exposure.

The assets held by the Company’s defined benefit plans are exposed to fluctuations in the market value of securities, primarily global stocks and fixed-income securities. The Company employs diversified asset allocations to help mitigate this risk. The Company's investment strategy for pension assets focuses on a liability-matching approach with gradual de-risking taking place over a period of many years to effectively manage portfolio risk. The Company utilizes the current funded status to transition the portfolio toward investments that better match the duration and cash flow attributes of the underlying liabilities. In 2023, investment gains resulted in an increase of $144 million to pension plan assets. In 2022 and 2021, investment returns on pension plan assets resulted in a decrease of $560 million and an increase $81 million, respectively. The funded status percentage (total plan assets divided by total projected benefit obligation) of all global pension plans was 87% in 2023, 2022 and 2021. The Company expects funding obligations on its defined benefit plans to be approximately $35 million in 2024. Management has worked to minimize this exposure by freezing and terminating defined benefit plans where appropriate. Refer to *Note L, Employee Benefit Plans,* for further discussion regarding the Company's pension plans.

The Company has access to financial resources and borrowing capabilities around the world. There are no instruments within the debt structure that would accelerate payment requirements solely due to a change in credit rating.

The Company’s existing credit facilities and sources of liquidity, including expected operating cash flows, are considered more than adequate to conduct business as normal. The Company believes that its strong financial position, expected operating cash flows, committed long-term credit facilities and borrowing capacity, and ability to access equity markets, provide the financial flexibility necessary to continue its record of annual dividend payments, to invest in the routine needs of its businesses, and to fund other initiatives encompassed by its business strategy and maintain its strong investment grade credit ratings.

**CRITICAL ACCOUNTING ESTIMATES —** Preparation of the Company’s Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Significant accounting policies used in the preparation of the Consolidated Financial Statements are described in *Note A, Significant Accounting Policies*. Management believes the most complex and sensitive judgments, because of their significance to the Consolidated Financial Statements, result primarily from the need to make estimates about the effects of matters with inherent uncertainty. The most significant areas involving management estimates are described below. Actual results in these areas could differ from management’s estimates.

GOODWILL AND INTANGIBLE ASSETS — The Company acquires businesses in purchase transactions that result in the recognition of goodwill and intangible assets. The determination of the value of intangible assets requires management to make estimates and assumptions. In accordance with Accounting Standards Codification ("ASC") 350-20, *Goodwill*, acquired goodwill and indefinite-lived intangible assets are not amortized but are subject to impairment testing at least annually or when an event occurs or circumstances change that indicate it is more likely than not an impairment exists. Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. At December 30, 2023, the Company reported $7.996 billion of goodwill, $2.396 billion of indefinite-lived trade names and $1.553 billion of net definite-lived intangibles.

Management tests goodwill for impairment at the reporting unit level. A reporting unit is an operating segment as defined in ASC 280, *Segment Reporting*, or one level below an operating segment (component level) as determined by the availability of discrete financial information that is regularly reviewed by operating segment management or an aggregate of component levels of an operating segment having similar economic characteristics. If the carrying value of a reporting unit (including the value of goodwill) is greater than its estimated fair value, an impairment charge would be recorded for the amount that the carrying amount of the reporting unit exceeded its fair value.

As required by the Company’s policy, goodwill was tested for impairment in the third quarter of 2023. In accordance with Accounting Standards Update ("ASU") 2011-08, *Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment*, companies are permitted to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment test. Impairment tests are completed separately with respect to the goodwill of each of the Company’s reporting units. For its annual impairment testing performed in the third quarter of 2023, the Company applied a quantitative test for all of its reporting units using a discounted cash flow valuation model. Based on the results of the Company’s annual impairment testing, it was determined that the fair value of each of its reporting units was in excess of its carrying amount.

As previously disclosed in the Company’s Form 10-Q for the third quarter of 2023, the fair value of the Engineered Fastening reporting unit exceeded its carrying amount by 16%. In connection with the preparation of the Consolidated Financial Statements for the year ended December 30, 2023, the Company performed an updated impairment analysis with respect to the Engineered Fastening reporting unit, which included approximately $2.020 billion of goodwill at year-end. The key assumptions applied to the updated cash flow projections for the Engineered Fastening reporting unit included a 10.0% discount rate, near-term revenue growth rates over the next six years, which represented a compound annual growth rate of approximately 5%, and a 3% perpetual growth rate. Based on this analysis, it was determined that the fair value of the Engineering Fastening reporting unit exceeded its carrying amount by 22%. The increase in excess fair value is reflective of a slightly more favorable long-term outlook based on 2023 results and a lower carrying value driven by working capital reductions. Management remains confident in the long-term viability and success of the Engineered Fastening reporting unit, particularly given its market position, growth prospects, such as automotive electrification and the aerospace market recovery, and geographies served.

As previously discussed, in December 2023, the Company entered into an agreement to sell its Infrastructure business. As a result, the Company performed an impairment analysis with respect to the Infrastructure reporting unit and recognized a $150.8 million pre-tax asset impairment charge to adjust the carrying amount of the long-lived asset group to its estimated fair value less selling costs. Refer to *Note T, Divestitures*, for further discussion.

The Company also tested its indefinite-lived trade names for impairment during the third quarter of 2023 utilizing a discounted cash flow model. The key assumptions used included discount rates, royalty rates, and perpetual growth rates applied to the projected sales. With the exception of the Irwin and Troy-Bilt trade names discussed below, the Company determined that the fair values of its indefinite-lived trade names exceeded their respective carrying amounts.

During the third quarter of 2023, as a result of new leadership within the Tools & Outdoor segment, the Company reviewed its brand portfolio resulting in a decision to shift prioritization and investment to its major brands, while leveraging certain of its specialty brands in a more focused manner. As a result of this shift in brand prioritization, the Company recognized a $124.0 million pre-tax, non-cash impairment charge related to the Irwin and Troy-Bilt trade names in the third quarter of 2023. Subsequent to this impairment charge, the carrying value of the Irwin and Troy-Bilt trade names totaled $113.0 million. The Company intends to continue utilizing these trade names, which accounted for less than 5% of 2023 net sales for the Tools & Outdoor segment, indefinitely in more focused product categories and end markets.

In the event that future operating results of any of the Company's reporting units or indefinite-lived trade names do not meet current expectations, management, based upon conditions at the time, would consider taking restructuring or other strategic actions, as necessary, to maximize revenue growth and profitability. A thorough analysis of all the facts and circumstances existing at that time would need to be performed to determine if recording an impairment loss would be appropriate.

DEFINED BENEFIT OBLIGATIONS — The valuation of pension and other postretirement benefits costs and obligations is dependent on various assumptions. These assumptions, which are updated annually, include discount rates, expected return on plan assets, future salary increase rates, and health care cost trend rates. The Company considers current market conditions, including interest rates, to establish these assumptions. Discount rates are developed considering the yields available on high-quality fixed income investments with maturities corresponding to the duration of the related benefit obligations. The Company's weighted-average discount rates used to determine benefit obligations at December 30, 2023 for the United States and international pension plans were 5.04% and 4.43%, respectively. The Company's weighted-average discount rates used to determine benefit obligations at December 31, 2022 for the United States and international pension plans were 5.36% and 4.70%, respectively. As discussed further in *Note L, Employee Benefit Plans*, the Company develops the expected return on plan assets considering various factors, which include its targeted asset allocation percentages, historic returns, and expected future returns. The Company's expected rate of return assumptions for the United States and international pension plans were 6.70% and 5.29%, respectively, at December 30, 2023. The Company will use a 5.99% weighted-average expected rate of return assumption to determine the 2024 net periodic benefit cost. A 25 basis point reduction in the expected rate of return assumption would increase 2024 net periodic benefit cost by approximately $4 million on a pre-tax basis.

The Company believes that the assumptions used are appropriate; however, differences in actual experience or changes in the assumptions may materially affect the Company's financial position or results of operations. To the extent that actual (newly measured) results differ from the actuarial assumptions, the difference is recognized in accumulated other comprehensive loss, and, if in excess of a specified corridor, amortized over future periods. The expected return on plan assets is determined using the expected rate of return and the fair value of plan assets. Accordingly, market fluctuations in the fair value of plan assets can affect the net periodic benefit cost in the following year. The projected benefit obligation for defined benefit plans exceeded the fair value of plan assets by $314 million at December 30, 2023. A 25 basis point reduction in the discount rate would have increased the projected benefit obligation by approximately $53 million at December 30, 2023. The primary Black & Decker U.S. pension and post-employment benefit plans were curtailed in late 2010, as well as the only material Black & Decker international plan, and in their place the Company implemented defined contribution benefit plans. The vast majority of the projected benefit obligation pertains to plans that have been frozen; the remaining defined benefit plans that are not frozen are predominantly small domestic union plans and those that are statutorily mandated in certain international jurisdictions. The Company recognized approximately $29 million of defined benefit plan expense in 2023, which may fluctuate in future years depending upon various factors including future discount rates and actual returns on plan assets.

Additional information regarding the Company's pension plans is available in *Note L, Employee Benefit Plans.*

ENVIRONMENTAL — The Company incurs costs related to environmental issues as a result of various laws and regulations governing current operations as well as the remediation of previously contaminated sites. The Company's policy is to accrue environmental investigatory and remediation costs for identified sites when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The amount of liability recorded is based on an evaluation of currently available facts with respect to each individual site and includes such factors as existing technology, presently enacted laws and regulations, and prior experience in remediation of contaminated sites. The liabilities recorded do not take into account any claims for recoveries from insurance or third parties. As assessments and remediation progress at individual sites, the amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available.

As of December 30, 2023, the Company had reserves of $125 million for remediation activities associated with Company-owned properties as well as for Superfund sites, for losses that are probable and estimable. As of December 30, 2023, the range of environmental remediation costs that is reasonably possible is $80 million to $227 million which is subject to change in the near term. The Company may be liable for environmental remediation of sites it no longer owns. Liabilities have been recorded on those sites in accordance with this policy.

Additional information regarding environmental matters is available in *Note S, Contingencies.*

INCOME TAXES — The Company accounts for income taxes under the asset and liability method in accordance with ASC 740, *Income Taxes*, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. Any changes in tax rates on deferred tax assets and liabilities are recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent that it is more likely than not that these assets will be realized. In making this determination, management considers all available positive and negative evidence, including future reversals of existing temporary differences, estimates of future taxable income, tax-planning strategies, and the realizability of net operating loss carryforwards. In the event that it is determined that an asset is not more likely than not to be realized, a valuation allowance is recorded against the asset. Valuation allowances related to deferred tax assets can be impacted by changes to tax laws, changes to statutory tax rates and future taxable income levels. In the event the Company were to determine that it would not be able to realize all or a portion of its deferred tax assets in the future, the unrealizable amount would be charged to earnings in the period in which that determination is made. Conversely, if the Company were to determine that it would be able to realize deferred tax assets in the future in excess of the net carrying amounts, it would decrease the recorded valuation allowance through a favorable adjustment to earnings in the period that the determination was made.

The Company records uncertain tax positions in accordance with ASC 740, which requires a two-step process. First, management determines whether it is more likely than not that a tax position will be sustained based on the technical merits of the position and second, for those tax positions that meet the more likely than not threshold, management recognizes the largest amount of the tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related taxing authority. The Company maintains an accounting policy of recording interest and penalties on uncertain tax positions as a component of Income taxes in the Consolidated Statements of Operations.

The Company is subject to income tax in a number of locations, including U.S. federal, state and foreign jurisdictions. Significant judgment is required when calculating the worldwide provision for income taxes. Many factors are considered when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments, and which may not accurately anticipate actual outcomes. It is reasonably possible that the amount of the unrecognized benefit with respect to certain of the Company's unrecognized tax positions will significantly increase or decrease within the next twelve months. These changes may be the result of settlements of ongoing audits, litigation, or other proceedings with taxing authorities. The Company periodically assesses its liabilities and contingencies for all tax years still subject to audit based on the most current available information, which involves inherent uncertainty.

Additional information regarding income taxes is available in *Note Q, Income Taxes.*

## CAUTIONARY STATEMENTS UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This document 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 projections or guidance of earnings, revenue, profitability or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new products, services or developments; any statements regarding future economic conditions or performance; any statements relating to initiatives concerning environmental, social and governance ("ESG") matters, including environmental sustainability and diversity, equity and inclusion; any statements of belief; 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,” “forecast,” “commit,” “goal,” “target,” “design,” “on-track,” “position or positioning,” “guidance” 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. The Company's future financial condition and results of operations, as well as 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.

Important factors that could cause the Company's actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in its forward-looking statements include, among others, the following: (i) successfully developing, marketing and achieving sales from new products and services and the continued acceptance of current products and services; (ii) 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; (iii) 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; (iv) the economic, political, cultural and legal environment in Europe and the emerging markets in which the Company generates sales, particularly Latin America and China; (v) realizing the anticipated benefits of mergers, acquisitions, joint ventures, strategic alliances or divestitures; (vi) pricing pressure and other changes within competitive markets; (vii) availability and price of raw materials, component parts, freight, energy, labor and sourced finished goods; (viii) the impact that the tightened credit markets may have on the Company or its customers or suppliers; (ix) 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; (x) the Company's ability to identify and effectively execute productivity improvements and cost reductions; (xi) potential business, supply chain and distribution disruptions, including those related to physical security threats, information technology or cyber-attacks, epidemics, natural disasters, pandemics, sanctions, political unrest, war or terrorism, including the conflicts between Russia and Ukraine, and Israel and Hamas and tensions or conflicts in South Korea, China and Taiwan; (xii) the continued consolidation of customers, particularly in consumer channels, and the Company’s continued reliance on significant customers; (xiii) managing franchisee relationships; (xiv) the impact of poor weather conditions and climate change and 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; (xv) failure to meet ESG expectations or standards, or achieve its ESG goals; (xvi) 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; (xvii) changes in the competitive landscape in the Company's markets; (xviii) the Company's non-U.S. operations, including sales to non-U.S. customers; (xix) the impact from demand changes within world-wide markets associated with homebuilding and remodeling; (xx) potential adverse developments in new or pending litigation and/or government investigations; (xxi) the incurrence of debt and changes in the Company's ability to obtain debt on commercially reasonable terms and at competitive rates; (xxii) substantial pension and other postretirement benefit obligations; (xxiii) potential regulatory liabilities, including environmental, privacy, data breach, workers compensation and product liabilities; (xxiv) attracting, developing and retaining senior management and other key employees, managing a workforce in many jurisdictions, labor shortages, work stoppages or other labor disruptions; (xxv) the Company's ability to keep abreast with the pace of technological change; (xxvi) changes in accounting estimates; (xxvii) the Company’s ability to protect its intellectual property rights and to maintain its public reputation and the strength of its brands; and (xxviii) 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 supply chain transformation to leverage strategic sourcing, drive operational excellence, consolidate facilities, optimize the distribution network and reduce complexity of the product portfolio; improving fill rates and matching inventory with customer demand; prioritizing cash flow generation and inventory optimization; executing the SBD Operating Model to deliver operational excellence through efficiency, simplified organizational design; and reducing complexity through 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 this Annual Report on Form 10-K, including under the headings “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in the Consolidated Financial Statements and the related Notes.

Forward-looking statements in this Annual Report on Form 10-K 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. 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. Any standards of measurement and performance made in reference to the Company's ESG and other sustainability plans and goals are developing and based on assumptions that continue to evolve, and no assurance can be given that any such plan, initiative, projection, goal, commitment, expectation, or prospect can or will be achieved. The inclusion of information related to ESG goals and initiatives is not an indication that such information is material under the standards of the Securities and Exchange Commission.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company incorporates by reference the material captioned “Market Risk” in *Item 7* and in *Note I, Financial Instruments*, of the *Notes to Consolidated Financial Statements* in *Item 8*.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Item 15 for an index to Financial Statements and Financial Statement Schedule. Such Financial Statements and Financial Statement Schedule are incorporated herein by reference.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The management of Stanley Black & Decker, Inc. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 30, 2023. In making its assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission in Internal Control — Integrated Framework (2013 Framework). Management concluded that based on its assessment, the Company's internal control over financial reporting was effective as of December 30, 2023. Ernst & Young LLP, the auditor of the financial statements included in this annual report, has issued an attestation report on the registrant's internal control over financial reporting, a copy of which appears on page 63.

Under the supervision and with the participation of management, including the Company's President and Chief Executive Officer and its Executive Vice President and Chief Financial Officer, the Company has, pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined under Rule 13a-15(e) of the Exchange Act). Based upon that evaluation, the Company's President and Chief Executive Officer and its Executive Vice President and Chief Financial Officer have concluded that, as of December 30, 2023, the Company's disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting that occurred during the fiscal quarter ended December 30, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## ITEM 9B. OTHER INFORMATION

During the three months ended December 30, 2023, no director or Section 16 officer of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

## ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

## PART III

## ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE OF THE REGISTRANT

The information required by this Item, except for the identification of the executive officers of the Company presented in *Part I* of this Annual Report on Form 10-K under the caption "Information About Our Executive Officers," and certain information with respect to the Company’s Code of Business Ethics and any material changes to the procedures by which shareholders may recommend nominees to the Company’s Board of Directors, as set forth below, is incorporated herein by reference to the information set forth in the section of the Company’s definitive proxy statement (which will be filed pursuant to Regulation 14A under the Exchange Act within 120 days after the close of the Company’s fiscal year) under the headings “Delinquent Section 16(a) Reports,” “Corporate Governance,” “Information Concerning Nominees for Election as Directors,” and “Board of Directors".

Available on the Company's website at http://www.stanleyblackanddecker.com under the “Investors” heading is the Code of Business Ethics applicable to all of its directors and officers, including the President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, and Chief Accounting Officer, and employees worldwide, as well as the Supplemental Code of Ethics for CEO and Senior Financial Officers, applicable to the Company’s President and Chief Executive Officer, and all senior financial officers, including the Executive Vice President and Chief Financial Officer and Chief Accounting Officer. The Company intends to post on its website required information regarding any amendment to, or waiver from, the Code of Business Ethics or the Code of Ethics for CEO and Senior Financial Officers that applies to the Company's President and Chief Executive Officer and senior financial officers within four business days after any such amendment or waiver.

## ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference to the information set forth under the sections entitled “Compensation Discussion & Analysis,” “2023 Executive Compensation,” “Director Compensation,” and “Compensation and Talent Development Committee Report” of the Company’s definitive proxy statement, which will be filed pursuant to Regulation 14A under the Exchange Act within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 403 of Regulation S-K is incorporated herein by reference to the information set forth under the sections entitled “Security Ownership of Certain Beneficial Owners” and “Security Ownership of Directors and Officers” of the Company’s definitive proxy statement, which will be filed pursuant to Regulation 14A under the Exchange Act within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

### EQUITY COMPENSATION PLAN INFORMATION

Compensation plans under which the Company’s equity securities are authorized for issuance at December 30, 2023 follow:

| | (A) | (B) | (C) |
|---|---|---|---|
| **Plan Category** | Number of securities to be issued upon exercise of outstanding options and stock awards | Weighted-average exercise price of outstanding options | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A)) |
| Equity compensation plans approved by security holders | 7,883,446 (1) | $ 133.22 (2) | 7,231,476 (3) |
| Equity compensation plans not approved by security holders (4) | — | — | — |
| Total | 7,883,446 | $ 133.22 | 7,231,476 |

(1) Consists of 5,490,848 shares underlying outstanding stock options (whether vested or unvested) with a weighted-average exercise price of $133.22 and a weighted-average remaining term of 6.22 years; 2,222,052 shares underlying time-vesting restricted stock units that have not yet vested and the maximum number of shares that will be issued pursuant to outstanding performance awards if all established goals are met; and 170,546 of shares earned but related to which participants elected deferral of delivery. All stock-based compensation plans are discussed in *Note J, Capital Stock*, of the *Notes to Consolidated Financial Statements* in *Item 8*.

(2) There is no cost to the recipient for shares issued pursuant to time-vesting restricted stock units or performance awards. Because there is no strike price applicable to these stock awards they are excluded from the weighted-average exercise price which pertains solely to outstanding stock options.

(3) Consists of 1,070,126 of shares available for purchase under the employee stock purchase plan ("ESPP") at the election of employees and 6,161,350 securities available for future grants under stock-based compensation plans. On February 16, 2022, the Board of Directors adopted the 2022 Omnibus Award Plan (the "2022 Plan") and authorized the issuance of 9,800,000 shares of the Company's common stock in connection with the awards pursuant to the 2022 Plan. No further awards are available for issuance under the Company's 2013 Long-Term Incentive Plan or the 2018 Omnibus Award Plan.

(4) U.S. non-highly compensated employees are eligible to contribute from 1% to 25% of their salary to a qualified tax deferred savings plan as described in the Employee Stock Ownership Plan ("ESOP") section of *Note L, Employee Benefit Plans,* of the *Notes to the Consolidated Financial Statements* in *Item 8.* The Company contributes an amount equal to one half of the employee contribution up to the first 7% of salary. There is a non-qualified tax deferred savings plan for highly compensated salaried employees which mirrors certain qualified plan provisions, but was not specifically approved by security holders. Eligible highly compensated salaried U.S. employees are eligible to contribute from 1% to 50% of their salary to the non-qualified tax deferred savings plan. The same matching arrangement was provided for highly compensated salaried employees in the non-qualified plan, to the extent the match was not fully met in the qualified plan, except that the arrangement for these employees is outside of the ESOP, and is not funded in advance of distributions. If the Company decides to make matching contributions for a year, it will make contributions, in an amount determined at its discretion, that may constitute part or all of or more than the matching contributions that would have been made pursuant to the provisions of the Stanley Black & Decker Supplemental Retirement Account Plan that were in effect prior to 2019. For both qualified and non-qualified plans, the investment of

the employee’s contribution and the Company’s matching contribution is controlled by the employee and may include an election to invest in Company stock. Shares of the Company’s common stock may be issued at the time of a distribution from the qualified plan. The number of securities remaining available for issuance under the plans at December 30, 2023 is not determinable, since the plans do not authorize a maximum number of securities.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Items 404 and 407(a) of Regulation S-K is incorporated by reference to the information set forth under the sections entitled "Corporate Governance" and "Related Person Transactions" of the Company's definitive proxy statement, which will be filed pursuant to Regulation 14A under the Exchange Act within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

### ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 9(e) of Schedule 14A is incorporated herein by reference to the information set forth under the section entitled "Fees of Independent Auditors" and "Corporate Governance" of the Company's definitive proxy statement, which will be filed pursuant to Regulation 14A under the Exchange Act within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE

(a) Index to documents filed as part of this report:

1. and 2. Financial Statements and Financial Statement Schedule.

The response to this portion of Item 15 is submitted as a separate section of this report beginning with an index thereto on page 57.

3. Exhibits

See Exhibit Index in this Form 10-K on page 117.

(b) See Exhibit Index in this Form 10-K on page 117.

(c) The response in this portion of Item 15 is submitted as a separate section of this Form 10-K with an index thereto beginning on page 57.

**FORM 10-K**
**ITEM 15(a) (1) AND (2)**
**STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES**

**INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE**



All other schedules are omitted because either they are not applicable or the required information is shown in the financial statements or the notes thereto.

## ITEM 16. FORM 10-K SUMMARY

Not applicable.

**Schedule II — Valuation and Qualifying Accounts**
**Stanley Black & Decker, Inc. and Subsidiaries**
**Fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022**
**(Millions of Dollars)**

| | Beginning Balance | ADDITIONS Charged To Costs And Expenses | ADDITIONS Charged To Other Accounts (b) | (a) Deductions | Ending Balance |
|---|---|---|---|---|---|
| **Allowance for Credit Losses:** | | | | | |
| Year Ended 2023 | $ 106.6 | $ 8.7 | $ 9.5 | $ (48.2) | $ 76.6 |
| Year Ended 2022 | $ 95.9 | $ 14.3 | $ 16.9 | $ (20.5) | $ 106.6 |
| Year Ended 2021 | $ 106.2 | $ — | $ 3.8 | $ (14.1) | $ 95.9 |
| **Tax Valuation Allowance:** | | | | | |
| Year Ended 2023 (c) | $ 1,032.5 | $ 38.4 | $ 2.2 | $ (26.2) | $ 1,046.9 |
| Year Ended 2022 | $ 1,067.2 | $ 21.2 | $ (5.9) | $ (50.0) | $ 1,032.5 |
| Year Ended 2021 | $ 1,001.9 | $ 190.7 | $ 61.1 | $ (186.5) | $ 1,067.2 |

(a) With respect to the allowance for credit losses, deductions represent amounts charged-off less recoveries of accounts previously charged-off.
(b) Amounts represent the impact of foreign currency translation, acquisitions, divestitures and net transfers to/from other accounts.
(c) Refer to *Note Q, Income Taxes*, of the *Notes to Consolidated Financial Statements* in *Item 8* for further discussion.

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The management of Stanley Black & Decker, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management has assessed the effectiveness of Stanley Black & Decker, Inc.'s internal control over financial reporting as of December 30, 2023. In making its assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission in Internal Control — Integrated Framework (2013 Framework). Management concluded that based on its assessment, Stanley Black & Decker, Inc.'s internal control over financial reporting was effective as of December 30, 2023. Ernst & Young LLP, Registered Public Accounting Firm included in this annual report, has issued an attestation report on the registrant's internal control over financial reporting, a copy of which appears on page 63.

/s/ Donald Allan, Jr.

Donald Allan, Jr., President and Chief Executive Officer

/s/ Patrick Hallinan

Patrick Hallinan, Executive Vice President & Chief Financial Officer

## Report of Independent Registered Public Accounting Firm

To the Shareowners and the Board of Directors of Stanley Black & Decker, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Stanley Black & Decker, Inc. (the Company) as of December 30, 2023 and December 31, 2022, the related consolidated statements of operations, comprehensive (loss) income, shareowners' equity and cash flows for each of the three years in the period ended December 30, 2023, and the related notes and the financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 30, 2023 and December 31, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 30, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 30, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 27, 2024 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

| | |
|---|---|
| | *Uncertain Tax Positions* |
| *Description of the Matter* | As described in Notes A and Q, the Company conducts business globally and, as a result, files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course, the Company is subject to examinations by taxing authorities throughout the world. Uncertainty in a tax position may arise as tax laws are subject to interpretation. At December 30, 2023, the Company has recorded approximately $481 million relating to uncertain tax positions.<br><br>The Company records uncertain tax positions in accordance with ASC 740, which requires a two-step process. First, management determines whether it is more likely than not that a tax position will be sustained based on the technical merits of the position and second, for those tax positions that meet the more likely than not threshold, management recognizes the largest amount of the tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related taxing authority. The Company then evaluates uncertain tax positions in subsequent periods for recognition, de-recognition or re-measurement if changes have occurred, or when effective settlement or expiration of the statute of limitations occurs. Auditing the uncertain tax positions is complex because of the judgmental nature of the tax accruals and various other tax return positions that might not be sustained upon review by taxing authorities. The Company files tax returns in multiple jurisdictions and is subject to examination by taxing authorities throughout the world due to its complex global footprint. |
| *How We Addressed the Matter in Our Audit* | We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls related to the recognition, measurement and the evaluation of changes in uncertain tax positions. This included testing controls over management's review of the tax positions, their evaluation of whether they met the measurement threshold and then recalculating the amounts recognized in the consolidated financial statements.<br><br>Our audit procedures to test the Company's uncertain tax positions included, among others, involvement of our tax professionals, including transfer pricing professionals. This included evaluating tax opinions and third-party transfer pricing studies obtained by the Company and assessing the Company's correspondence with the relevant tax authorities. We analyzed the Company's assumptions and data used to determine the amount of tax benefit to recognize and tested the accuracy of the calculations. Our testing also included the evaluation of the ongoing positions and consideration of changes, the recording of penalties and interest and the ultimate settlement and payment of certain tax matters. |

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1932.
Hartford, Connecticut
February 27, 2024

## Report of Independent Registered Public Accounting Firm

To the Shareowners and the Board of Directors of Stanley Black & Decker, Inc.

**Opinion on Internal Control Over Financial Reporting**

We have audited Stanley Black & Decker, Inc.'s internal control over financial reporting as of December 30, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Stanley Black & Decker (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 30, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 30, 2023 and December 31, 2022, the related consolidated statements of operations, comprehensive (loss) income, shareowners' equity and cash flows for each of the three years in the period ended December 30, 2023, and the related notes and schedule listed in the Index at Item 15(a) and our report dated February 27, 2024 expressed an unqualified opinion thereon.

**Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Hartford, Connecticut
February 27, 2024

## Consolidated Statements of Operations
**Fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022**
**(Millions of Dollars, Except Per Share Amounts)**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Net Sales** | **$ 15,781.1** | $ 16,947.4 | $ 15,281.3 |
| **Costs and Expenses** | | | |
| Cost of sales | **$ 11,848.5** | $ 12,663.3 | $ 10,189.1 |
| Selling, general and administrative | **3,282.0** | 3,355.7 | 3,193.1 |
| Provision for credit losses | **8.7** | 14.3 | — |
| Other, net | **320.1** | 274.8 | 189.5 |
| Loss on sales of businesses | **10.8** | 8.4 | 0.6 |
| Restructuring charges | **39.4** | 140.8 | 14.5 |
| Gain on equity method investment | — | — | (68.0) |
| Asset impairment charges | **274.8** | 168.4 | — |
| Interest income | **(186.9)** | (54.7) | (9.8) |
| Interest expense | **559.4** | 338.5 | 185.4 |
| | **$ 16,156.8** | $ 16,909.5 | $ 13,694.4 |
| (Loss) earnings from continuing operations before income taxes and equity interest | **(375.7)** | 37.9 | 1,586.9 |
| Income taxes on continuing operations | **(94.0)** | (132.4) | 55.1 |
| Net (loss) earnings from continuing operations before equity interest | **(281.7)** | 170.3 | 1,531.8 |
| Share of net earnings of equity method investment | — | — | 19.0 |
| Net (loss) earnings from continuing operations | **(281.7)** | 170.3 | 1,550.8 |
| Less: Net earnings (losses) attributable to non-controlling interests | — | 0.2 | (1.7) |
| Net (loss) earnings from continuing operations attributable to Stanley Black & Decker, Inc. | **$ (281.7)** | $ 170.1 | $ 1,552.5 |
| Less: Preferred stock dividends and beneficial conversion feature | — | 5.8 | 14.2 |
| Net (Loss) Earnings from Continuing Operations Attributable to Common Shareowners | **$ (281.7)** | $ 164.3 | $ 1,538.3 |
| Add: Contract adjustment payments accretion | — | 1.2 | 1.3 |
| Net (Loss) Earnings from Continuing Operations Attributable to Common Shareowners - Diluted | **$ (281.7)** | $ 165.5 | $ 1,539.6 |
| (Loss) earnings from discontinued operations before income taxes (including 2023 pre-tax loss on Security sale of $14.3 million and 2022 pre-tax gain on Security sale of $1,197.4 million) | **(14.3)** | 1,210.9 | 124.3 |
| Income taxes on discontinued operations (including 2023 income taxes of $14.5 million for loss on Security sale and 2022 income taxes of $312.5 million for gain on Security sale) | **14.5** | 318.5 | (12.4) |
| Net (loss) earnings from discontinued operations | **$ (28.8)** | $ 892.4 | $ 136.7 |
| **Net (Loss) Earnings Attributable to Common Shareowners - Diluted** | **$ (310.5)** | $ 1,057.9 | $ 1,676.3 |
| Net (Loss) Earnings Attributable to Stanley Black & Decker, Inc. | **$ (310.5)** | $ 1,062.5 | $ 1,689.2 |
| Basic (loss) earnings per share of common stock: | | | |
| Continuing operations | **$ (1.88)** | $ 1.11 | $ 9.69 |
| Discontinued operations | **$ (0.19)** | $ 6.02 | $ 0.86 |
| Total basic (loss) earnings per share of common stock | **$ (2.07)** | $ 7.13 | $ 10.55 |
| Diluted (loss) earnings per share of common stock: | | | |
| Continuing operations | **$ (1.88)** | $ 1.06 | $ 9.33 |
| Discontinued operations | **$ (0.19)** | $ 5.70 | $ 0.83 |
| Total diluted (loss) earnings per share of common stock | **$ (2.07)** | $ 6.76 | $ 10.16 |

See Notes to Consolidated Financial Statements.

**Consolidated Statements of Comprehensive (Loss) Income**
**Fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022**
**(Millions of Dollars)**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Net (Loss) Earnings from Continuing Operations Attributable to Common Shareowners | **$ (281.7)** | $ 164.3 | $ 1,538.3 |
| Net (loss) earnings from discontinued operations | **(28.8)** | 892.4 | 136.7 |
| | **$ (310.5)** | $ 1,056.7 | $ 1,675.0 |
| Other comprehensive income (loss): | | | |
| Currency translation adjustment and other | **75.1** | (364.4) | (307.7) |
| Gains on cash flow hedges, net of tax | **2.0** | 5.3 | 53.2 |
| (Losses) gains on net investment hedges, net of tax | **(8.9)** | 2.0 | (1.0) |
| Pension (losses) gains, net of tax | **(17.8)** | 83.2 | 123.6 |
| Other comprehensive income (loss) | **$ 50.4** | $ (273.9) | $ (131.9) |
| Comprehensive (loss) income attributable to common shareowners | **$ (260.1)** | $ 782.8 | $ 1,543.1 |

See Notes to Consolidated Financial Statements.

**Consolidated Balance Sheets**
**December 30, 2023 and December 31, 2022**
**(Millions of Dollars, Except Share and Per Share Amounts)**

| | 2023 | 2022 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | **$ 449.4** | $ 395.6 |
| Accounts and notes receivable, net | **1,302.0** | 1,231.0 |
| Inventories, net | **4,738.6** | 5,861.1 |
| Current assets held for sale | **140.8** | — |
| Prepaid expenses | **360.5** | 441.4 |
| Other current assets | **26.0** | 45.6 |
| **Total Current Assets** | **7,017.3** | 7,974.7 |
| **Property, Plant and Equipment, net** | **2,169.9** | 2,353.1 |
| **Goodwill** | **7,995.9** | 8,502.7 |
| **Customer Relationships, net** | **1,445.7** | 1,821.3 |
| **Trade Names, net** | **2,499.3** | 2,645.7 |
| **Other Intangible Assets, net** | **4.6** | 7.8 |
| **Long-term assets held for sale** | **716.8** | — |
| **Other Assets** | **1,814.3** | 1,658.0 |
| **Total Assets** | **$ 23,663.8** | $ 24,963.3 |
| **LIABILITIES AND SHAREOWNERS' EQUITY** | | |
| **Current Liabilities** | | |
| Short-term borrowings | **$ 1,074.8** | $ 2,102.9 |
| Current maturities of long-term debt | **1.1** | 1.2 |
| Accounts payable | **2,298.9** | 2,344.4 |
| Accrued expenses | **2,464.3** | 2,120.7 |
| Current liabilities held for sale | **44.1** | — |
| **Total Current Liabilities** | **5,883.2** | 6,569.2 |
| **Long-Term Debt** | **6,101.0** | 5,352.9 |
| **Deferred Taxes** | **333.2** | 709.2 |
| **Post-Retirement Benefits** | **378.4** | 353.9 |
| **Long-term liabilities held for sale** | **84.8** | — |
| **Other Liabilities** | **1,827.1** | 2,263.9 |
| **Commitments and Contingencies** ***(Notes R and S)*** | | |
| **Shareowners' Equity** | | |
| **Stanley Black & Decker, Inc. Shareowners' Equity** | | |
| Common stock, par value $2.50 per share:<br>Authorized 300,000,000 shares in 2023 and 2022<br>Issued 176,902,738 shares in 2023 and 2022 | **442.3** | 442.3 |
| Retained earnings | **8,540.2** | 9,333.3 |
| Additional paid in capital | **5,059.0** | 5,055.6 |
| Accumulated other comprehensive loss | **(2,069.1)** | (2,119.5) |
| | **11,972.4** | 12,711.7 |
| Less: cost of common stock in treasury (23,282,650 shares in 2023 and 23,919,208 shares in 2022) | **(2,916.3)** | (2,999.6) |
| **Stanley Black & Decker, Inc. Shareowners' Equity** | **9,056.1** | 9,712.1 |
| Non-controlling interests | **—** | 2.1 |
| **Total Shareowners' Equity** | **9,056.1** | 9,714.2 |
| **Total Liabilities and Shareowners' Equity** | **$ 23,663.8** | $ 24,963.3 |

See Notes to Consolidated Financial Statements.

**Consolidated Statements of Cash Flows**
**Fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022**
**(Millions of Dollars)**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Operating Activities:** | | | |
| Net (loss) earnings | $ **(310.5)** | $ 1,062.7 | $ 1,687.5 |
| Adjustments to reconcile net (loss) earnings to net cash provided by (used in) operating activities: | | | |
| Depreciation and amortization of property, plant and equipment | **432.4** | 369.7 | 374.0 |
| Amortization of intangibles | **192.7** | 202.5 | 203.1 |
| Inventory step-up amortization | **—** | 80.3 | 20.7 |
| Loss on sales of businesses | **10.8** | 8.4 | 0.6 |
| Gain on equity method investment | **—** | — | (68.0) |
| Loss (gain) on sale of discontinued operations | **14.3** | (1,197.4) | — |
| Asset impairment charges | **274.8** | 168.4 | — |
| Craftsman contingent consideration remeasurement from MTD acquisition | **—** | — | 101.1 |
| Stock-based compensation expense | **83.8** | 90.7 | 118.3 |
| Provision for credit losses | **8.7** | 30.0 | 18.7 |
| Share of net earnings of equity method investment | **—** | — | (19.0) |
| Deferred tax benefit | **(424.3)** | (271.7) | (386.9) |
| Other non-cash items | **154.5** | 72.1 | 27.7 |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable | **(117.0)** | 109.0 | (280.6) |
| Inventories | **906.6** | (792.4) | (1,970.4) |
| Accounts payable | **(23.0)** | (991.4) | 758.3 |
| Deferred revenue | **2.4** | (29.9) | 1.9 |
| Other current assets | **115.6** | 15.6 | (166.8) |
| Other long-term assets | **(175.7)** | (351.3) | (438.8) |
| Accrued expenses | **(25.6)** | (176.3) | 444.0 |
| Defined benefit liabilities | **(42.2)** | (31.9) | (40.0) |
| Other long-term liabilities | **113.0** | 173.4 | 277.7 |
| Net cash provided by (used in) operating activities | **1,191.3** | (1,459.5) | 663.1 |
| **Investing Activities:** | | | |
| Capital and software expenditures | **(338.7)** | (530.4) | (519.1) |
| Sales of assets | **15.1** | 41.7 | 8.4 |
| Business acquisitions, net of cash acquired | **—** | (71.9) | (2,043.8) |
| Sales of businesses, net of cash sold | **(5.7)** | 4,147.1 | 5.3 |
| Net investment hedge settlements | **—** | 10.6 | (55.1) |
| Other | **1.6** | (24.5) | (19.5) |
| Net cash (used in) provided by investing activities | **(327.7)** | 3,572.6 | (2,623.8) |
| **Financing Activities:** | | | |
| Payments on long-term debt | **—** | — | (1.5) |
| Proceeds from debt issuances, net of fees | **745.3** | 992.6 | — |
| Net short-term commercial paper (repayments) borrowings | **(1,044.7)** | (138.1) | 2,224.6 |
| Stock purchase contract fees | — | (39.4) | (39.4) |
| Credit facility borrowings | **—** | 2,500.0 | **—** |
| Credit facility repayments | — | (2,500.0) | **—** |
| Purchases of common stock for treasury | **(16.1)** | (2,323.0) | (34.3) |
| Proceeds from issuance of remarketed preferred stock | — | 750.0 | — |
| Redemption and conversion of preferred stock | **—** | (750.0) | (750.0) |
| Proceeds from issuances of common stock | **19.0** | 38.7 | 131.4 |
| Craftsman contingent consideration payments | **(18.0)** | (41.3) | (29.3) |
| Termination of interest rate swaps | — | 22.7 | (75.3) |
| Cash dividends on common stock | **(482.6)** | (465.8) | (474.8) |
| Cash dividends on preferred stock | **—** | (5.8) | (18.9) |
| Other | **(18.9)** | (11.7) | (13.8) |

| | | | |
|---|---|---|---|
| Net cash (used in) provided by financing activities | **(816.0)** | (1,971.1) | 918.7 |
| Effect of exchange rate changes on cash and cash equivalents | **2.1** | (31.9) | (61.5) |
| **Change in cash, cash equivalents and restricted cash** | **49.7** | 110.1 | (1,103.5) |
| **Cash, cash equivalents and restricted cash, beginning of year** | **404.9** | 294.8 | 1,398.3 |
| **Cash, cash equivalents and restricted cash, end of year** | **$ 454.6** | $ 404.9 | $ 294.8 |

The following table provides a reconciliation of the cash, cash equivalents and restricted cash balances as of December 30, 2023 and December 31, 2022, as shown above:

| | **December 30, 2023** | **December 31, 2022** |
|---|---|---|
| Cash and cash equivalents | **$ 449.4** | $ 395.6 |
| Restricted cash included in Other current assets | **4.6** | 9.3 |
| Cash and cash equivalents included in Current assets held for sale | **0.6** | — |
| **Cash, cash equivalents and restricted cash** | **$ 454.6** | $ 404.9 |

See Notes to Consolidated Financial Statements.

## Consolidated Statements of Changes in Shareowners' Equity
## Fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022
## (Millions of Dollars, Except Share and Per Share Amounts)

| | Preferred Stock | Common Stock | Additional Paid In Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Stock | Non-Controlling Interests | Shareowners' Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance January 2, 2021** | **$ 1,370.3** | **$ 442.3** | **$ 4,967.8** | **$ 7,542.2** | **$ (1,713.7)** | **$ (1,549.3)** | **$ 6.8** | **$ 11,066.4** |
| Net earnings | | | | 1,689.2 | | | (1.7) | 1,687.5 |
| Other comprehensive loss | | | | | (131.9) | | | (131.9) |
| Cash dividends declared — $2.98 per common share | | | | (474.8) | | | | (474.8) |
| Cash dividends declared — $50.00 per annum per preferred share | | | | (14.2) | | | | (14.2) |
| Issuance of common stock (1,636,532 shares) | | | (19.0) | | | 150.4 | | 131.4 |
| Repurchase of common stock (529,073 shares) | | | 72.2 | | | (106.5) | | (34.3) |
| Redemption and conversion of preferred stock (1,469,055 shares) | (750.0) | | (137.3) | | | 137.3 | | (750.0) |
| Non-controlling interest buyout | | | (2.8) | | | | (3.2) | (6.0) |
| Stock-based compensation related | | | 118.3 | | | | | 118.3 |
| **Balance January 1, 2022** | **$ 620.3** | **$ 442.3** | **$ 4,999.2** | **$ 8,742.4** | **$ (1,845.6)** | **$ (1,368.1)** | **$ 1.9** | **$ 11,592.4** |
| Net earnings | | | | 1,062.5 | | | 0.2 | 1,062.7 |
| Other comprehensive loss | | | | | (273.9) | | | (273.9) |
| Cash dividends declared — $3.18 per common share | | | | (465.8) | | | | (465.8) |
| Cash dividends declared — $75.00 per annum per preferred share | | | | (5.8) | | | | (5.8) |
| Issuance of common stock (988,474 shares) | | | (76.9) | | | 115.6 | | 38.7 |
| Repurchase of common stock (16,057,220 shares) | | | | | | (2,323.0) | | (2,323.0) |
| Conversion of original Series D Preferred Stock (4,723,500 shares) | (620.3) | | 42.6 | | | 575.9 | | (1.8) |
| Issuance of Remarketed Series D Preferred Stock (750,000 shares) | 750.0 | | | | | | | 750.0 |
| Redemption of Remarketed Series D Preferred Stock (750,000 shares) | (750.0) | | | | | | | (750.0) |
| Stock-based compensation related | | | 90.7 | | | | | 90.7 |
| **Balance December 31, 2022** | **$ —** | **$ 442.3** | **$ 5,055.6** | **$ 9,333.3** | **$ (2,119.5)** | **$ (2,999.6)** | **$ 2.1** | **$ 9,714.2** |
| Net loss | | | | (310.5) | | | — | (310.5) |
| Other comprehensive income | | | | | 50.4 | | | 50.4 |
| Cash dividends declared — $3.22 per common share | | | | (482.6) | | | | (482.6) |
| Issuance of common stock (817,110 shares) | | | (80.4) | | | 99.4 | | 19.0 |
| Repurchase of common stock (180,552 shares) | | | | | | (16.1) | | (16.1) |
| Non-controlling interest liquidation | | | | | | | (2.1) | (2.1) |
| Stock-based compensation related | | | 83.8 | | | | | 83.8 |
| **Balance December 30, 2023** | **$ —** | **$ 442.3** | **$ 5,059.0** | **$ 8,540.2** | **$ (2,069.1)** | **$ (2,916.3)** | **$ —** | **$ 9,056.1** |

See Notes to Consolidated Financial Statements.

## Notes to Consolidated Financial Statements

### A. SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF PRESENTATION —** The Consolidated Financial Statements include the accounts of Stanley Black & Decker, Inc. and its majority-owned subsidiaries (collectively the “Company”) which require consolidation, after the elimination of intercompany accounts and transactions. The Company’s fiscal year ends on the Saturday nearest to December 31. There were 52 weeks in fiscal years 2023, 2022 and 2021.

On December 15, 2023, the Company announced that it had entered into a definitive agreement for the sale of the Infrastructure business. Based on management's commitment to sell this business, the assets and liabilities related to Infrastructure were classified as held for sale on the Company's Consolidated Balance Sheet as of December 30, 2023. There were no assets or liabilities held for sale relating to Infrastructure as of December 31, 2022. This pending divestiture does not qualify for discontinued operations and therefore, its results are included in the Company's continuing operations for all periods presented.

On August 19, 2022, the Company completed the sale of its Oil & Gas business. This divestiture did not qualify for discontinued operations, and therefore, the results of the Oil & Gas business were included in the Company's continuing operations for all periods presented through the date of sale.

On July 22, 2022, the Company completed the sale of its Convergent Security Solutions ("CSS") business comprised of the commercial electronic security and healthcare businesses. On July 5, 2022, the Company completed the sale of its Mechanical Access Solutions ("MAS") business, the automatic doors business. The CSS and MAS divestitures represented a single plan to exit the Security segment and were considered a strategic shift that had a major effect on the Company’s operations and financial results. As a result, the operating results of CSS and MAS were reported as discontinued operations in the consolidated financial statements through their respective dates of sale.

The divestitures above are part of the Company's strategic commitment to simplify and streamline its portfolio to focus on the core Tools & Outdoor and Industrial businesses. Refer to *Note T, Divestitures*, for further discussion on these transactions.

In December 2021, the Company acquired the remaining 80 percent ownership stake in MTD Holdings Inc. ("MTD"), a privately held global manufacturer of outdoor power equipment. The Company previously acquired a 20 percent interest in MTD in January 2019. Prior to closing on the remaining 80 percent ownership stake, the Company applied the equity method of accounting to the 20% investment in MTD. In November 2021, the Company acquired Excel Industries ("Excel"), a leading designer and manufacturer of premium commercial and residential turf-care equipment. These acquisitions were accounted for as business combinations using the acquisition method of accounting and the results subsequent to the dates of acquisition are included in the Company's Tools & Outdoor segment.

Refer to *Note E, Acquisitions*, for further discussion on these transactions.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. While management believes that the estimates and assumptions used in the preparation of the financial statements are appropriate, actual results could differ from these estimates. Certain amounts reported in previous years have been reclassified to conform to the 2023 presentation.

**FOREIGN CURRENCY —** For foreign operations with functional currencies other than the U.S. dollar, asset and liability accounts are translated at current exchange rates, while income and expenses are translated using average exchange rates. Translation adjustments are reported in a separate component of shareowners’ equity and exchange gains and losses on transactions are included in earnings.

**CASH EQUIVALENTS —** Highly liquid investments with original maturities of three months or less are considered cash equivalents.

**ACCOUNTS AND FINANCING RECEIVABLE —** Trade receivables are stated at gross invoice amounts less discounts, other allowances and provisions for credit losses. Financing receivables are initially recorded at fair value, less impairments or provisions for credit losses. Interest income earned from financing receivables that are not delinquent is recorded on the effective interest method. The Company considers any financing receivable that has not been collected within 90 days of original billing date as past-due or delinquent. The Company's payment terms are generally consistent with the industries in which its businesses operate and typically range from 30-90 days globally. Additionally, the Company considers the credit quality of all past-due or delinquent financing receivables as nonperforming. The Company does not adjust the promised amount of consideration for the effects of a significant financing component when the period between transfer of the product and receipt of payment is less than one year. Any significant financing components for contracts greater than one year are included in revenue over time.

**ALLOWANCE FOR CREDIT LOSSES —** The Company maintains an allowance for credit losses, which represents an estimate of expected losses over the remaining contractual life of its receivables. The allowance is determined using two methods. The amounts calculated from each of these methods are combined to determine the total amount reserved. First, a specific reserve is established for individual accounts where information indicates the customers may have an inability to meet financial obligations. Second, a reserve is determined for all customers based on a range of percentages applied to aging categories. These percentages are based on historical collection rates, write-off experience, and forecasts of future economic conditions. Actual write-offs are charged against the allowance when collection efforts have been unsuccessful.

**INVENTORIES —** U.S. inventories are primarily valued at the lower of Last-In, First-Out ("LIFO") cost or market because the Company believes it results in better matching of costs and revenues. Other inventories are primarily valued at the lower of First-In, First-Out ("FIFO") cost and net realizable value because LIFO is not permitted for statutory reporting outside the U.S. Refer to *Note C, Inventories*, *Net*, for a quantification of the LIFO impact on inventory valuation.

**PROPERTY, PLANT AND EQUIPMENT —** The Company generally values property, plant and equipment ("PP&E"), including capitalized software, at historical cost less accumulated depreciation and amortization. Costs related to maintenance and repairs which do not prolong the asset's useful life are expensed as incurred. Depreciation and amortization are provided using straight-line methods over the estimated useful lives of the assets as follows:

| | Useful Life (Years) |
|---|---|
| Land improvements | 10 — 20 |
| Buildings | 40 |
| Machinery and equipment | 3 — 15 |
| Computer software | 3 — 7 |

Leasehold improvements are depreciated over the shorter of the estimated useful life or the term of the lease.

The Company reports depreciation and amortization of property, plant and equipment in cost of sales and selling, general and administrative expenses based on the nature of the underlying assets. Depreciation and amortization related to the production of inventory and delivery of services are recorded in cost of sales. Depreciation and amortization related to distribution center activities, selling and support functions are reported in selling, general and administrative expenses.

The Company assesses its long-lived assets for impairment when indicators that the carrying amounts may not be recoverable are present. In assessing long-lived assets for impairment, the Company groups its long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are generated ("asset group") and estimates the undiscounted future cash flows that are directly associated with, and expected to be generated from, the use of and eventual disposition of the asset group. If the carrying value is greater than the undiscounted cash flows, an impairment loss must be determined and the asset group is written down to fair value. The impairment loss is quantified by comparing the carrying amount of the asset group to the estimated fair value, which is generally determined using weighted-average discounted cash flows that consider various possible outcomes for the disposition of the asset group.

**GOODWILL AND INTANGIBLE ASSETS —** Goodwill represents costs in excess of values assigned to the underlying net assets of acquired businesses. Intangible assets acquired are recorded at estimated fair value. Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are tested for impairment annually during the third quarter, and at any time when events suggest an impairment more likely than not has occurred.

To assess goodwill for impairment, the Company, depending on relevant facts and circumstances, performs either a qualitative assessment or a quantitative analysis utilizing a discounted cash flow valuation model. In performing a qualitative assessment, the Company first assesses relevant factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment test. The Company identifies and considers the significance of relevant key factors, events, and circumstances that could affect the fair value of each reporting unit. These factors include external factors such as macroeconomic, industry, and market conditions, as well as entity-specific factors, such as actual and planned financial performance. The Company also considers changes in each reporting unit's fair value and carrying amount since the most recent date a fair value measurement was performed. In performing a quantitative analysis, the Company determines the fair value of a reporting unit using management's assumptions about future cash flows based on long-range strategic plans. This approach incorporates many assumptions including discount rates, future growth rates and expected profitability. In the event the carrying amount of a reporting unit exceeded its fair value, an impairment loss would be recognized.

Indefinite-lived intangible assets are tested for impairment utilizing either a qualitative assessment or a quantitative analysis. For a qualitative assessment, the Company identifies and considers relevant key factors, events, and circumstances to determine whether it is necessary to perform a quantitative impairment test. The key factors considered include macroeconomic, industry, and market conditions, as well as the asset's actual and forecasted results. For the quantitative impairment tests, the Company compares the carrying amounts to the current fair market values, usually determined by the estimated royalty savings attributable to owning the intangible assets.

Intangible assets with definite lives are amortized over their estimated useful lives to reflect the pattern over which the economic benefits of the intangible assets are consumed. Definite-lived intangible assets are also evaluated for impairment when impairment indicators are present. If the carrying amount exceeds the total undiscounted future cash flows, a discounted cash flow analysis is performed to determine the fair value of the asset. If the carrying amount of the asset was to exceed the fair value, it would be written down to fair value.

Refer to *Note F, Goodwill And Intangible Assets,* for further discussion of the goodwill impacts relating to the 2023 impairment charges for the pending divestiture of the Infrastructure business and the Irwin and Troy-Bilt trade names, as well as the 2022 impairment charge relating to the Oil & Gas business.

**FINANCIAL INSTRUMENTS —** Derivative financial instruments are employed to manage risks, including foreign currency, interest rate exposures and commodity prices and are not used for trading or speculative purposes. As part of the Company's risk management program, a variety of financial instruments such as interest rate swaps, currency swaps, purchased currency options, foreign exchange contracts and commodity contracts, may be used to mitigate interest rate exposure, foreign currency exposure and commodity price exposure. The Company recognizes all derivative instruments on the balance sheet at fair value.

Changes in the fair value of derivatives are recognized periodically either in earnings or in shareowners' equity as a component of other comprehensive income (loss) ("OCI"), depending on whether the derivative financial instrument is undesignated or qualifies for hedge accounting, and if so, whether it represents a fair value, cash flow, or net investment hedge. Changes in the fair value of derivatives accounted for as fair value hedges are recorded in earnings in the same caption as the changes in the fair value of the hedged items. Gains and losses on derivatives designated as cash flow hedges, to the extent they are included in the assessment of effectiveness, are recorded in OCI and subsequently reclassified to earnings to offset the impact of the hedged items when they occur. In the event it becomes probable the forecasted transaction to which a cash flow hedge relates will not occur, the derivative would be terminated and the amount in accumulated other comprehensive income (loss) would be recognized in earnings. Changes in the fair value of derivatives that are designated and qualify as a hedge of the net investment in foreign operations, to the extent they are included in the assessment of effectiveness, are reported in OCI and are deferred until disposal of the underlying assets. Gains and losses representing components excluded from the assessment of effectiveness for cash flow and fair value hedges are recognized in earnings on a straight-line basis in the same caption as the hedged item over the term of the hedge. Gains and losses representing components excluded from the assessment of effectiveness for net investment hedges are recognized in earnings on a straight-line basis in Other, net over the term of the hedge.

The net interest paid or received on interest rate swaps is recognized as interest expense. Gains and losses resulting from the early termination of interest rate swap agreements are deferred and amortized as adjustments to interest expense over the remaining period of the debt originally covered by the terminated swap.

Changes in the fair value of derivatives not designated as hedges are reported in Other, net in the Consolidated Statements of Operations. Refer to *Note I, Financial Instruments*, for further discussion.

**REVENUE RECOGNITION —** The Company's revenues result from the sale of goods or services and reflect the consideration to which the Company expects to be entitled. The Company records revenue based on a five-step model in accordance with ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). For its contracts with customers, the Company identifies the performance obligations (goods or services), determines the transaction price, allocates the contract transaction price to the performance obligations, and recognizes the revenue when (or as) the performance obligation is transferred to the customer. A good or service is transferred when (or as) the customer obtains control of that good or service. The majority of the Company's revenues are recorded at a point in time from the sale of tangible products.

A portion of the Company's revenues within the Oil & Gas business, disposed in the third quarter of 2022, were generated from equipment leased to customers. Customer arrangements were identified as leases if they included a transfer of a tangible asset provided to the customer in exchange for payments typically at fixed rates. Customer leases may have included terms to allow for extension of leases for a short period of time, but typically did not provide for customer termination prior to the initial term.

Some customer leases included terms to allow the customer to purchase the underlying asset, which occurred occasionally, and virtually no customer leases included residual value guarantee clauses. For Oil & Gas leases, underlying assets were assessed for functionality at termination of the lease and, if necessary, an impairment to the leased asset value was recorded.

Provisions for customer volume rebates, product returns, discounts and allowances are variable consideration and are recorded as a reduction of revenue in the same period the related sales are recorded. Such provisions are calculated using historical averages adjusted for any expected changes due to current business conditions. Consideration given to customers for cooperative advertising is recognized as a reduction of revenue except to the extent that there is a distinct good or service and evidence of the fair value of the advertising, in which case the expense is classified as selling, general, and administrative expense.

The Company's revenues can be generated from contracts with multiple performance obligations. When a contract involves multiple performance obligations, each obligation is separately identified and the transaction price is allocated based on the amount of consideration the Company expects to be entitled to in exchange for transferring the promised good or service to the customer.

For performance obligations that the Company satisfies over time, revenue is recognized by consistently applying a method of measuring progress toward complete satisfaction of that performance obligation. The Company utilizes the method that most accurately depicts the progress toward completion of the performance obligation.

The Company utilized the output method for contract sales in the Oil & Gas business. The output method recognizes revenue based on direct measurements of the customer value of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The output method includes methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed, and units produced or units delivered. The Company sold the Oil & Gas business in the third quarter of 2022. Refer to *Note T, Divestitures*, for further discussion.

Contract assets or liabilities result from transactions with revenue recorded over time. If the measure of remaining rights exceeds the measure of the remaining performance obligations, the Company records a contract asset. Conversely, if the measure of the remaining performance obligations exceeds the measure of the remaining rights, the Company records a contract liability.

Incremental costs of obtaining or fulfilling a contract with a customer that are expected to be recovered are recognized and classified in Other current assets or Other assets in the Consolidated Balance Sheets and are typically amortized over the contract period. The Company recognizes the incremental costs of obtaining or fulfilling a contract as expense when incurred if the amortization period of the asset is one year or less.

Customer billings for services not yet rendered are deferred and recognized as revenue as the services are rendered. The associated deferred revenue is included in Accrued expenses or Other liabilities, as appropriate, in the Consolidated Balance Sheets.

Refer to *Note B, Accounts and Notes Receivable, Net,* for further discussion.

**COST OF SALES AND SELLING, GENERAL & ADMINISTRATIVE —** Cost of sales includes the cost of products and services provided, reflecting costs of manufacturing and preparing the product for sale. These costs include expenses to acquire and manufacture products to the point that they are allocable to be sold to customers and costs to perform services pertaining to service revenues. Cost of sales is primarily comprised of freight, direct materials, direct labor as well as overhead which includes indirect labor and facility and equipment costs. Cost of sales also includes quality control, procurement and material receiving costs as well as internal transfer costs. Selling, general & administrative costs ("SG&A") include the cost of selling products as well as administrative function costs. These expenses generally represent the cost of selling and distributing the products once they are available for sale and primarily include salaries and commissions of the Company's sales force, distribution costs, notably salaries and facility costs, as well as administrative expenses for certain support functions and related overhead.

**ADVERTISING COSTS —** Television advertising is expensed the first time the advertisement airs, whereas other advertising is expensed as incurred. Advertising costs are classified in SG&A and amounted to $110.5 million in 2023, $118.9 million in 2022 and $98.6 million in 2021. Expense pertaining to cooperative advertising with customers reported as a reduction of Net Sales was $325.1 million in 2023, $358.1 million in 2022 and $374.1 million in 2021. Cooperative advertising with customers classified as SG&A expense amounted to $27.8 million in 2023, $31.8 million in 2022 and $19.5 million in 2021.

**SALES TAXES —** Sales and value added taxes collected from customers and remitted to governmental authorities are excluded from Net Sales reported in the Consolidated Statements of Operations.

**SHIPPING AND HANDLING COSTS —** The Company generally does not bill customers for freight. Shipping and handling costs associated with inbound and outbound freight are reported in Cost of sales. Other distribution costs, primarily relating to salary and facility costs, are classified in SG&A and amounted to $521.7 million, $498.7 million and $416.1 million in 2023, 2022 and 2021, respectively.

**STOCK-BASED COMPENSATION —** Compensation cost relating to stock-based compensation grants is recognized on a straight-line basis over the vesting period, which is generally three or four years. The expense for stock options and restricted stock units awarded to retirement-eligible employees (those aged 55 and over, and with 10 or more years of service) is recognized on the grant date, or (if later) by the date they become retirement-eligible.

**POSTRETIREMENT DEFINED BENEFIT PLANS —** The Company uses the corridor approach to determine expense recognition for each defined benefit pension and other postretirement plan. The corridor approach defers actuarial gains and losses resulting from variances between actual and expected results (based on economic estimates or actuarial assumptions) and amortizes them over future periods. For pension plans, these unrecognized gains and losses are amortized when the net gains and losses exceed 10% of the greater of the market-related value of plan assets or the projected benefit obligation at the beginning of the year. For other postretirement benefits, amortization occurs when the net gains and losses exceed 10% of the accumulated postretirement benefit obligation at the beginning of the year. For ongoing, active plans, the amount in excess of the corridor is amortized on a straight-line basis over the average remaining service period for active plan participants. For plans with primarily inactive participants, the amount in excess of the corridor is amortized on a straight-line basis over the average remaining life expectancy of inactive plan participants.

**INCOME TAXES —** The Company accounts for income taxes under the asset and liability method in accordance with ASC 740, *Income Taxes*, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. Any changes in tax rates on deferred tax assets and liabilities are recognized in earnings in the period that includes the enactment date. The Company recognizes the tax on global intangible low-taxed income as a period expense in the period the tax is incurred.

The Company records net deferred tax assets to the extent that it is more likely than not that these assets will be realized. In making this determination, management considers all available positive and negative evidence, including future reversals of existing temporary differences, estimates of future taxable income, tax-planning strategies, and the realizability of net operating loss carryforwards. In the event that it is determined that an asset is not more likely than not to be realized, a valuation allowance is recorded against the asset. Valuation allowances related to deferred tax assets can be impacted by changes to tax laws, changes to statutory tax rates and future taxable income levels. In the event the Company were to determine that it would not be able to realize all or a portion of its deferred tax assets in the future, the unrealizable amount would be charged to earnings in the period in which that determination is made. Conversely, if the Company were to determine that it would be able to realize deferred tax assets in the future in excess of the net carrying amounts, it would decrease the recorded valuation allowance through a favorable adjustment to earnings in the period that the determination was made. The Company records uncertain tax positions in accordance with ASC 740, which requires a two-step process. First, management determines whether it is more likely than not that a tax position will be sustained based on the technical merits of the position and second, for those tax positions that meet the more likely than not threshold, management recognizes the largest amount of the tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related taxing authority. The Company maintains an accounting policy of recording interest and penalties on uncertain tax positions as a component of Income taxes in the Consolidated Statements of Operations.

The Company is subject to income tax in a number of locations, including U.S. federal, state and foreign jurisdictions. Significant judgment is required when calculating the worldwide provision for income taxes. Many factors are considered when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments, and which may not accurately anticipate actual outcomes. It is reasonably possible that the amount of the unrecognized benefit with respect to certain of the Company's unrecognized tax positions will significantly increase or decrease within the next twelve months. These changes may be the result of settlements of ongoing audits, litigation, or other proceedings with taxing authorities. The Company periodically assesses its liabilities and contingencies for all tax years still subject to audit based on the most current available information, which involves inherent uncertainty.

Refer to *Note Q, Income Taxes,* for further discussion.

**EARNINGS PER SHARE —** Basic earnings per share equals net earnings attributable to common shareowners divided by weighted-average shares outstanding during the year. Diluted earnings per share include the impact of common stock equivalents using the treasury stock method or the if-converted method, as applicable, when the effect is dilutive.

**NEW ACCOUNTING STANDARDS ADOPTED —** In September 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations.* The new standard requires that a buyer in a supplier finance program disclose sufficient information about the key terms of the program, the amount of outstanding confirmed obligations at period end, where the obligations are presented in the balance sheet, and a rollforward of the obligations during the annual period. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. The amendments in this update should be applied retrospectively to all periods in which a balance sheet is presented, except for the rollforward requirement, which is applied prospectively. The Company adopted this standard in the first quarter of 2023, with the exception of the amendment on rollforward information. Refer to *Note R, Commitments and Guarantees*, for further discussion.

In March 2022, the FASB issued ASU 2022-01, *Derivatives and Hedging (Topic 815): Fair Value Hedging—Portfolio Layer Method*. The new standard expands and clarifies the use of the portfolio layer method for fair value hedges of interest rate risk. The new standard allows non-prepayable financial assets to also be included in a closed portfolio which is hedged using the portfolio layer method. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The new guidance on hedging multiple layers in a closed portfolio should be applied prospectively and the guidance on the accounting for fair value basis adjustments should be applied on a modified retrospective basis. The Company adopted this standard in the first quarter of 2023 and it did not have a material impact on its consolidated financial statements.

**RECENTLY ISSUED ACCOUNTING STANDARDS NOT YET ADOPTED** — In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The new standard was issued to improve transparency and decision usefulness of income tax disclosures by providing information that helps investors better understand how an entity's operations, tax risks, tax planning and operational opportunities affect its tax rate and prospects for future cash flows. The amendments in this update primarily relate to requiring greater disaggregated disclosure of information in the rate reconciliation, income taxes paid, income (loss) from continuing operations before income tax expense (benefit), and income tax expense (benefit) from continuing operations. The ASU is effective for fiscal years beginning after December 15, 2024, and early adoption is permitted. The standard can be applied prospectively or retrospectively. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The new standard provides improvements to reportable segment disclosure requirements through amendments that require disclosure of significant segment expenses and other segment items on an interim and annual basis and requires all annual disclosures about a reportable segment's profit or loss and assets to be made on an interim basis. The standard also requires the disclosure of the chief operating decision maker's ("CODM") title and position and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. The standard also clarifies that if the CODM uses more than one measure in assessing segment performance and deciding how to allocate resources, a company may report the additional segment profit or loss measure(s) and that companies with a single reportable segment must provide all disclosures required by this amendment. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The standard should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The new standard clarifies that a contractual restriction on the sale of an equity security should not be considered in measuring the fair value of the security. The new standard also requires certain disclosures related to equity securities with contractual sale restrictions. The ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The standard should be applied prospectively. The Company is currently evaluating this guidance, but does not expect it to have a material impact on its consolidated financial statements.

## B. ACCOUNTS AND NOTES RECEIVABLE, NET

| *(Millions of Dollars)* | December 30, 2023 | December 31, 2022 |
|---|---|---|
| Trade accounts receivable | **$ 1,057.8** | $ 1,059.7 |
| Notes receivable | **66.9** | 100.1 |
| Other accounts receivable | **253.9** | 177.8 |
| Accounts and notes receivable | **1,378.6** | 1,337.6 |
| Allowance for credit losses | **(76.6)** | (106.6) |
| Accounts and notes receivable, net | **$ 1,302.0** | $ 1,231.0 |

Trade receivables are dispersed among a large number of retailers, distributors and industrial accounts in many countries. Adequate reserves have been established to cover anticipated credit losses.

The changes in the allowance for credit losses for the years ended December 30, 2023 and December 31, 2022 are as follows:

| *(Millions of Dollars)* | 2023 | 2022 |
|---|---|---|
| Balance beginning of period | **$ 106.6** | $ 95.9 |
| Charged to costs and expenses | **8.7** | 14.3 |
| Other, including recoveries and deductions (a) | **(38.7)** | (3.6) |
| Balance end of period | **$ 76.6** | $ 106.6 |

(a) Amounts represent charge-offs less recoveries, the impacts of foreign currency translation, divestitures and net transfers to/from other accounts.

The Company has an accounts receivable sale program. According to the terms, the Company sells certain of its trade accounts receivables at fair value to a wholly owned, consolidated, bankruptcy-remote special purpose subsidiary (“BRS"). The BRS, in turn, can sell such receivables to a third-party financial institution (“Purchaser”) for cash. The Purchaser’s maximum cash investment in the receivables at any time is $110.0 million. The purpose of the program is to provide liquidity to the Company. These transfers qualify as sales under ASC 860, *Transfers and Servicing,* and receivables are derecognized from the Company’s Consolidated Balance Sheets when the BRS sells those receivables to the Purchaser. The Company has no retained interests in the transferred receivables, other than collection and administrative responsibilities. At December 30, 2023, the Company did not record a servicing asset or liability related to its retained responsibility based on its assessment of the servicing fee, market values for similar transactions and its cost of servicing the receivables sold.

At December 30, 2023 and December 31, 2022, net receivables of approximately $110.0 million were derecognized. Proceeds from transfers of receivables to the Purchaser totaled $455.7 million and $496.4 million for the years ended December 30, 2023 and December 31, 2022, respectively, and payments to the Purchaser totaled $455.7 million and $486.4 million, respectively. The program resulted in a pre-tax loss of $6.3 million and $4.1 million for the years ended December 30, 2023 and December 31, 2022, respectively, which included service fees of $0.9 million and $0.9 million, respectively. All cash flows under the program are reported as a component of changes in accounts receivable within operating activities in the Consolidated Statements of Cash Flows since all the cash from the Purchaser is received upon the initial sale of the receivable.

As of December 30, 2023 and December 31, 2022, the Company's deferred revenue totaled $116.8 million and $122.9 million, respectively, of which $31.7 million and $29.6 million, respectively, was classified as current. Revenue recognized for the years ended December 30, 2023 and December 31, 2022 that was previously deferred as of December 31, 2022 and January 1, 2022 totaled $27.3 million and $22.9 million, respectively.

## C. INVENTORIES, NET

| *(Millions of Dollars)* | December 30, 2023 | December 31, 2022 |
|---|---|---|
| Finished products | **$ 2,912.5** | $ 3,460.8 |
| Work in process | **263.4** | 338.7 |
| Raw materials | **1,562.7** | 2,061.6 |
| Total | **$ 4,738.6** | $ 5,861.1 |

Net inventories in the amount of $2.8 billion at December 30, 2023 and $3.4 billion at December 31, 2022 were valued at the lower of LIFO cost or market. If the LIFO method had not been used, inventories would have been higher than reported by $256.1 million at December 30, 2023 and $486.9 million at December 31, 2022.

## D. PROPERTY, PLANT AND EQUIPMENT

| *(Millions of Dollars)* | December 30, 2023 | December 31, 2022 |
|---|---|---|
| Land | **$ 135.1** | $ 137.7 |
| Land improvements | **55.0** | 59.7 |
| Buildings | **808.6** | 793.0 |
| Leasehold improvements | **180.9** | 191.7 |
| Machinery and equipment | **3,391.2** | 3,394.4 |
| Computer software | **510.4** | 501.4 |
| Property, plant & equipment, gross | **$ 5,081.2** | $ 5,077.9 |
| Less: accumulated depreciation and amortization | **(2,911.3)** | (2,724.8) |
| Property, plant & equipment, net | **$ 2,169.9** | $ 2,353.1 |

Depreciation and amortization expense associated with property, plant and equipment was as follows:

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| Depreciation | **$ 383.3** | $ 330.4 | $ 326.3 |
| Amortization | **49.1** | 39.3 | 47.7 |
| Depreciation and amortization expense | **$ 432.4** | $ 369.7 | $ 374.0 |

The amounts above are inclusive of depreciation and amortization expense for discontinued operations amounting to $0.4 million in 2022 and $23.7 million in 2021.

## E. ACQUISITIONS

### 2021 ACQUISITIONS

MTD

On December 1, 2021, the Company acquired the remaining 80 percent ownership stake in MTD, a privately held global manufacturer of outdoor power equipment, for $1.5 billion, net of cash acquired. The Company previously acquired a 20 percent interest in MTD in January 2019 for $234 million. The Company's pre-existing 20 percent equity investment in MTD was remeasured at fair value of $295.1 million as of the transaction date based on the purchase price for the remaining 80 percent ownership, which was calculated using an EBITDA-based formula. As a result, the Company recorded a $68.0 million gain on investment during the fourth quarter of 2021.

MTD designs, manufactures and distributes lawn tractors, zero turn ride on mowers, walk behind mowers, snow blowers, residential robotic mowers, hand-held outdoor power equipment and garden tools for both residential and professional consumers under well-known brands like CUB CADET® and TROY-BILT®. This combination created a global leader in the outdoor category, with strong brands and growth opportunities. The results of MTD subsequent to the date of acquisition are included in the Company's Tools & Outdoor segment.

The MTD acquisition was accounted for as a business combination using the acquisition method of accounting, which requires, among other things, certain assets acquired and liabilities assumed to be recognized at their fair values as of the acquisition date. The following table summarizes the acquisition date value of identifiable net assets acquired and liabilities assumed adjusted for measurement period adjustments:

***(Millions of Dollars)***

| | | |
|---|---|---|
| Cash and cash equivalents | $ | 111.5 |
| Accounts receivable, net | | 270.5 |
| Inventories, net | | 855.7 |
| Prepaid expenses and other assets | | 56.9 |
| Property, plant and equipment | | 256.9 |
| Trade names | | 390.0 |
| Customer relationships | | 460.0 |
| Other assets | | 38.5 |
| Accounts payable | | (394.6) |
| Accrued expenses | | (201.1) |
| Deferred revenue | | (0.9) |
| Long-term debt | | (110.9) |
| Deferred taxes | | (214.3) |
| Other liabilities | | (68.4) |
| Total identifiable net assets | $ | 1,449.8 |
| Goodwill | | 486.9 |
| Total consideration | $ | 1,936.7 |

The weighted-average useful life assigned to the definite-lived intangible assets was 15 years.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected cost synergies of the combined business and assembled workforce. Goodwill of $0.6 million will be deductible for tax purposes.

Excel

On November 12, 2021, the Company acquired Excel Industries ("Excel") for $373.7 million, net of cash acquired. Excel is a leading designer and manufacturer of premium commercial and residential turf-care equipment under the HUSTLER® brand. Excel was a strategically important bolt-on acquisition as the Company builds an outdoor products leader. The results of Excel subsequent to the date of acquisition are included in the Company's Tools & Outdoor segment.

The Excel acquisition was accounted for as a business combination using the acquisition method of accounting. The acquisition date value of identifiable net assets acquired, which included $31.4 million of working capital, $43.6 million of deferred tax liabilities, and $203.5 million of intangible assets, was $195.5 million. The related goodwill was $178.2 million. The amount allocated to intangible assets included $158.0 million for customer relationships. The weighted-average useful life assigned to the intangible assets was 14 years.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected cost synergies of the combined business and assembled workforce. Goodwill is not expected to be deductible for tax purposes.

Other 2021 Acquisitions

During 2021, the Company completed two other acquisitions for a total purchase price of $202.7 million, net of cash acquired. The acquisition date value of the identifiable net assets acquired was $43.9 million and working capital was $30.6 million. The related goodwill was $158.8 million. The results of these acquisitions subsequent to the dates of acquisition are included in the Company's Tools & Outdoor segment.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected cost synergies of the combined business and assembled workforce. Goodwill of $47.9 million related to these acquisitions will be deductible for tax purposes.

## ACTUAL AND PRO-FORMA IMPACT FROM ACQUISITIONS

### Actual Impact from Acquisitions

The Company did not complete any acquisitions during 2023. As such, there was no impact from new acquisitions on the Company's Consolidated Statements of Operations for the year ended December 30, 2023.

### Pro-forma Impact from Acquisitions

The following table presents supplemental pro-forma information as if the 2021 acquisitions had occurred on December 29, 2019. The pro-forma consolidated results are not necessarily indicative of what the Company's consolidated net sales and net earnings would have been had the Company completed the acquisitions on the aforementioned date. In addition, the pro-forma consolidated results do not purport to project the future results of the Company.

| *(Millions of Dollars, except per share amounts)* | 2022 | 2021 |
|---|---|---|
| Net sales | $ 16,947.4 | $ 17,890.8 |
| Net earnings from continuing operations attributable to common shareowners - Diluted | 318.3 | 1,666.0 |
| Diluted earnings per share of common stock - Continuing operations | $ 2.03 | $ 10.10 |

### 2022 Pro-forma Results

The 2022 pro-forma results were calculated by combining the actual results of Stanley Black & Decker, Inc. for the year ended December 31, 2022, inclusive of the results of MTD and Excel, with the following adjustment:

- Because the 2021 acquisitions were assumed to occur on December 29, 2019, there were no acquisition-related costs or inventory step-up charges factored into the 2022 pro-forma period, as such expenses would have occurred in the first year following the assumed acquisition date.

### 2021 Pro-forma Results

The 2021 pro-forma results were calculated by combining the results of Stanley Black & Decker, Inc. with the stand-alone results of the 2021 acquisitions for their respective pre-acquisition period. Accordingly, the following adjustments were made:

- Elimination of the historical pre-acquisition intangible asset amortization expense and the addition of intangible asset amortization expense related to intangibles valued as part of the acquisition accounting that would have been incurred from January 2, 2021 to the acquisition dates.

- Because the 2021 acquisitions were assumed to occur on December 29, 2019, there were no acquisition-related costs or inventory step-up charges factored into the 2021 pro-forma year, as such expenses would have occurred in the first year following the assumed acquisition date.

- Because the MTD acquisition was assumed to occur on December 29, 2019, the gain on investment and remeasurement of the Craftsman contingent consideration liability due to additional forecasted Craftsman sales resulting from the acquisition of MTD was not factored into the 2021 pro-forma year, as such gain and expense would have occurred in the first year following the assumed acquisition date.

## F. GOODWILL AND INTANGIBLE ASSETS

**GOODWILL** — The changes in the carrying amount of goodwill by segment are as follows:

| *(Millions of Dollars)* | Tools & Outdoor | Industrial | Total |
|---|---|---|---|
| **Balance January 1, 2022** | **$ 5,973.7** | **$ 2,617.0** | **$ 8,590.7** |
| Acquisitions | 90.5 | — | 90.5 |
| Foreign currency translation and other | (124.5) | (54.0) | (178.5) |
| **Balance December 31, 2022** | **$ 5,939.7** | **$ 2,563.0** | **$ 8,502.7** |
| Reclassification to assets held for sale | — | (540.5) | (540.5) |
| Foreign currency translation and other | 36.6 | (2.9) | 33.7 |
| **Balance December 30, 2023** | **$ 5,976.3** | **$ 2,019.6** | **$ 7,995.9** |

As previously discussed, in December 2023, the Company entered into an agreement to sell its Infrastructure business. As a result, $540.5 million of goodwill was reclassified to assets held for sale as of December 30, 2023, and was included in the determination of the impairment charge recorded in the fourth quarter of 2023 to adjust the carrying amount of Infrastructure's long-lived assets to its estimated fair value less selling costs. In 2022, $39.0 million of goodwill was allocated to the Oil & Gas business based on the relative fair value of the business disposed, and was included in the determination of the impairment charge recorded relating to the Oil & Gas business. Refer to *Note T, Divestitures*, for further discussion.

As required by the Company's policy, the Company performed its annual goodwill impairment testing in the third quarter of 2023 and determined that the fair values of each of its reporting units exceeded their respective carrying amounts. The Company assessed the fair values of its three reporting units utilizing a discounted cash flow valuation model. The key assumptions used were discount rates and perpetual growth rates applied to cash flow projections. Also inherent in the discounted cash flow valuations were near-term revenue growth rates over the next six years. These assumptions contemplated business, market and overall economic conditions. As previously disclosed in the Company's Form 10-Q for the third quarter of 2023, the fair value of the Engineered Fastening reporting unit exceeded its carrying amount by 16%. In connection with the preparation of the Consolidated Financial Statements for the year ended December 30, 2023, the Company performed an updated impairment analysis with respect to the Engineered Fastening reporting unit, which included approximately $2.020 billion of goodwill at year-end. The key assumptions applied to the updated cash flow projections for the Engineered Fastening reporting unit included a 10.0% discount rate, near-term revenue growth rates over the next six years, which represented a compound annual growth rate of approximately 5%, and a 3% perpetual growth rate. Based on this analysis, it was determined that the fair value of the Engineering Fastening reporting unit exceeded its carrying amount by 22%. The increase in excess fair value is reflective of a slightly more favorable long-term outlook based on 2023 results and a lower carrying value driven by working capital reductions. Management remains confident in the long-term viability and success of the Engineered Fastening reporting unit, particularly given its market position, growth prospects, such as automotive electrification and the aerospace market recovery, and geographies served.

**INTANGIBLE ASSETS** — Definite-lived intangible assets at December 30, 2023 and December 31, 2022 were as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| *(Millions of Dollars)* | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Amortized Intangible Assets — Definite-lived | | | | |
| Patents and copyrights | **$ 26.2** | **$ (26.1)** | $ 25.8 | $ (25.6) |
| Trade names | **223.6** | **(120.7)** | 247.7 | (118.0) |
| Customer relationships | **2,578.4** | **(1,132.7)** | 2,881.2 | (1,059.9) |
| Other intangible assets | **130.2** | **(125.7)** | 129.6 | (122.0) |
| Total | **$ 2,958.4** | **$ (1,405.2)** | $ 3,284.3 | $ (1,325.5) |

Net intangible assets totaling $214.3 million were reclassified to assets held for sale as of December 30, 2023 related to the pending divestiture of the Infrastructure business.

Indefinite-lived trade names totaled $2.396 billion at December 30, 2023 and $2.516 billion at December 31, 2022. The year-over-year change is primarily due to a $124.0 million pre-tax, non-cash impairment charge, as discussed below, partially offset by currency fluctuations.

As required by the Company's policy, the Company tested its indefinite-lived trade names for impairment during the third quarter of 2023 utilizing a discounted cash flow model. The key assumptions used included discount rates, royalty rates, and perpetual growth rates applied to the projected sales. With the exception of the Irwin and Troy-Bilt trade names discussed below, the Company determined that the fair values of its indefinite-lived trade names exceeded their respective carrying amounts.

During the third quarter of 2023, as a result of new leadership within the Tools & Outdoor segment, the Company reviewed its brand portfolio resulting in a decision to shift prioritization and investment to its major brands, while leveraging certain of its specialty brands in a more focused manner. As a result of this shift in brand prioritization, the Company recognized a $124.0 million pre-tax, non-cash impairment charge related to the Irwin and Troy-Bilt trade names in the third quarter of 2023. Subsequent to this impairment charge, the carrying value of the Irwin and Troy-Bilt trade names totaled $113.0 million. The Company intends to continue utilizing these trade names, which accounted for less than 5% of 2023 net sales for the Tools & Outdoor segment, indefinitely in more focused product categories and end markets.

Intangible assets amortization expense by segment was as follows:

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| Tools & Outdoor | **$ 103.1** | $ 108.1 | $ 64.1 |
| Industrial | **89.6** | 94.4 | 99.9 |
| Discontinued Operations | **—** | — | 39.1 |
| Consolidated | **$ 192.7** | $ 202.5 | $ 203.1 |

Future amortization expense in each of the next five years amounts to $163.7 million for 2024, $150.2 million for 2025, $142.3 million for 2026, $135.1 million for 2027, $131.3 million for 2028 and $830.6 million thereafter.

## G. ACCRUED EXPENSES

| *(Millions of Dollars)* | December 30, 2023 | December 31, 2022 |
|---|---|---|
| Payroll and related taxes | **$ 318.3** | $ 192.0 |
| Income and other taxes | **288.5** | 260.7 |
| Customer rebates and sales returns | **411.2** | 376.6 |
| Insurance and benefits | **71.8** | 95.3 |
| Restructuring costs | **28.9** | 62.3 |
| Derivative financial instruments | **17.9** | 16.1 |
| Warranty costs | **109.5** | 99.8 |
| Deferred revenue | **31.7** | 29.6 |
| Freight costs | **107.1** | 220.3 |
| Environmental costs | **46.0** | 39.4 |
| Current lease liability | **127.7** | 114.1 |
| Forward stock purchase contract | **337.4** | — |
| Accrued interest | **64.0** | 49.0 |
| Other | **504.3** | 565.5 |
| Total | **$ 2,464.3** | $ 2,120.7 |

## H. LONG-TERM DEBT AND FINANCING ARRANGEMENTS

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | December 30, 2023 | | | | | | | December 31, 2022 |
| *(Millions of Dollars)* | **Interest Rate** | **Notional Value** | **Unamortized Discount** | **Unamortized Gain (Loss) Terminated Swaps[1]** | **Purchase Accounting FV Adjustment** | **Deferred Financing Fees** | **Carrying Value** | **Carrying Value** |
| Notes payable due 2025 | 2.30% | $ 500.0 | $ (0.3) | $ — | $ — | $ (1.0) | **$ 498.7** | $ 497.7 |
| Notes payable due 2026 | 3.40% | 500.0 | (0.2) | — | — | (0.9) | **498.9** | 498.3 |
| Notes payable due 2026 | 6.27% | 350.0 | — | — | — | (1.4) | **348.6** | — |
| Notes payable due 2026 | 3.42% | 25.0 | — | — | 1.0 | — | **26.0** | 26.4 |
| Notes payable due 2026 | 1.84% | 27.6 | — | — | 1.0 | (0.1) | **28.5** | 28.0 |
| Notes payable due 2028 | 6.00% | 400.0 | (0.4) | — | — | (2.1) | **397.5** | — |
| Notes payable due 2028 | 7.05% | 150.0 | — | 4.9 | 4.8 | — | **159.7** | 161.8 |
| Notes payable due 2028 | 4.25% | 500.0 | (0.2) | — | — | (2.1) | **497.7** | 497.2 |
| Notes payable due 2028 | 3.52% | 50.0 | — | — | 3.3 | (0.2) | **53.1** | 53.7 |
| Notes payable due 2030 | 2.30% | 750.0 | (1.5) | — | — | (3.2) | **745.3** | 744.5 |
| Notes payable due 2032 | 3.00% | 500.0 | (0.8) | — | — | (2.9) | **496.3** | 495.9 |
| Notes payable due 2040 | 5.20% | 400.0 | (0.2) | (24.6) | — | (2.3) | **372.9** | 371.3 |
| Notes payable due 2048 | 4.85% | 500.0 | (0.5) | — | — | (4.5) | **495.0** | 494.8 |
| Notes payable due 2050 | 2.75% | 750.0 | (1.8) | — | — | (7.5) | **740.7** | 740.3 |
| Notes payable due 2060 (junior subordinated) | 4.00% | 750.0 | — | — | — | (8.6) | **741.4** | 741.2 |
| Other, payable in varying amounts 2024 through 2027 | 4.10%-4.31% | 1.8 | — | — | — | — | **1.8** | 3.0 |
| Total long-term debt, including current maturities | | $ 6,154.4 | $ (5.9) | $ (19.7) | $ 10.1 | $ (36.8) | **$ 6,102.1** | $ 5,354.1 |
| Less: Current maturities of long-term debt | | | | | | | **(1.1)** | (1.2) |
| Long-term debt | | | | | | | **$ 6,101.0** | $ 5,352.9 |

[1] Unamortized gain (loss) associated with interest rate swaps are more fully discussed in *Note I, Financial Instruments.*

As of December 30, 2023, the total aggregate annual principal maturities of long-term debt for the next five years and thereafter are as follows: $1.1 million in 2024, $500.5 million in 2025, $902.8 million in 2026, $1,100.0 million in 2028, and $3,650.0 million thereafter. There are immaterial principal maturities of long-term debt in 2027. These maturities represent the principal amounts to be paid and accordingly exclude the remaining $10.1 million of unamortized fair value adjustments made in acquisition accounting, which increased the Black & Decker note payable due 2028 and MTD notes payable due 2026 and 2028, as well as a net loss of $25.6 million pertaining to unamortized termination gains and losses on interest rate swaps and unamortized discounts on the notes as described in *Note I, Financial Instruments,* and $36.8 million of unamortized deferred financing fees.

In March 2023, the Company issued $350.0 million of senior unsecured term notes maturing March 6, 2026 ("2026 Term Notes") and $400.0 million of senior unsecured term notes maturing March 6, 2028 (“2028 Term Notes”). The 2026 Term Notes accrue interest at a fixed rate of 6.272% per annum and the 2028 Term Notes at a fixed rate of 6.0% per annum, with interest payable semi-annually in arrears, and both notes rank equally in right of payment with all of the Company's existing and future unsecured, unsubordinated debt. The Company received total net proceeds from this offering of $745.3 million, net of $4.7 million of underwriting expenses and other fees associated with the transaction. The Company used the net proceeds from the offering for general corporate purposes, including repayment of indebtedness under the commercial paper program.

In February 2022, the Company issued $500.0 million of senior unsecured term notes maturing February 24, 2025 ("2025 Term Notes") and $500.0 million of senior unsecured term notes maturing May 15, 2032 (“2032 Term Notes”). The 2025 Term Notes accrue interest at a fixed rate of 2.3% per annum and the 2032 Term Notes at a fixed rate of 3.0% per annum, with interest payable semi-annually in arrears, and rank equally in right of payment with all of the Company's existing and future unsecured unsubordinated debt. The Company received total net proceeds from this offering of approximately $992.6 million, net of approximately $7.4 million of underwriting expenses and other fees associated with the transaction. The Company used the net proceeds from the offering for general corporate purposes, including repayment of indebtedness under the commercial paper program.

**Commercial Paper and Credit Facilities**

The Company has a $3.5 billion commercial paper program which includes Euro denominated borrowings in addition to U.S. Dollars. As of December 30, 2023, the Company had commercial paper borrowings outstanding of $1.1 billion of which $399.7 million in Euro denominated commercial paper was designated as a net investment hedge. Refer to *Note I, Financial Instruments*, for further discussion. As of December 31, 2022, the Company had commercial paper borrowings outstanding of $2.1 billion, which did not include any Euro denominated commercial paper.

The Company has a five-year $2.5 billion committed credit facility (the “5-Year Credit Agreement”). Borrowings under the 5-Year Credit Agreement may be made in U.S. Dollars, Euros or Pounds Sterling. A sub-limit amount of $814.3 million is designated for swing line advances which may be drawn in Euros pursuant to the terms of the 5-Year Credit Agreement. Borrowings bear interest at a floating rate plus an applicable margin dependent upon the denomination of the borrowing and specific terms of the 5-Year Credit Agreement. The Company must repay all advances under the 5-Year Credit Agreement by the earlier of September 8, 2026 or upon termination. The 5-Year Credit Agreement is designated to be a liquidity back-stop for the Company's $3.5 billion U.S. Dollar and Euro commercial paper program. As of December 30, 2023 and December 31, 2022, the Company had not drawn on its five-year committed credit facility.

In September 2023, the Company terminated its $1.5 billion syndicated 364-Day Credit Agreement (the "Syndicated 364-Day Credit Agreement") dated September 2022, as amended. There were no outstanding borrowings under the Syndicated 364-Day Credit Agreement upon termination and as of December 31, 2022. Contemporaneously, the Company entered into a new $1.5 billion syndicated 364-Day Credit Agreement (the "2023 Syndicated 364-Day Credit Agreement") which is a revolving credit loan. The borrowings under the 2023 Syndicated 364-Day Credit Agreement may be made in U.S. Dollars or Euros and bear interest at a floating rate plus an applicable margin dependent upon the denomination of the borrowing and pursuant to the terms of the 2023 Syndicated 364-Day Credit Agreement. The Company must repay all advances under the 2023 Syndicated 364-Day Credit Agreement by the earlier of September 4, 2024 or upon termination. The Company may, however, convert all advances outstanding upon termination into a term loan that shall be repaid in full no later than the first anniversary of the termination date provided that the Company, among other things, pays a fee to the administrative agent for the account of each lender. The 2023 Syndicated 364-Day Credit Agreement serves as part of the liquidity back-stop for the Company’s $3.5 billion U.S. Dollar and Euro commercial paper program. As of December 30, 2023, the Company had not drawn on its 2023 Syndicated 364-Day Credit Agreement.

In September 2023, the Company terminated its $0.5 billion revolving credit loan (the "Club 364-Day Credit Agreement") dated September 2022, as amended. There were no outstanding borrowings under the Club 364-Day Credit Agreement upon termination and as of December 31, 2022.

In addition, the Company has other short-term lines of credit that are primarily uncommitted, with numerous banks, aggregating to $251.6 million, of which $154.7 million was available at December 30, 2023. Approximately $96.9 million of the short-term credit lines were utilized primarily pertaining to outstanding letters of credit for which there are no required or reported debt balances. Short-term arrangements are reviewed annually for renewal.

At December 30, 2023, the aggregate amount of short-term and long-term committed and uncommitted lines of credit was approximately $4.3 billion. In addition, at December 30, 2023, $1.1 billion was recorded as short-term commercial paper borrowings. The weighted-average interest rates on U.S. dollar denominated short-term borrowings for the years ended December 30, 2023 and December 31, 2022 were 5.1% and 2.3%, respectively. The weighted-average interest rate on Euro denominated short-term borrowings for the year ended December 30, 2023 was 3.5%. For the year ended December 31, 2022, the Company had not drawn on its Euro denominated short-term borrowings.

Interest paid relating to the Company's indebtedness, including long-term debt and commercial paper borrowings, during 2023, 2022 and 2021 amounted to $531.5 million, $320.8 million and $177.1 million, respectively.

The Company has an interest coverage covenant that must be maintained to permit continued access to its committed credit facilities described above. The interest coverage ratio tested for covenant compliance compares adjusted Earnings Before Interest, Taxes, Depreciation and Amortization to adjusted net Interest Expense ("Adjusted EBITDA"/"Adjusted Net Interest Expense"). In February 2023, the Company entered into an amendment to its 5-Year Credit Agreement to: (a) amend the definition of Adjusted EBITDA to allow for additional adjustment addbacks, not to exceed $500 million in the aggregate, for amounts incurred during each four fiscal quarter period beginning with the period ending in the third quarter of 2023 through the period ending in the second quarter of 2024, and (b) amend the minimum interest coverage ratio from 3.5 times to not less than 1.5 to 1.0 times computed quarterly, on a rolling twelve months (last twelve months) basis, for the period from and including the third quarter of 2023 through the second quarter of 2024. The minimum interest coverage ratio will revert back to

3.5 times for periods after the second quarter of 2024. The amended provisions described above also apply to the 2023 Syndicated 364-Day Credit Agreement.

## I. FINANCIAL INSTRUMENTS

The Company is exposed to market risk from changes in foreign currency exchange rates, interest rates, stock prices and commodity prices. As part of the Company's risk management program, a variety of financial instruments such as interest rate swaps, currency swaps, purchased currency options, foreign exchange contracts and commodity contracts, may be used to mitigate interest rate exposure, foreign currency exposure and commodity price exposure.

If the Company elects to do so and if the instrument meets the criteria specified in ASC 815, *Derivatives and Hedging*, management designates its derivative instruments as cash flow hedges, fair value hedges or net investment hedges. Generally, commodity price exposures are not hedged with derivative financial instruments and instead are actively managed through customer pricing initiatives, procurement-driven cost reduction initiatives and other productivity improvement projects. Financial instruments are not utilized for speculative purposes.

A summary of the fair values of the Company's derivatives recorded in the Consolidated Balance Sheets at December 30, 2023 and December 31, 2022 is as follows:

| *(Millions of Dollars)* | **Balance Sheet Classification** | **2023** | **2022** | **Balance Sheet Classification** | **2023** | **2022** |
|---|---|---|---|---|---|---|
| **Derivatives designated as hedging instruments:** | | | | | | |
| Foreign Exchange Contracts Cash Flow | Other current assets | **$ 0.1** | $ 4.5 | Accrued expenses | **$ 4.9** | $ 4.2 |
| **Non-derivative designated as hedging instrument:** | | | | | | |
| Net Investment Hedge | | **$ —** | $ — | Short-term borrowings | **$ 399.7** | $ — |
| **Total Designated as hedging instruments** | | **$ 0.1** | $ 4.5 | | **$ 404.6** | $ 4.2 |
| **Derivatives not designated as hedging instruments:** | | | | | | |
| Foreign Exchange Contracts | Other current assets | **$ 8.4** | $ 7.7 | Accrued expenses | **$ 13.0** | $ 11.9 |
| **Total** | | **$ 8.5** | $ 12.2 | | **$ 417.6** | $ 16.1 |

The counterparties to all of the above mentioned financial instruments are major international financial institutions. The Company is exposed to credit risk for net exchanges under these agreements, but not for the notional amounts. The credit risk is limited to the asset amounts noted above. The Company limits its exposure and concentration of risk by contracting with diverse financial institutions and does not anticipate non-performance by any of its counterparties. The Company considers non-performance risk of its counterparties at each reporting period and adjusts the carrying value of these assets accordingly. The risk of default is considered remote. As of December 30, 2023 and December 31, 2022, there were no assets that had been posted as collateral related to the above mentioned financial instruments.

Cash flows related to derivatives, including those that are separately discussed below, resulted in net cash paid of $30.1 million in 2023, net cash received of $86.2 million in 2022, and net cash paid of $166.8 million in 2021.

**CASH FLOW HEDGES —** There were after-tax mark-to-market losses of $42.5 million and $44.5 million as of December 30, 2023 and December 31, 2022, respectively, reported for cash flow hedge effectiveness in Accumulated other comprehensive loss. An after-tax loss of $4.9 million is expected to be reclassified to earnings as the hedged transactions occur or as amounts are amortized within the next twelve months. The ultimate amount recognized will vary based on fluctuations of the hedged currencies and interest rates through the maturity dates.

The tables below detail pre-tax amounts of derivatives designated as cash flow hedges in Accumulated other comprehensive loss during the periods in which the underlying hedged transactions affected earnings for 2023, 2022 and 2021:

| **2023** ***(Millions of Dollars)*** | **Gain (Loss) Recorded in OCI** | **Classification of Gain (Loss) Reclassified from OCI to Income** | **Gain (Loss) Reclassified from OCI to Income** | **Gain (Loss) Recognized in Income on Amounts Excluded from Effectiveness Testing** |
|---|---|---|---|---|
| Interest Rate Contracts | **$ —** | Interest expense | **$ (6.1)** | **$ —** |
| Foreign Exchange Contracts | **$ (4.3)** | Cost of sales | **$ (0.6)** | **$ —** |

| **2022** ***(Millions of Dollars)*** | **Gain (Loss) Recorded in OCI** | **Classification of Gain (Loss) Reclassified from OCI to Income** | **Gain (Loss) Reclassified from OCI to Income** | **Gain (Loss) Recognized in Income on Amounts Excluded from Effectiveness Testing** |
|---|---|---|---|---|
| Interest Rate Contracts | $ 23.4 | Interest expense | $ (5.8) | $ — |
| Foreign Exchange Contracts | $ 30.6 | Cost of sales | $ 53.3 | $ — |

| **2021** ***(Millions of Dollars)*** | **Gain (Loss) Recorded in OCI** | **Classification of Gain (Loss) Reclassified from OCI to Income** | **Gain (Loss) Reclassified from OCI to Income** | **Gain (Loss) Recognized in Income on Amounts Excluded from Effectiveness Testing** |
|---|---|---|---|---|
| Interest Rate Contracts | $ 14.9 | Interest expense | $ (3.9) | $ — |
| Foreign Exchange Contracts | $ 24.1 | Cost of sales | $ (26.1) | $ — |

A summary of the pre-tax effect of cash flow hedge accounting on the Consolidated Statements of Operations for 2023, 2022 and 2021 is as follows:

| | **2023** | | **2022** | | **2021** | |
|---|---|---|---|---|---|---|
| ***(Millions of Dollars)*** | **Cost of Sales** | **Interest Expense** | **Cost of Sales** | **Interest Expense** | **Cost of Sales** | **Interest Expense** |
| Total amount in the Consolidated Statements of Operations in which the effects of the cash flow hedges are recorded | **$ 11,848.5** | **$ 559.4** | $ 12,663.3 | $ 338.5 | $ 10,189.1 | $ 185.4 |
| **Gain (loss) on cash flow hedging relationships:** | | | | | | |
| **Foreign Exchange Contracts:** | | | | | | |
| Hedged Items | **$ 0.6** | **$ —** | $ (53.3) | $ — | $ 26.1 | $ — |
| Gain (loss) reclassified from OCI into Income | **$ (0.6)** | **$ —** | $ 53.3 | $ — | $ (26.1) | $ — |
| **Interest Rate Swap Agreements:** | | | | | | |
| Gain (loss) reclassified from OCI into Income [1] | **$ —** | **$ (6.1)** | $ — | $ (5.8) | $ — | $ (3.9) |

[1] Inclusive of the gain/loss amortization on terminated derivative financial instruments.

For 2023, after-tax losses of $3.6 million were reclassified from Accumulated other comprehensive loss into earnings (inclusive of the gain/loss amortization on terminated derivative instruments) during the periods in which the underlying hedged transactions affected earnings. After-tax gains of $26.4 million and after-tax losses of $17.0 million were reclassified in 2022 and 2021, respectively.

*Interest Rate Contracts:* In prior years, the Company entered into interest rate swap agreements in order to obtain the lowest cost source of funds within a targeted range of variable to fixed-debt proportions. These swap agreements, which were designated as cash flow hedges, subsequently matured or were terminated and the gain/loss was recorded in Accumulated other comprehensive loss and is being amortized to interest expense. The cash flows stemming from the maturity and termination of the swaps are presented within financing activities in the Consolidated Statements of Cash Flows.

As of December 30, 2023 and December 31, 2022, the Company did not have any outstanding forward starting swaps designated as cash flow hedges.

During 2021, the Company entered into forward starting interest rate swaps totaling $400.0 million to offset expected variability on future interest rate payments associated with debt instruments expected to be issued in the future. During 2022, these swaps were terminated resulting in a gain of $22.7 million which is recorded in Accumulated other comprehensive loss and is being amortized to interest expense over future periods.

*Forward Contracts:* Through its global businesses, the Company enters into transactions and makes investments denominated in multiple currencies that give rise to foreign currency risk. The Company and its subsidiaries regularly purchase inventory from subsidiaries with functional currencies different than their own, which creates currency-related volatility in the Company's results of operations. The Company utilizes forward contracts to hedge these forecasted purchases and sales of inventory. Gains and losses reclassified from Accumulated other comprehensive loss are recorded in Cost of sales as the hedged item affects earnings. There are no components excluded from the assessment of effectiveness for these contracts. At December 30, 2023 and December 31, 2022, the notional value of forward currency contracts outstanding is $300.0 million, maturing in 2024, and $281.7 million, maturing in 2023, respectively.

**FAIR VALUE HEDGES**

*Interest Rate Risk:* In an effort to optimize the mix of fixed versus floating rate debt in the Company's capital structure, the Company enters into interest rate swaps. In prior years, the Company entered into interest rate swaps related to certain of its notes payable which were subsequently terminated. Amortization of the gain/loss on previously terminated swaps is reported as a reduction of interest expense. Prior to termination, the changes in the fair value of the swaps and the offsetting changes in fair value related to the underlying notes were recognized in earnings. The Company did not have any active fair value interest rate swaps at December 30, 2023 or December 31, 2022.

A summary of the pre-tax effect of fair value hedge accounting on the Consolidated Statements of Operations for 2023, 2022 and 2021 is as follows:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| ***(Millions of Dollars)*** | **Interest Expense** | **Interest Expense** | **Interest Expense** |
| Total amount in the Consolidated Statements of Operations in which the effects of the fair value hedges are recorded | **$ 559.4** | $ 338.5 | $ 185.4 |
| Amortization of gain on terminated swaps | **$ (0.4)** | $ (0.4) | $ (0.4) |

A summary of the amounts recorded in the Consolidated Balance Sheets related to cumulative basis adjustments for fair value hedges as of December 30, 2023 and December 31, 2022 is as follows:

| ***(Millions of Dollars)*** | **2023 Carrying Amount of Hedged Liability[1]** | **2023 Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Liability** | |
|---|---|---|---|
| Current maturities of long-term debt | **$ 1.1** | Terminated Swaps | **$ —** |
| Long-Term Debt | **$ 532.6** | Terminated Swaps | **$ (19.7)** |

[1]Represents hedged items no longer designated in qualifying fair value hedging relationships.

| ***(Millions of Dollars)*** | **2022 Carrying Amount of Hedged Liability[1]** | **2022 Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Liability** | |
|---|---|---|---|
| Current maturities of long-term debt | $ 1.2 | Terminated Swaps | $ — |
| Long-Term Debt | $ 533.1 | Terminated Swaps | $ (20.1) |

[1]Represents hedged items no longer designated in qualifying fair value hedging relationships.

**NET INVESTMENT HEDGES**

The Company utilizes net investment hedges to offset the translation adjustment arising from re-measurement of its investment in the assets and liabilities of its foreign subsidiaries. The total after-tax amounts in Accumulated other comprehensive loss were gains of $64.9 million and $73.8 million at December 30, 2023 and December 31, 2022, respectively.

As of December 30, 2023 and December 31, 2022, the Company did not have any net investment hedges with a notional value outstanding. As of December 30, 2023, the Company had Euro denominated commercial paper with a value of $399.7 million, maturing in 2024, hedging a portion of the Company's Euro denominated net investments. As of December 31, 2022, the Company did not have any Euro denominated commercial paper.

Maturing foreign exchange contracts resulted in no cash paid or received in 2023, net cash received of $10.6 million during 2022 and net cash paid of $55.1 million during 2021.

Gains and losses on net investment hedges remain in Accumulated other comprehensive loss until disposal of the underlying assets. Gains and losses representing components excluded from the assessment of effectiveness are recognized in earnings in Other, net on a straight-line basis over the term of the hedge. Gains and losses after a hedge has been de-designated are recorded directly to the Consolidated Statements of Operations in Other, net.

The pre-tax gain or loss from fair value changes during 2023, 2022 and 2021 were as follows:

| | 2023 | | | | |
|---|---|---|---|---|---|
| *(Millions of Dollars)* | **Total Gain (Loss) Recorded in OCI** | **Excluded Component Recorded in OCI** | **Income Statement Classification** | **Total Gain (Loss) Reclassified from OCI to Income** | **Excluded Component Amortized from OCI to Income** |
| Forward Contracts | **$ 0.4** | **$ —** | Other, net | **$ —** | **$ —** |
| Non-derivative designated as Net Investment Hedge | **$ (12.0)** | **$ —** | Other, net | **$ —** | **$ —** |

| | 2022 | | | | |
|---|---|---|---|---|---|
| *(Millions of Dollars)* | **Total Gain (Loss) Recorded in OCI** | **Excluded Component Recorded in OCI** | **Income Statement Classification** | **Total Gain (Loss) Reclassified from OCI to Income** | **Excluded Component Amortized from OCI to Income** |
| Forward Contracts | $ 6.1 | $ 0.6 | Other, net | $ 0.7 | $ 0.7 |
| Cross Currency Swap | $ (1.2) | $ 2.5 | Other, net | $ 1.5 | $ 1.5 |
| Non-derivative designated as Net Investment Hedge | $ (0.1) | $ — | Other, net | $ — | $ — |

| | 2021 | | | | |
|---|---|---|---|---|---|
| *(Millions of Dollars)* | **Total Gain (Loss) Recorded in OCI** | **Excluded Component Recorded in OCI** | **Income Statement Classification** | **Total Gain (Loss) Reclassified from OCI to Income** | **Excluded Component Amortized from OCI to Income** |
| Forward Contracts | $ (1.2) | $ 1.6 | Other, net | $ 1.5 | $ 1.5 |
| Cross Currency Swap | $ 11.7 | $ 24.6 | Other, net | $ 3.7 | $ 3.7 |
| Non-derivative designated as Net Investment Hedge | $ (6.7) | $ — | Other, net | $ — | $ — |

**UNDESIGNATED HEDGES**

*Foreign Exchange Contracts:* Foreign exchange forward contracts are used to reduce risks arising from the change in fair value of certain foreign currency denominated assets and liabilities (such as affiliate loans, payables and receivables). The objective is to minimize the impact of foreign currency fluctuations on operating results. The total notional amount of the forward contracts outstanding at December 30, 2023 was $1.0 billion maturing on various dates through 2024. The total notional amount of the forward contracts outstanding at December 31, 2022 was $1.1 billion maturing on various dates through 2023. The gain (loss) recorded in the Consolidated Statements of Operations from changes in the fair value related to derivatives not designated as hedging instruments under ASC 815 for 2023, 2022 and 2021 is as follows:

| *(Millions of Dollars)* | Income Statement Classification | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Foreign Exchange Contracts | Other-net | **$ (33.7)** | $ 5.0 | $ (10.8) |

**J. CAPITAL STOCK**

**EARNINGS PER SHARE —** The following table reconciles net (loss) earnings attributable to common shareowners and the weighted-average shares outstanding used to calculate basic and diluted (loss) earnings per share for the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022.

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Numerator (in millions): | | | |
| Net (Loss) Earnings from Continuing Operations Attributable to Common Shareowners | **$ (281.7)** | $ 164.3 | $ 1,538.3 |
| Add: Contract adjustment payments accretion | **—** | 1.2 | 1.3 |
| Net (Loss) Earnings from Continuing Operations Attributable to Common Shareowners - Diluted | **(281.7)** | 165.5 | 1,539.6 |
| Net (loss) earnings from discontinued operations | **(28.8)** | 892.4 | 136.7 |
| **Net (Loss) Earnings Attributable to Common Shareowners - Diluted** | **$ (310.5)** | $ 1,057.9 | $ 1,676.3 |

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Denominator (in thousands): | | | |
| Basic weighted-average shares outstanding | **149,751** | 148,170 | 158,760 |
| Dilutive effect of stock contracts and awards | **—** | 8,383 | 6,264 |
| Diluted weighted-average shares outstanding | **149,751** | 156,553 | 165,024 |

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| (Loss) earnings per share of common stock: | | | |
| Basic (loss) earnings per share of common stock: | | | |
| Continuing operations | **$ (1.88)** | $ 1.11 | $ 9.69 |
| Discontinued operations | **$ (0.19)** | $ 6.02 | $ 0.86 |
| Total basic (loss) earnings per share of common stock | **$ (2.07)** | $ 7.13 | $ 10.55 |
| Diluted (loss) earnings per share of common stock: | | | |
| Continuing operations | **$ (1.88)** | $ 1.06 | $ 9.33 |
| Discontinued operations | **$ (0.19)** | $ 5.70 | $ 0.83 |
| Total diluted (loss) earnings per share of common stock | **$ (2.07)** | $ 6.76 | $ 10.16 |

The following weighted-average stock options were not included in the computation of weighted-average diluted shares outstanding because the effect would be anti-dilutive (in thousands):

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Number of stock options | **5,406** | 4,019 | 1,039 |

In November 2019, the Company issued 7,500,000 Equity Units with a total notional value of $750.0 million (“2019 Equity Units”). Each unit had a stated amount of $100 and initially consisted of a three-year forward stock purchase contract (“2022 Purchase Contracts”) for the purchase of a variable number of shares of common stock, on November 15, 2022, for a price of $100 and a 10% beneficial ownership interest in one share of 0% Series D Cumulative Perpetual Convertible Preferred Stock, without par, with a liquidation preference of $1,000 per share (“Series D Preferred Stock”). The shares associated with the forward stock purchase contracts component of the 2019 Equity Units were reflected in diluted earnings per share using the if-converted method. Upon the adoption of ASU 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and*

*Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)*, in the first quarter of 2022, the common shares that would be required to settle the applicable conversion value of the Series D Preferred Stock were included in the denominator of diluted earnings per share using the if-converted method through the date of redemption as discussed below. In accordance with the standard, the Company increased weighted-average shares outstanding used to calculate diluted earnings per share for the year ended December 31, 2022 by 3.6 million shares.

In November 2022, the Company generated cash proceeds of $750 million from the successful remarketing of the Series D Preferred Stock (the "Remarketed Series D Preferred Stock"). Upon completion of the remarketing, the holders of the 2019 Equity Units received 4,723,500 common shares and the Company issued 750,000 shares of Remarketed Series D Preferred Stock. Holders of the Remarketed Series D Preferred Stock were entitled to receive cumulative dividends, if declared by the Board of Directors, at an initial fixed rate equal to 7.5% per annum of the $1,000 per share liquidation preference (equivalent to $75.00 per annum per share). On November 15, 2022, the Company informed holders that it would redeem all outstanding shares of the Remarketed Series D Preferred Stock on December 22, 2022 at $1,007.71 per share in cash, which was equal to 100% of the liquidation preference of a share of Remarketed Series D Preferred Stock, plus accumulated and unpaid dividends to, but excluding December 22, 2022. In December 2022, the Company redeemed the Remarketed Series D Preferred Stock, paying $750 million in cash.

In May 2017, the Company issued Equity Units with a total notional value of $750.0 million ("2017 Equity Units"). Each unit consisted of a three-year forward stock purchase contract ("2020 Purchase Contracts") for the purchase of a variable number of shares of common stock, for a price of $100, and a 10% beneficial ownership interest in one share of 0% Series C Cumulative Perpetual Convertible Preferred Stock, without par, with a liquidation preference of $1,000 per share ("Series C Preferred Stock").

In May 2020, the Company successfully remarketed the Series C Preferred Stock (the "Remarketed Series C Preferred Stock") resulting in cash proceeds of $750.0 million. Upon completion of the remarketing, the holders of the 2017 Equity Units received 5,463,750 common shares and the Company issued 750,000 shares of Remarketed Series C Preferred Stock, without par, with a liquidation preference of $1,000 per share. Holders of the Remarketed Series C Preferred Stock were entitled to receive cumulative dividends, if declared by the Board of Directors, at an initial fixed rate equal to 5.0% per annum of the $1,000 per share liquidation preference (equivalent to $50.00 per annum per share). Dividends were cumulative on the $1,000 liquidation preference per share and were payable, as declared by the Board of Directors, quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning on August 15, 2020. Dividends accrued on the Remarketed Series C Preferred Stock reduced net earnings for purposes of calculating earnings per share.

On April 28, 2021, the Company informed holders that it would redeem all outstanding shares of the Remarketed Series C Preferred Stock on June 3, 2021 at $1,002.50 per share in cash, which was equal to 100% of the liquidation preference of a share of Remarketed Series C Preferred Stock, plus accumulated and unpaid dividends to, but excluding June 3, 2021. If a holder elected to convert its shares of Remarketed Series C Preferred Stock prior to June 3, 2021, the Company elected a combination settlement with a specified cash amount of $1,000 per share. In June 2021, the Company redeemed the Remarketed Series C Preferred Stock and settled all conversions, paying $750 million in cash and issuing 1,469,055 common shares. The conversion rate used was 6.7548 (equivalent to a conversion price set at $148.04 per common share). Prior to the Series C redemption date, the Remarketed Series C Preferred Stock was excluded from the denominator of the diluted earnings per share calculation on the basis that the Remarketed Series C Preferred Stock would be settled in cash except to the extent that the conversion value exceeded its liquidation preference. Therefore, before any redemption or conversion, the common shares that would be required to settle the applicable conversion value in excess of the liquidation preference were included in the denominator of diluted earnings per share in periods in which they were dilutive.

**COMMON STOCK ACTIVITY** — Common stock activity for 2023, 2022 and 2021 was as follows:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Outstanding, beginning of year | **152,983,530** | 163,328,776 | 160,752,262 |
| Issued from treasury | **817,110** | 5,711,974 | 3,105,587 |
| Returned to treasury | **(180,552)** | (16,057,220) | (529,073) |
| Outstanding, end of year | **153,620,088** | 152,983,530 | 163,328,776 |
| Shares subject to the forward share purchase contract | **(3,645,510)** | (3,645,510) | (3,645,510) |
| Outstanding, less shares subject to the forward share purchase contract | **149,974,578** | 149,338,020 | 159,683,266 |

In March 2022, the Company executed accelerated share repurchase ("ASR") agreements with a notional amount of $2.0 billion, which was funded through borrowings under one of its existing 364-Day committed credit facilities. The ASR terms provided for an initial delivery of 85% of the total notional share equivalent at execution or 10,756,770 shares of common stock. In May 2022, the Company received an additional 3,211,317 shares in aggregate, determined by the volume-weighted average price of the Company's common stock during the term of the transaction. The final shares delivered reflect a blended settlement price of $143.18 per share for the entire transaction. In February 2022, the Company also executed open market share repurchases for a total of 1,888,601 shares of common stock for $300.0 million.

Upon completion of the remarketing of the Series D Preferred Stock in November 2022, the holders of the 2019 Equity Units received 4,723,500 common shares and the Company issued 750,000 shares of Remarketed Series D Preferred Stock. In June 2021, the Company redeemed the Remarketed Series C Preferred Stock and settled all conversions, paying $750 million in cash and issuing 1,469,055 common shares. In addition, the Company net-share settled the remaining capped call options on its common stock related to the Remarketed Series C Preferred Stock and received 344,004 shares using an average reference price of $209.80 per common share.

In March 2015, the Company entered into a forward share purchase contract with a financial institution counterparty for 3,645,510 shares of common stock. The contract obligates the Company to pay $350.0 million, plus an additional amount related to the forward component of the contract. In November 2022, the Company amended the forward share purchase contract and updated the final settlement date to November 2024, or earlier at the Company's option. The reduction of common shares outstanding was recorded at the inception of the forward share purchase contract in March 2015 and factored into the calculation of weighted-average shares outstanding at that time.

**COMMON STOCK RESERVED** — Common stock shares reserved for issuance under various employee and director stock plans at December 30, 2023 and December 31, 2022 are as follows:

| | 2023 | 2022 |
|---|---|---|
| Employee stock purchase plan | **1,070,126** | 1,251,699 |
| Other stock-based compensation plans | **6,161,350** | 8,403,765 |
| Total shares reserved | **7,231,476** | 9,655,464 |

**STOCK-BASED COMPENSATION PLANS** — The Company has stock-based compensation plans for salaried employees and non-employee members of the Board of Directors. The plans provide for discretionary grants of stock options, restricted stock units and other stock-based awards.

On February 16, 2022, the Board of Directors adopted the 2022 Omnibus Award Plan (the "2022 Plan") and authorized the issuance of 9,800,000 shares of the Company's common stock in connection with awards pursuant to the 2022 Plan and no further awards will be issued under the Company's 2018 Omnibus Award Plan (the "2018 Plan"). As discussed further below, the Company has granted stock options, restricted share units and awards, performance stock units, and long-term performance awards, under the 2022 Plan and 2018 Plan to senior management employees and non-employee members of the Board of Directors.

The plans are generally administered by the Compensation and Talent Development Committee of the Board of Directors, consisting of non-employee directors.

**Stock Option Valuation Assumptions:**

Stock options are granted at the fair market value of the Company's common stock on the date of grant and have a maximum 10-year term. Generally, stock option grants vest ratably over three or four years from the date of grant.

The following describes how certain assumptions affecting the estimated fair value of stock options are determined: the expected volatility is based on an average of the market implied volatility and historical volatility for the expected life; the dividend yield is computed as the annualized dividend rate at the date of the grant divided by the strike price of the stock option; the risk-free interest rate is based on U.S. Treasury securities with maturities equal to the expected life of the option; and a forfeiture rate of eight to ten percent is assumed. The Company uses historical data in order to estimate forfeitures and holding period behavior for valuation purposes.

The fair value of stock option grants is estimated on the date of grant using the Black-Scholes option pricing model. The following weighted-average assumptions were used to value grants made in 2023, 2022 and 2021:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Average expected volatility | **39.1 %** | 38.6 % | 34.0 % |
| Dividend yield | **3.6 %** | 3.7 % | 1.6 % |
| Risk-free interest rate | **4.0 %** | 3.2 % | 1.3 % |
| Expected life | **5.0 years** | 4.2 years | 5.3 years |
| Fair value per option | **$ 26.05** | $ 20.00 | $ 52.39 |
| Weighted-average vesting period | **1.9 years** | 1.7 years | 2.9 years |

**Stock Options:**

The number of stock options and weighted-average exercise prices as of December 30, 2023 are as follows:

| | Options | Price |
|---|---|---|
| Outstanding, December 31, 2022 | 5,281,713 | $ 140.22 |
| Granted | 848,394 | 89.87 |
| Exercised | (85,925) | 82.93 |
| Forfeited | (553,334) | 141.37 |
| Outstanding, December 30, 2023 | 5,490,848 | $ 133.22 |
| Exercisable, December 30, 2023 | 3,877,759 | $ 144.12 |

At December 30, 2023, the range of exercise prices on outstanding stock options was $77.83 to $193.97 per share. Stock option expense was $26.6 million, $27.1 million and $36.4 million for 2023, 2022 and 2021, respectively. At December 30, 2023, the Company had $27.9 million of unrecognized pre-tax compensation expense for stock options. This expense will be recognized over the remaining vesting periods which are 1.1 years on a weighted-average basis.

During 2023, the Company received $7.1 million in cash from the exercise of stock options. The related cash tax benefit from the exercise of these options was $0.2 million. During 2023, 2022 and 2021, the total intrinsic value of options exercised was $1.0 million, $4.6 million and $85.3 million, respectively. When options are exercised, the related shares are issued from treasury stock.

An excess tax benefit is generated on the extent to which the actual gain, or spread, an optionee receives upon exercise of an option exceeds the fair value determined at the grant date; that excess spread over the fair value of the option times the applicable tax rate represents the excess tax benefit. During 2023 and 2022, the shortfall recognized was $0.1 million in both years. During 2021, the excess tax benefit arising from tax deductions in excess of recognized compensation cost totaled $14.1 million and was recorded in income tax expense.

Outstanding and exercisable stock option information at December 30, 2023 follows:

| | Outstanding Stock Options | | | Exercisable Stock Options | | |
|---|---|---|---|---|---|---|
| Exercise Price Ranges | Options | Weighted-Average Remaining Contractual Life | Weighted-Average Exercise Price | Options | Weighted-Average Remaining Contractual Life | Weighted-Average Exercise Price |
| $100.00 and below | 1,654,765 | 8.42 | $ 84.89 | 398,173 | 6.34 | $ 84.05 |
| 100.01 — 165.00 | 2,082,851 | 4.38 | 131.39 | 2,061,056 | 4.34 | 131.64 |
| 165.01 — higher | 1,753,232 | 6.33 | 181.01 | 1,418,530 | 6.03 | 179.11 |
| | 5,490,848 | 6.22 | $ 133.22 | 3,877,759 | 5.16 | $ 144.12 |

Compensation cost for new grants is recognized on a straight-line basis over the vesting period. The expense for retirement eligible employees (those aged 55 and over and with 10 or more years of service) is recognized by the date they become retirement eligible, as such employees may retain their options for the 10-year contractual term in the event they retire prior to the end of the vesting period stipulated in the grant.

As of December 30, 2023, the aggregate intrinsic value of stock options outstanding and stock options exercisable was $21.9 million and $5.6 million, respectively.

**Employee Stock Purchase Plan:**

The Employee Stock Purchase Plan ("ESPP") enables eligible employees in the United States, Canada and Israel to purchase shares of the Company's common stock at the lower of 85.0% of the fair market value of the shares on the grant date ($65.39 per share for fiscal year 2023 purchases) or 85.0% of the fair market value of the shares on the last business day of each month. A maximum of 1,600,000 shares are authorized for subscription. During 2023, 2022 and 2021, 181,573 shares, 136,956 shares and 92,307 shares, respectively, were issued under the plan at average prices of $65.34, $96.09, and $150.21 per share, respectively, and the intrinsic value of the ESPP purchases was $4.1 million, $2.3 million and $3.9 million, respectively. For 2023, the Company received $11.9 million in cash from ESPP purchases, and there was no related tax benefit. The fair value of ESPP shares was estimated using the Black-Scholes option pricing model. ESPP compensation cost is recognized ratably over the one-year term based on actual employee stock purchases under the plan. The fair value of the employees' purchase rights under the ESPP was estimated using the following assumptions for 2023, 2022 and 2021, respectively: dividend yield of 3.9%, 1.7% and 1.6%; expected volatility of 42.0%, 25.0% and 55.0%; risk-free interest rates of 4.7%, 0.2%, and 0.1%; and expected lives of one year. The weighted-average fair value of those purchase rights granted in 2023, 2022 and 2021 was $21.26, $38.51 and $45.46, respectively. Total compensation expense recognized for ESPP was $3.6 million in 2023, $3.3 million in 2022 and $4.4 million in 2021.

**Restricted Share Units:**

Compensation cost for restricted share units ("RSUs") granted to employees is recognized ratably over the vesting term, which varies but is generally three or four years. RSU grants totaled 827,133 shares, 870,848 shares and 463,084 shares in 2023, 2022 and 2021, respectively. The weighted-average grant date fair value of RSUs granted in 2023, 2022 and 2021 was $90.09, $85.05 and $193.66 per share, respectively.

Total compensation expense recognized for RSUs amounted to $53.9 million, $50.6 million and $47.3 million in 2023, 2022 and 2021, respectively. The related cash tax benefit received related to the shares that were delivered in 2023 was $7.7 million. The shortfall recognized in 2023 was $1.9 million. The shortfall recognized in 2022 was $3.6 million and the excess tax benefit recognized in 2021 was $2.5 million. As of December 30, 2023, unrecognized compensation expense for RSUs amounted to $86.1 million and will be recognized over a weighted-average period of 1.5 years.

A summary of non-vested restricted share units and award activity as of December 30, 2023, and changes during the year then ended is as follows:

| | Restricted Share Units & Awards | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Non-vested at December 31, 2022 | 1,266,462 | $ 115.02 |
| Granted | 827,133 | 90.09 |
| Vested | (426,527) | 115.80 |
| Forfeited | (176,144) | 120.88 |
| Non-vested at December 30, 2023 | 1,490,924 | $ 100.24 |

The total fair value of vested RSUs (market value on the date vested) during 2023, 2022 and 2021 was $49.9 million, $38.9 million and $53.3 million, respectively.

Prior to 2020, non-employee members of the Board of Directors received annual restricted share-based grants which must be cash settled and accordingly mark-to-market accounting is applied. In 2023, the Company recognized $1.5 million of expense for these awards. In 2022 and 2021, the Company recognized $9.8 million of income and $1.1 million of expense for these awards, respectively. Beginning in 2020, the annual grant issued to non-employee members of the Board of Directors is stock settled. The expense related to the annual grant in 2023, 2022 and 2021 was $1.9 million, $1.8 million, and $2.0 million respectively. Additionally, non-employee members of the Board of Directors may defer any or all of their cash retainer fees, which would subsequently be settled as RSU awards. Compensation expense related to these RSUs was $1.1 million, $1.2 million, and $1.4 million for 2023, 2022 and 2021, respectively.

**Management Incentive Compensation Plan Performance Stock Units:**

In 2020, the Company granted Performance Stock Units (collectively "MICP-PSUs") under the Management Incentive Compensation Plan ("MICP") to participating employees. Awards were payable in shares of common stock and generally no award was made if the employee terminated employment prior to the settlement dates. The delivery of the shares related to the 2020 MICP-PSU grant occurred ratably in 2021, 2022, and 2023. The total shares delivered were based on actual 2020 performance in relation to the established goals.

A summary of the activity pertaining to the maximum number of shares that may be issued is as follows:

| | MICP PSUs | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Non-vested at December 31, 2022 | 67,698 | $ 93.58 |
| Granted | — | — |
| Vested | (67,698) | 93.58 |
| Forfeited | — | — |
| Non-vested at December 30, 2023 | — | $ — |

Compensation cost for these performance awards was recognized ratably over the vesting term of three years. Total income recognized in 2023 related to these MICP-PSUs approximated $5.0 million. The total expense recognized in 2022 and 2021 related to these MICP-PSUs approximated $9.1 million and $15.7 million, respectively. The related cash tax benefit received related to the shares that were delivered in 2023, 2022 and 2021 was $0.9 million, $3.6 million and $5.6 million, respectively.

**Long-Term Performance Awards:**

The Company has granted Long-Term Performance Awards (“LTIP”) under its 2022 Omnibus Award Plan and 2018 Omnibus Award Plan to senior management employees for achieving Company performance measures. Awards are payable in shares of common stock, which may be restricted if the employee has not achieved certain stock ownership levels, and generally no award is made if the employee terminates employment prior to the settlement date. LTIP grants were made in 2021, 2022 and 2023. Each grant has two separate annual performance goals for each year within the respective three-year performance period and one market-based metric measured over the three-year performance period. For grants made in 2023, organic sales growth and cash flow return on investment represent 75% of the grant value. For grants made in 2021 and 2022, earnings per share and cash flow return on investment represent 75% of the grant value. For all years, the market-based metric, which represents 25% of the total grant value, measures the Company’s common stock return relative to peers over the three-year performance period.

The ultimate delivery of shares will occur in 2024, 2025 and 2026 for the 2021, 2022 and 2023 grants, respectively. Share settlements are based on actual performance in relation to these goals.

In 2023, expense recognized for these performance awards amounted to $1.7 million. In 2022, income of $2.4 million was recognized related to these performance awards and in 2021 expense recognized for these performance awards amounted to $11.1 million. With the exception of the market-based metric comprising 25% of the award, in the event performance goals are not met, compensation cost is not recognized and any previously recognized compensation cost is reversed. The related cash tax benefit received related to the shares that were delivered in 2023, 2022, and 2021 was $0.3 million, $1.3 million and $0.8 million, respectively. The shortfall recognized in 2023 and 2022 was $0.5 million and less than $0.1 million, respectively. The excess tax benefit recognized in 2021 was $0.1 million.

A summary of the activity pertaining to the maximum number of shares that may be issued is as follows:

| | LTIP Units | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Non-vested at December 31, 2022 | 534,586 | $ 158.18 |
| Granted | 393,040 | 81.36 |
| Vested | (45,950) | 154.07 |
| Forfeited | (150,548) | 144.78 |
| Non-vested at December 30, 2023 | 731,128 | $ 119.90 |

## K. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table summarizes the changes in the accumulated balances for each component of Accumulated other comprehensive loss:

| *(Millions of Dollars)* | Currency translation adjustment and other | (Losses) gains on cash flow hedges, net of tax | Gains (losses) on net investment hedges, net of tax | Pension (losses) gains, net of tax | Total |
|---|---|---|---|---|---|
| **Balance - January 1, 2022** | $ (1,543.0) | $ (49.8) | $ 71.8 | $ (324.6) | $ (1,845.6) |
| Other comprehensive (loss) income before reclassifications | (328.3) | 31.7 | 3.7 | 73.4 | (219.5) |
| Adjustments related to sales of businesses | (36.1) | — | — | — | (36.1) |
| Reclassification adjustments to earnings | — | (26.4) | (1.7) | 9.8 | (18.3) |
| Net other comprehensive (loss) income | (364.4) | 5.3 | 2.0 | 83.2 | (273.9) |
| **Balance - December 31, 2022** | **$ (1,907.4)** | **$ (44.5)** | **$ 73.8** | **$ (241.4)** | **$ (2,119.5)** |
| Other comprehensive income (loss) before reclassifications | 75.1 | (1.6) | (8.9) | (26.9) | 37.7 |
| Reclassification adjustments to earnings | — | 3.6 | — | 9.1 | 12.7 |
| Net other comprehensive income (loss) | 75.1 | 2.0 | (8.9) | (17.8) | 50.4 |
| **Balance - December 30, 2023** | **$ (1,832.3)** | **$ (42.5)** | **$ 64.9** | **$ (259.2)** | **$ (2,069.1)** |

The Company uses the portfolio method for releasing the stranded tax effects from Accumulated other comprehensive loss. The reclassifications out of Accumulated other comprehensive loss for the years ended December 30, 2023 and December 31, 2022 were as follows:

| *(Millions of Dollars)* | 2023 | 2022 | |
|---|---|---|---|
| **Components of Accumulated other comprehensive loss** | **Reclassification adjustments** | **Reclassification adjustments** | **Affected line item in Consolidated Statements of Operations** |
| Realized (losses) gains on cash flow hedges | **$ (0.6)** | $ 53.3 | Cost of sales |
| Realized losses on cash flow hedges | **(6.1)** | (5.8) | Interest expense |
| Total before taxes | **$ (6.7)** | $ 47.5 | |
| Tax effect | **3.1** | (21.1) | Income taxes |
| Realized (losses) gains on cash flow hedges, net of tax | **$ (3.6)** | $ 26.4 | |
| Realized gains on net investment hedges | **$ —** | $ 2.2 | Other, net |
| Tax effect | **—** | (0.5) | Income taxes |
| Realized gains on net investment hedges, net of tax | **$ —** | $ 1.7 | |
| Actuarial losses and prior service costs / credits | **(11.1)** | (13.3) | Other, net |
| Settlement losses | **(1.0)** | — | Other, net |
| Total before taxes | **(12.1)** | (13.3) | |
| Tax effect | **3.0** | 3.5 | Income taxes |
| Amortization of defined benefit pension items, net of tax | **$ (9.1)** | $ (9.8) | |

## L. EMPLOYEE BENEFIT PLANS

**EMPLOYEE STOCK OWNERSHIP PLAN ("ESOP"**") — Most U.S. employees may make contributions that do not exceed 25% of their eligible compensation to a tax-deferred 401(k) savings plan, subject to restrictions under tax laws. Employees generally direct the investment of their own contributions into various investment funds. An employer match benefit is provided under the plan equal to one half of each employee's tax-deferred contribution up to the first 7% of their compensation. Participants direct the entire employer match benefit such that no participant is required to hold the Company's common stock in their 401(k) account. The employer match benefit totaled $32.8 million, $32.2 million and $28.0 million in 2023, 2022 and 2021, respectively.

In addition, approximately 12,670 U.S. salaried and non-union hourly employees are eligible to receive a non-contributory benefit under the Core benefit plan. Core benefit allocations range from 2% to 6% of eligible employee compensation based on age. Allocations for benefits earned under the Core plan were $38.8 million, $28.9 million, and $31.1 million in 2023, 2022 and 2021, respectively. Assets held in participant Core accounts are invested in target date retirement funds which have an age-based allocation of investments.

The Company's net ESOP activity resulted in expense of $71.6 million, $61.1 million, and $59.1 million in 2023, 2022, and 2021, respectively, and is compromised of the aforementioned Core and 401(k) match defined contribution benefits.

The Company made cash contributions totaling $61.0 million in 2023, $67.8 million in 2022 and $35.7 million in 2021.

**PENSION AND OTHER BENEFIT PLANS** — The Company sponsors pension plans covering most domestic hourly and certain executive employees, and approximately 12,673 foreign employees. Benefits are generally based on salary and years of service, except for U.S. collective bargaining employees whose benefits are based on a stated amount for each year of service.

The Company contributes to a number of multi-employer plans for certain collective bargaining U.S. employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

a. Assets contributed to the multi-employer plan by one employer may be used to provide benefit to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be inherited by the remaining participating employers.

c. If the Company chooses to stop participating in some of its multi-employer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

In addition, the Company also contributes to a number of multi-employer plans outside of the U.S. The foreign plans are insured, therefore, the Company's obligation is limited to the payment of insurance premiums.

The Company has assessed and determined that none of the multi-employer plans to which it contributes are individually significant to the Company's Consolidated Financial Statements. The Company does not expect to incur a withdrawal liability or expect to significantly increase its contributions over the remainder of the contract period.

In addition to the multi-employer plans, various other defined contribution plans are sponsored worldwide. As of December 30, 2023 and December 31, 2022, the Company had $104.7 million and $95.6 million, respectively, of liabilities pertaining to an unfunded supplemental defined contribution plan for certain U.S. employees.

The expense (benefit) for defined contribution plans, aside from the earlier discussed ESOP plans, are as follows:

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| Multi-employer plan expense | **$ 3.5** | $ 6.0 | $ 7.1 |
| Other defined contribution plan expense (benefit) | **$ 43.3** | $ (2.4) | $ 28.6 |

The components of net periodic pension expense (benefit) are as follows:

| | U.S. Plans | | | Non-U.S. Plans | | |
|---|---|---|---|---|---|---|
| *(Millions of Dollars)* | 2023 | 2022 | 2021 | 2023 | 2022 | 2021 |
| Service cost | **$ 8.1** | $ 6.2 | $ 6.5 | **$ 11.2** | $ 15.1 | $ 17.6 |
| Interest cost | **54.7** | 33.6 | 23.0 | **43.4** | 22.9 | 16.7 |
| Expected return on plan assets | **(62.1)** | (60.9) | (54.9) | **(41.5)** | (37.7) | (39.9) |
| Amortization of prior service cost (credit) | **0.8** | 0.9 | 1.1 | **(0.7)** | (0.7) | (0.8) |
| Actuarial loss amortization | **8.9** | 5.9 | 9.2 | **3.4** | 7.9 | 12.2 |
| Special termination benefit | **—** | — | — | **0.3** | — | — |
| Settlement / curtailment loss | **0.3** | 0.2 | 0.4 | **0.7** | 0.2 | 0.7 |
| Net periodic pension expense (benefit) | **$ 10.7** | $ (14.1) | $ (14.7) | **$ 16.8** | $ 7.7 | $ 6.5 |

The Company provides medical and dental benefits for certain retired employees in the United States, Brazil, and Canada. Approximately 18,220 participants are covered under these plans. Net periodic post-retirement benefit expense was comprised of the following:

| | Other Benefit Plans | | |
|---|---|---|---|
| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
| Service cost | **$ 0.3** | $ 0.3 | $ 0.4 |
| Interest cost | **2.0** | 1.5 | 0.9 |
| Amortization of prior service credit | **0.1** | — | (0.7) |
| Actuarial (gain) loss amortization | **(1.4)** | (0.7) | — |
| Settlement / curtailment gain | **—** | (0.4) | — |
| Special termination benefit | **—** | 6.9 | — |
| Net periodic post-retirement expense | **$ 1.0** | $ 7.6 | $ 0.6 |

The components of net periodic post-retirement benefit expense other than the service cost component are included in Other, net in the Consolidated Statements of Operations.

Changes in plan assets and benefit obligations recognized in Accumulated other comprehensive loss in 2023 are as follows:

| *(Millions of Dollars)* | 2023 |
|---|---|
| Current year actuarial loss | **$ 28.8** |
| Amortization of actuarial loss | **(11.1)** |
| Prior service cost from plan amendments | **—** |
| Settlement / curtailment loss | **(1.0)** |
| Currency / other | **8.0** |
| Total gain recognized in Accumulated other comprehensive loss (pre-tax) | **$ 24.7** |

The changes in the pension and other post-retirement benefit obligations, fair value of plan assets, as well as amounts recognized in the Consolidated Balance Sheets, are shown below.

| | U.S. Plans | | Non-U.S. Plans | | Other Benefits | |
|---|---|---|---|---|---|---|
| *(Millions of Dollars)* | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Change in benefit obligation** | | | | | | |
| Benefit obligation at end of prior year | **$ 1,083.5** | $ 1,458.2 | **$ 931.0** | $ 1,490.4 | **$ 42.8** | $ 50.3 |
| Service cost | **8.1** | 6.2 | **11.2** | 15.1 | **0.3** | 0.3 |
| Interest cost | **54.7** | 33.6 | **43.4** | 22.9 | **2.0** | 1.5 |
| Special termination benefit | **—** | — | **0.3** | — | **—** | 6.9 |
| Settlements/curtailments | **(5.6)** | (10.7) | **(7.6)** | (4.4) | **—** | (0.4) |
| Actuarial loss (gain) | **40.2** | (314.7) | **26.6** | (409.5) | **(2.3)** | (9.5) |
| Plan amendments | **—** | 0.7 | **—** | 0.1 | **—** | 0.4 |
| Foreign currency exchange rate changes | **—** | — | **46.5** | (133.1) | **0.3** | (0.2) |
| Participant contributions | **—** | — | **0.2** | 0.2 | **—** | — |
| Acquisitions, divestitures, and other | **(7.7)** | (4.5) | **(2.7)** | 2.2 | **—** | — |
| Benefits paid | **(82.9)** | (85.3) | **(49.8)** | (52.9) | **(7.9)** | (6.5) |
| Benefit obligation at end of year | **$ 1,090.3** | $ 1,083.5 | **$ 999.1** | $ 931.0 | **$ 35.2** | $ 42.8 |
| **Change in plan assets** | | | | | | |
| Fair value of plan assets at end of prior year | **$ 967.3** | $ 1,340.1 | **$ 783.4** | $ 1,226.6 | **$ —** | $ — |
| Actual return on plan assets | **93.4** | (279.0) | **50.1** | (281.3) | **—** | — |
| Participant contributions | **—** | — | **0.2** | 0.2 | **—** | — |
| Employer contributions | **14.7** | 7.0 | **19.6** | 18.4 | **7.9** | 6.5 |
| Settlements | **(5.6)** | (11.0) | **(11.3)** | (4.4) | **—** | — |
| Foreign currency exchange rate changes | **—** | — | **41.5** | (121.0) | **—** | — |
| Acquisitions, divestitures, and other | **(7.7)** | (4.5) | **(2.7)** | (2.2) | **—** | — |
| Benefits paid | **(82.9)** | (85.3) | **(49.8)** | (52.9) | **(7.9)** | (6.5) |
| Fair value of plan assets at end of plan year | **$ 979.2** | $ 967.3 | **$ 831.0** | $ 783.4 | **$ —** | $ — |
| Funded status — assets less than benefit obligation | **$ (111.1)** | $ (116.2) | **$ (168.1)** | $ (147.6) | **$ (35.2)** | $ (42.8) |
| Unrecognized prior service cost (credit) | **2.1** | 2.9 | **(13.9)** | (13.8) | **0.4** | 0.4 |
| Unrecognized net actuarial loss (gain) | **233.0** | 233.2 | **170.2** | 143.1 | **(19.6)** | (18.3) |
| Net amount recognized | **$ 124.0** | $ 119.9 | **$ (11.8)** | $ (18.3) | **$ (54.4)** | $ (60.7) |

| (Millions of Dollars) | U.S. Plans 2023 | U.S. Plans 2022 | Non-U.S. Plans 2023 | Non-U.S. Plans 2022 | Other Benefits 2023 | Other Benefits 2022 |
|---|---|---|---|---|---|---|
| **Amounts recognized in the Consolidated Balance Sheets** | | | | | | |
| Prepaid benefit cost (non-current) | **$ —** | $ 4.1 | **$ 88.7** | $ 67.7 | **$ —** | $ — |
| Current benefit liability | **(5.6)** | (6.1) | **(10.9)** | (9.5) | **(7.6)** | (8.9) |
| Non-current benefit liability | **(105.5)** | (114.2) | **(245.9)** | (205.8) | **(27.6)** | (33.9) |
| Net liability recognized | **$ (111.1)** | $ (116.2) | **$ (168.1)** | $ (147.6) | **$ (35.2)** | $ (42.8) |
| Accumulated other comprehensive loss (pre-tax): | | | | | | |
| Prior service cost (credit) | **$ 2.1** | $ 2.9 | **$ (13.9)** | $ (13.8) | **$ 0.4** | $ 0.4 |
| Actuarial loss (gain) | **233.0** | 233.2 | **170.2** | 143.1 | **(19.6)** | (18.3) |
| | **235.1** | 236.1 | **156.3** | 129.3 | **(19.2)** | (17.9) |
| Net amount recognized | **$ 124.0** | $ 119.9 | **$ (11.8)** | $ (18.3) | **$ (54.4)** | $ (60.7) |

Actuarial gains and losses reflected in the table above are driven by changes in demographic experience, changes in assumptions, and differences in actual returns on investments compared to estimated returns from the prior year. For the year ended December 30, 2023, the increase in the benefit obligation is primarily driven by the decline in the single equivalent discount rate used to measure these obligations. These actuarial losses were partially offset by a slightly improved funded position, as the actual return on plan assets during the year exceeded the estimated return, along with updated mortality and inflation rate projections which slightly reduced the projected obligation.

The accumulated benefit obligation for all benefit plans was $2.084 billion at December 30, 2023 and $2.023 billion at December 31, 2022. The following table provides information regarding pension plans in which accumulated benefit obligations exceed plan assets as of December 30, 2023 and December 31, 2022:

| (Millions of Dollars) | U.S. Plans 2023 | U.S. Plans 2022 | Non-U.S. Plans 2023 | Non-U.S. Plans 2022 |
|---|---|---|---|---|
| Accumulated benefit obligation | **$ 1,090.3** | $ 982.3 | **$ 249.9** | $ 208.7 |
| Fair value of plan assets | **$ 979.1** | $ 862.0 | **$ 31.5** | $ 25.7 |

The following table provides information regarding pension plans in which projected benefit obligations (inclusive of anticipated future compensation increases) exceed plan assets as of December 30, 2023 and December 31, 2022:

| (Millions of Dollars) | U.S. Plans 2023 | U.S. Plans 2022 | Non-U.S. Plans 2023 | Non-U.S. Plans 2022 |
|---|---|---|---|---|
| Projected benefit obligation | **$ 1,090.3** | $ 982.3 | **$ 304.5** | $ 266.7 |
| Fair value of plan assets | **$ 979.1** | $ 862.0 | **$ 47.8** | $ 51.3 |

The major assumptions used in valuing pension and post-retirement plan obligations and net costs were as follows:

| | Pension Benefits | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | U.S. Plans | | | Non-U.S. Plans | | | Other Benefits | | |
| | 2023 | 2022 | 2021 | 2023 | 2022 | 2021 | 2023 | 2022 | 2021 |
| **Weighted-average assumptions used to determine benefit obligations at year end:** | | | | | | | | | |
| Discount rate | **5.04 %** | 5.36 % | 2.80 % | **4.43 %** | 4.70 % | 1.78 % | **5.45 %** | 5.47 % | 2.84 % |
| Rate of compensation increase | **—** | — | 3.00 % | **3.52 %** | 3.64 % | 3.56 % | **—** | — | — |
| **Weighted-average assumptions used to determine net periodic benefit cost:** | | | | | | | | | |
| Discount rate - service cost | **5.58 %** | 3.14 % | 2.95 % | **5.23 %** | 2.67 % | 1.41 % | **6.64 %** | 4.41 % | 4.42 % |
| Discount rate - interest cost | **5.23 %** | 2.28 % | 1.68 % | **4.67 %** | 1.69 % | 1.06 % | **5.37 %** | 2.25 % | 1.60 % |
| Rate of compensation increase | **—** | 3.00 % | 3.00 % | **3.64 %** | 3.57 % | 3.27 % | **—** | — | — |
| Expected return on plan assets | **6.70 %** | 4.69 % | 4.75 % | **5.29 %** | 3.41 % | 3.25 % | **—** | — | — |

The expected rate of return on plan assets is determined considering the returns projected for the various asset classes and the relative weighting for each asset class. The Company will use a 5.99% weighted-average expected rate of return assumption to determine the 2024 net periodic benefit cost.

**PENSION PLAN ASSETS** — Plan assets are invested in equity securities, government and corporate bonds and other fixed income securities, money market instruments and insurance contracts. The Company's worldwide asset allocations at December 30, 2023 and December 31, 2022 by asset category and the level of the valuation inputs within the fair value hierarchy established by ASC 820, *Fair Value Measurement*, were as follows:

| Asset Category *(Millions of Dollars)* | 2023 | Level 1 | Level 2 |
|---|---|---|---|
| Cash and cash equivalents | **$ 40.9** | **$ 25.8** | **$ 15.1** |
| **Equity securities** | | | |
| U.S. equity securities | **191.5** | **63.5** | **128.0** |
| Foreign equity securities | **119.7** | **34.7** | **85.0** |
| **Fixed income securities** | | | |
| Government securities | **646.0** | **239.8** | **406.2** |
| Corporate securities | **736.5** | **—** | **736.5** |
| Insurance contracts | **39.6** | **—** | **39.6** |
| Other | **36.0** | **—** | **36.0** |
| Total | **$ 1,810.2** | **$ 363.8** | **$ 1,446.4** |

| Asset Category *(Millions of Dollars)* | 2022 | Level 1 | Level 2 |
|---|---|---|---|
| Cash and cash equivalents | $ 42.3 | $ 28.2 | $ 14.1 |
| **Equity securities** | | | |
| U.S. equity securities | 181.9 | 66.2 | 115.7 |
| Foreign equity securities | 123.3 | 33.0 | 90.3 |
| **Fixed income securities** | | | |
| Government securities | 619.3 | 236.7 | 382.6 |
| Corporate securities | 702.5 | — | 702.5 |
| Insurance contracts | 36.7 | — | 36.7 |
| Other | 44.7 | — | 44.7 |
| Total | $ 1,750.7 | $ 364.1 | $ 1,386.6 |

U.S. and foreign equity securities primarily consist of companies with large market capitalization and to a lesser extent mid and small capitalization securities. Government securities primarily consist of U.S. Treasury securities and foreign government securities with de minimus default risk. Corporate fixed income securities include publicly traded U.S. and foreign investment grade and to a small extent high yield securities. Assets held in insurance contracts are invested in the general asset pools of the various insurers, mainly debt and equity securities with guaranteed returns. Other investments include diversified private equity holdings. The level 2 investments are primarily comprised of institutional mutual funds that are not publicly traded; the investments held in these mutual funds are generally level 1 publicly traded securities.

The Company's investment strategy for pension assets focuses on a liability-matching approach with gradual de-risking taking place over a period of many years. The Company utilizes the current funded status to transition the portfolio toward investments that better match the duration and cash flow attributes of the underlying liabilities. Assets approximating 50% of the Company's current pension liabilities have been invested in fixed income securities, using a liability / asset matching duration strategy, with the primary goal of mitigating exposure to interest rate movements and preserving the overall funded status of the underlying plans. Plan assets are broadly diversified and are invested to ensure adequate liquidity for immediate- and medium-term benefit payments. The Company’s target asset allocations include approximately 10%-30% in equity securities, approximately 60%-80% in fixed income securities and approximately 10% in other securities. The funded status percentage (total plan assets divided by total projected benefit obligation) of all global pension plans was 87% in 2023, 2022, and 2021.

**CONTRIBUTIONS** — The Company’s funding policy for its defined benefit plans is to contribute amounts determined annually on an actuarial basis to provide for current and future benefits in accordance with federal law and other regulations. The Company expects to contribute approximately $35 million to its pension and other post-retirement benefit plans in 2024.

**EXPECTED FUTURE BENEFIT PAYMENTS** — Benefit payments, inclusive of amounts attributable to estimated future employee service, are expected to be paid over the next 10 years as follows:

| *(Millions of Dollars)* | Total | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Years 6-10 |
|---|---|---|---|---|---|---|---|
| Future payments | $ 1,489.8 | $ 160.1 | $ 149.8 | $ 149.5 | $ 148.6 | $ 148.4 | $ 733.4 |

These benefit payments will be funded through a combination of existing plan assets, the returns on those assets, and amounts to be contributed in the future by the Company.

**HEALTH CARE COST TRENDS** — The weighted-average annual assumed rate of increase in the per-capita cost of covered benefits (i.e., health care cost trend rate) is assumed to be 6.6% for 2023, reducing gradually to 4.9% by 2032 and remaining at that level thereafter.

## M. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurement*, defines, establishes a consistent framework for measuring, and expands disclosure requirements about fair value. ASC 820 requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company’s market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 — Quoted prices for identical instruments in active markets.

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs and significant value drivers are observable.

Level 3 — Instruments that are valued using unobservable inputs.

The Company is exposed to market risk from changes in foreign currency exchange rates, interest rates, stock prices and commodity prices. The Company holds various financial instruments to manage these risks. These financial instruments are carried at fair value and are included within the scope of ASC 820. The Company determines the fair value of these financial instruments through the use of matrix or model pricing, which utilizes observable inputs such as market interest and currency rates. When determining fair value for which Level 1 evidence does not exist, the Company considers various factors including the following: exchange or market price quotations of similar instruments, time value and volatility factors, the Company’s own credit rating and the credit rating of the counterparty.

### Recurring Fair Value Measurements

The following table presents the Company's financial assets and liabilities that are measured at fair value on a recurring basis for each of the hierarchy levels:

| *(Millions of Dollars)* | Total Carrying Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **December 30, 2023** | | | | |
| Money market fund | **$ 12.3** | **$ 12.3** | **$ —** | **$ —** |
| Deferred compensation plan investments | **$ 20.2** | **$ 20.2** | **$ —** | **$ —** |
| Derivative assets | **$ 8.5** | **$ —** | **$ 8.5** | **$ —** |
| Derivative liabilities | **$ 17.9** | **$ —** | **$ 17.9** | **$ —** |
| Non-derivative hedging instrument | **$ 399.7** | **$ —** | **$ 399.7** | **$ —** |
| Contingent consideration liability | **$ 208.8** | **$ —** | **$ —** | **$ 208.8** |
| **December 31, 2022** | | | | |
| Money market fund | $ 9.4 | $ 9.4 | $ — | $ — |
| Equity security | $ 3.2 | $ 3.2 | $ — | $ — |
| Deferred compensation plan investments | $ 19.0 | $ 19.0 | $ — | $ — |
| Derivative assets | $ 12.2 | $ — | $ 12.2 | $ — |
| Derivative liabilities | $ 16.1 | $ — | $ 16.1 | $ — |
| Contingent consideration liability | $ 268.7 | $ — | $ — | $ 268.7 |

The following table provides information about the Company's financial assets and liabilities not carried at fair value:

| | December 30, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| *(Millions of Dollars)* | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Other investments | **$ 6.0** | **$ 5.8** | $ 9.3 | $ 9.3 |
| Long-term debt, including current portion | **$ 6,102.1** | **$ 5,512.8** | $ 5,354.1 | $ 4,662.9 |

The money market fund and other investments related to the West Coast Loading Corporation ("WCLC") trust are considered Level 1 instruments within the fair value hierarchy. The deferred compensation plan investments are considered Level 1 instruments and are recorded at their quoted market price. The fair values of the derivative financial instruments in the table above are based on current settlement values. Prior to the sale of the equity security in the first quarter of 2023, it was considered a Level 1 instrument and was recorded at its quoted market price.

The long-term debt instruments are considered Level 2 instruments and are measured using a discounted cash flow analysis based on the Company's marginal borrowing rates. The differences between the carrying values and fair values of long-term debt are attributable to the stated interest rates differing from the Company's marginal borrowing rates. The fair values of the Company's variable rate short-term borrowings approximate their carrying values at December 30, 2023 and December 31, 2022.

As part of the Craftsman® brand acquisition in March 2017, the Company recorded a contingent consideration liability representing the Company's obligation to make future payments to Transform Holdco, LLC, which operates Sears and Kmart retail locations, of between 2.5% and 3.5% on sales of Craftsman products in new Stanley Black & Decker, Inc. channels through March 2032. During the year ended December 30, 2023, the Company paid $42.0 million for royalties owed. The Company will continue making future payments quarterly through the second quarter of 2032. The estimated fair value of the contingent consideration liability is determined using a discounted cash flow analysis taking into consideration future sales projections, forecasted payments to Transform Holdco, LLC, based on contractual royalty rates, and the related tax impacts. The estimated fair value of the contingent consideration liability was $208.8 million and $268.7 million as of December 30, 2023 and December 31, 2022, respectively. Adjustments to the contingent consideration liability, with the exception of cash payments, are recorded in SG&A in the Consolidated Statements of Operations. A 100-basis point reduction in the discount rate would result in an increase to the liability of approximately $6.4 million as of December 30, 2023.

A single estimate of fair value results from a complex series of judgments about future events and uncertainties and relies heavily on estimates and assumptions. The Company's judgments used to determine the estimated contingent consideration liability discussed above, including estimated future sales projections, can materially impact the Company's results of operations.

Refer to *Note I, Financial Instruments*, for more details regarding derivative financial instruments, *Note S, Contingencies,* for more details regarding the other investments related to the WCLC trust, and *Note H, Long-Term Debt and Financing Arrangements*, for more information regarding the carrying values of the long-term debt.

**Non-Recurring Fair Value Measurements**

As previously discussed, the Company recorded an impairment charge in the fourth quarter of 2023 as a result of entering into an agreement to sell the Infrastructure business and an impairment charge in 2022 relating to the Oil & Gas business, both of which are considered Level 3 fair value measurements. Refer to *Note T, Divestitures* for further discussion.

Furthermore, as previously discussed, the Company recorded an impairment charge in the third quarter of 2023 related to the Irwin and Troy-Bilt trade names, which is considered a Level 3 fair value measurement. Refer to *Note F, Goodwill and Intangible Assets*. The Company had no other significant non-recurring fair value measurements, nor any other financial assets or liabilities measured using Level 3 inputs, during 2023 or 2022.

## N. OTHER COSTS AND EXPENSES

Other, net is primarily comprised of intangible asset amortization expense, currency-related gains or losses, environmental remediation expense, deal costs and related consulting costs, and certain pension gains or losses. Other, net amounted to $320.1 million, $274.8 million and $189.5 million for fiscal years 2023, 2022 and 2021, respectively. The year-over-year increases are driven by higher pension and environmental remediation costs as well as write-downs on certain investments, partially offset by income related to providing transition services to previously divested businesses.

Research and development costs, which are classified in SG&A, were $362.0 million, $357.4 million and $276.3 million for fiscal years 2023, 2022 and 2021, respectively.

## O. RESTRUCTURING CHARGES

A summary of the restructuring reserve activity from December 31, 2022 to December 30, 2023 is as follows:

| *(Millions of Dollars)* | December 31, 2022 | Net Additions | Usage | Currency | December 30, 2023 |
|---|---|---|---|---|---|
| Severance and related costs | $ 57.0 | $ 20.3 | $ (51.1) | $ (0.4) | **$ 25.8** |
| Facility closures and other | 5.3 | 19.1 | (21.3) | — | **3.1** |
| **Total** | $ 62.3 | $ 39.4 | $ (72.4) | $ (0.4) | **$ 28.9** |

During 2023, the Company recognized net restructuring charges of $39.4 million, primarily related to severance and facility closures associated with the footprint rationalization actions under the supply chain transformation.

The majority of the $28.9 million of reserves remaining as of December 30, 2023 is expected to be utilized within the next 12 months.

*Segments:* The $39.4 million of net restructuring charges for the year ended December 30, 2023 includes: $31.3 million pertaining to the Tools & Outdoor segment; $0.9 million pertaining to the Industrial segment; and $7.2 million pertaining to Corporate.

## P. BUSINESS SEGMENTS AND GEOGRAPHIC AREAS

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") product lines. The PTG product line includes both professional and consumer products. Professional products, primarily under the DEWALT® brand, include professional grade corded and cordless electric power tools and equipment including drills, impact wrenches and drivers, grinders, saws, routers and sanders, as well as pneumatic tools and fasteners including nail guns, nails, staplers and staples, and concrete and masonry anchors. DIY and tradesperson focused products include corded and cordless electric power tools sold primarily under the CRAFTSMAN® brand, and consumer home products such as hand-held vacuums, paint tools and cleaning appliances primarily under the BLACK+DECKER® brand. The HTAS product line sells hand tools, power tool accessories and storage products. Hand tools include measuring, leveling and layout tools, planes, hammers, demolition tools, clamps, vises, knives, saws, chisels and industrial and automotive tools. Power tool accessories include drill bits, screwdriver bits, router bits, abrasives, saw blades and threading products. Storage products include tool boxes, sawhorses, medical cabinets and engineered storage solution products.

The Outdoor product line primarily sells corded and cordless electric lawn and garden products, including hedge trimmers, string trimmers, lawn mowers, pressure washers and related accessories, and gas powered lawn and garden products, including lawn tractors, zero turn ride on mowers, walk behind mowers, snow blowers, residential robotic mowers, utility terrain vehicles (UTVs), hand-held outdoor power equipment, garden tools, and parts and accessories to professionals and consumers under the DEWALT®, CRAFTSMAN®, CUB CADET®, BLACK+DECKER®, and HUSTLER® brand names.

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 product lines include externally threaded fasteners, blind rivets and tools, blind inserts and tools, drawn arc weld studs and systems, engineered plastic and mechanical fasteners, self-piercing riveting systems, precision nut running systems, micro fasteners, high-strength structural fasteners, axel swage, latches, heat shields, pins, and couplings. The Infrastructure business designs, manufactures, and sells attachments, typically used on excavators, and handheld hydraulic and battery-powered tools for applications in infrastructure, construction, scrap recycling, demolition, and railroad infrastructure.

The Company utilizes segment profit, which is defined as net sales minus cost of sales and SG&A inclusive of the provision for credit losses (aside from corporate overhead expense), and segment profit as a percentage of net sales to assess the profitability of each segment. Transactions between segments are not material. Segment assets primarily include cash, accounts receivable, inventory, other current assets, property, plant and equipment, right-of-use lease assets and intangible assets. Net sales and long-lived assets are attributed to the geographic regions based on the geographic locations of the end customer and the Company subsidiary, respectively.

**BUSINESS SEGMENTS**

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Net Sales** | | | |
| Tools & Outdoor | **$ 13,367.1** | $ 14,423.7 | $ 12,817.4 |
| Industrial | **2,414.0** | 2,523.4 | 2,463.1 |
| Corporate Overhead | **—** | 0.3 | 0.8 |
| Consolidated | **$ 15,781.1** | $ 16,947.4 | $ 15,281.3 |
| **Segment Profit** | | | |
| Tools & Outdoor | **$ 687.6** | $ 971.9 | $ 1,985.4 |
| Industrial | **266.5** | 236.2 | 256.6 |
| Segment Profit | **954.1** | 1,208.1 | 2,242.0 |
| Corporate Overhead | **(312.2)** | (294.0) | (342.9) |
| Other, net | **(320.1)** | (274.8) | (189.5) |
| Loss on sales of businesses | **(10.8)** | (8.4) | (0.6) |
| Restructuring charges | **(39.4)** | (140.8) | (14.5) |
| Gain on equity method investment | **—** | — | 68.0 |
| Asset impairment charges | **(274.8)** | (168.4) | — |
| Interest income | **186.9** | 54.7 | 9.8 |
| Interest expense | **(559.4)** | (338.5) | (185.4) |
| (Loss) earnings from continuing operations before income taxes and equity interest | **$ (375.7)** | $ 37.9 | $ 1,586.9 |
| **Capital and Software Expenditures** | | | |
| Tools & Outdoor | **$ 264.7** | $ 438.5 | $ 375.8 |
| Industrial | **74.0** | 85.6 | 123.3 |
| Discontinued operations | **—** | 6.3 | 20.0 |
| Consolidated | **$ 338.7** | $ 530.4 | $ 519.1 |
| **Depreciation and Amortization** | | | |
| Tools & Outdoor | **$ 453.5** | $ 387.6 | $ 312.9 |
| Industrial | **171.6** | 184.2 | 201.4 |
| Discontinued operations | **—** | 0.4 | 62.8 |
| Consolidated | **$ 625.1** | $ 572.2 | $ 577.1 |

| **Segment Assets** | December 30, 2023 | December 31, 2022 |
|---|---|---|
| Tools & Outdoor | **$ 18,960.8** | $ 20,202.0 |
| Industrial | **4,081.7** | 5,284.8 |
| | **23,042.5** | 25,486.8 |
| Assets held for sale | **857.6** | — |
| Corporate assets | **(236.3)** | (523.5) |
| Consolidated | **$ 23,663.8** | $ 24,963.3 |

Corporate Overhead includes the corporate overhead element of SG&A, which is not allocated to the business segments.

Corporate assets primarily consist of cash, deferred taxes, property, plant and equipment and right-of-use lease assets. Based on the nature of the Company's cash pooling arrangements, at times corporate-related cash accounts will be in a net liability position.

Lowe's accounted for approximately 14%, 15% and 15% of the Company's consolidated net sales in 2023, 2022 and 2021, respectively, while The Home Depot accounted for approximately 13%, 13% and 15% of the Company's consolidated net sales in 2023, 2022 and 2021, respectively.

As described in *Note A, Significant Accounting Policies*, the Company recognizes revenue at a point in time from the sale of tangible products or over time depending on when the performance obligation is satisfied. For the years ended December 30, 2023, December 31, 2022, and January 1, 2022, the majority of the Company's revenue was recognized at the time of sale. The percent of total segment revenue recognized over time for the Industrial segment for the years ended December 30, 2023, December 31, 2022 and January 1, 2022 was 2.2%, 4.6% and 6.6%, respectively.

The following table is a further disaggregation of the Industrial segment revenue for the years ended December 30, 2023, December 31, 2022 and January 1, 2022:

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| Engineered Fastening | **$ 1,965.4** | $ 1,874.8 | $ 1,842.1 |
| Infrastructure | **448.6** | 648.6 | 621.0 |
| Industrial | **$ 2,414.0** | $ 2,523.4 | $ 2,463.1 |

**GEOGRAPHIC AREAS**

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Net Sales** | | | |
| United States | **$ 9,861.3** | $ 10,733.1 | $ 9,073.1 |
| Canada | **761.5** | 835.7 | 696.0 |
| Other Americas | **870.9** | 839.4 | 833.6 |
| Europe | **3,024.7** | 3,154.7 | 3,336.0 |
| Asia | **1,262.7** | 1,384.5 | 1,342.6 |
| Consolidated | **$ 15,781.1** | $ 16,947.4 | $ 15,281.3 |

| *(Millions of Dollars)* | December 30, 2023 | December 31, 2022 |
|---|---|---|
| **Property, Plant & Equipment, net** | | |
| United States | **$ 1,306.5** | $ 1,465.8 |
| Canada | **7.2** | 7.4 |
| Other Americas | **253.2** | 249.8 |
| Europe | **300.0** | 303.6 |
| Asia | **303.0** | 326.5 |
| Consolidated | **$ 2,169.9** | $ 2,353.1 |

**Q. INCOME TAXES**

Significant components of the Company's deferred tax assets and liabilities from continuing operations, excluding 2023 amounts classified as held for sale, at the end of each fiscal year were as follows:

| *(Millions of Dollars)* | 2023 | 2022 |
|---|---|---|
| Deferred tax liabilities: | | |
| Depreciation | **$ 114.6** | $ 160.1 |
| Intangible assets | **817.7** | 907.5 |
| Liability on undistributed foreign earnings | **14.8** | 45.4 |
| Lease right-of-use asset | **126.5** | 108.2 |
| Inventory | **32.6** | 59.4 |
| Other | **44.2** | 46.7 |
| Total deferred tax liabilities | **$ 1,150.4** | $ 1,327.3 |
| Deferred tax assets: | | |
| Employee benefit plans | **$ 154.8** | $ 130.9 |
| Basis differences in liabilities | **100.8** | 104.0 |
| Operating loss, capital loss and tax credit carryforwards | **826.5** | 817.4 |
| Lease liability | **129.1** | 110.4 |
| Intangible assets | **681.3** | 556.8 |
| Basis difference in debt obligations | **249.1** | 268.0 |
| Capitalized research and development costs | **194.6** | 134.7 |
| Interest expense carryforward | **152.7** | 27.7 |
| Other | **159.1** | 176.6 |
| Total deferred tax assets | **$ 2,648.0** | $ 2,326.5 |
| **Net Deferred Tax Asset before Valuation Allowance** | **$ 1,497.6** | $ 999.2 |
| Valuation Allowance | **$ (1,046.9)** | $ (1,032.5) |
| **Net Deferred Tax Asset/ (Liability) after Valuation Allowance** | **$ 450.7** | $ (33.3) |

The increase in intangible deferred tax assets relates to an intra-entity asset transfer of certain intangible assets from a wholly-owned, non-U.S. subsidiary to another wholly-owned, non-U.S. subsidiary located in the United Kingdom in order to better align with current and future business operations. The transfer resulted in a step-up in tax basis driven by the fair value of the transferred intellectual property ("IP"), which was determined using an income approach taking into consideration future revenue projections, royalty rates and discount rates. The Company expects to realize the deferred tax asset recorded as a result of the IP transfer and will periodically assess such realizability. The tax-deductible amortization related to the transferred IP will be recognized over a 20-year period.

A valuation allowance is recorded on certain deferred tax assets if it has been determined it is more likely than not that all or a portion of these assets will not be realized. The Company recorded a valuation allowance of $1,046.9 million and $1,032.5 million on deferred tax assets existing as of December 30, 2023 and December 31, 2022, respectively. The valuation allowances in 2023 and 2022 are primarily attributable to foreign and state net operating loss carryforwards, certain intangible assets unrelated to the IP transfer discussed above, foreign capital loss carryforwards, and state tax credits.

As of December 30, 2023, the Company has approximately $4.6 billion of unremitted foreign earnings and profits. Of the total amount, the Company has provided for deferred taxes of $14.8 million on approximately $1.0 billion, which is not indefinitely reinvested primarily due to the changes brought about by the Tax Cuts and Jobs Act. The Company otherwise continues to consider the remaining undistributed earnings of its foreign subsidiaries to be permanently reinvested based on its current plans for use outside of the U.S. and accordingly no taxes have been provided on such earnings. The cash held by the Company's non-U.S. subsidiaries for indefinite reinvestment is generally used to finance foreign operations and investments, including acquisitions. The income taxes applicable to such earnings and other outside basis differences are not readily determinable or practicable to calculate.

As of December 30, 2023, the Company has approximately $1.5 billion and $3.1 billion of net operating loss carryforwards available to reduce future tax obligations in certain U.S. state and foreign jurisdictions, respectively. The Company's foreign net operating loss carryforwards primarily relate to its subsidiaries' operations in Luxembourg ($2.4 billion), France ($202.5 million), Germany ($168.4 million), Brazil ($106.1 million), and other foreign jurisdictions ($218.4 million). The net operating loss carryforwards have various expiration dates beginning in 2024 with certain jurisdictions having indefinite carryforward periods. The foreign capital loss carryforwards of $40.3 million as of December 30, 2023 have indefinite carryforward periods.

U.S. foreign tax credit carryforward balance as of December 30, 2023 totaled $1.6 million with various expiration dates beginning in 2033. State tax credit carryforward balance as of December 30, 2023 totaled $19.3 million. The carryforward balance is made up of various credit types spanning multiple state taxing jurisdictions and various expiration dates beginning in 2024.

The components of (loss) earnings from continuing operations before income taxes and equity interest consisted of the following:

| *(Millions of Dollars)* | **2023** | 2022 | 2021 |
|---|---|---|---|
| United States | **$ (1,385.0)** | $ (1,233.8) | $ (77.7) |
| Foreign | **1,009.3** | 1,271.7 | 1,664.6 |
| (Loss) earnings before income taxes and equity interest | **$ (375.7)** | $ 37.9 | $ 1,586.9 |

Income taxes on continuing operations consisted of the following:

| *(Millions of Dollars)* | **2023** | 2022 | 2021 |
|---|---|---|---|
| Current: | | | |
| Federal | **$ 5.8** | $ (79.0) | $ 0.3 |
| Foreign | **307.4** | 248.6 | 388.0 |
| State | **17.1** | (16.7) | 31.8 |
| Total current | **$ 330.3** | $ 152.9 | $ 420.1 |
| Deferred: | | | |
| Federal | **$ (158.2)** | $ (61.2) | $ (124.7) |
| Foreign | **(218.3)** | (222.5) | (210.1) |
| State | **(47.8)** | (1.6) | (30.2) |
| Total deferred | **(424.3)** | (285.3) | (365.0) |
| Income taxes | **$ (94.0)** | $ (132.4) | $ 55.1 |

Net income taxes paid for continuing operations during 2023, 2022 and 2021 were $415.2 million, $482.6 million and $441.8 million, respectively. The 2023, 2022 and 2021 amounts include refunds of $25.3 million, $41.8 million and $50.1 million, respectively.

The reconciliation of the U.S. federal statutory income tax provision to Income taxes on continuing operations in the Consolidated Statements of Operations is as follows:

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| Tax at statutory rate | **$ (78.9)** | $ 8.0 | $ 333.2 |
| State income taxes, net of federal benefits | **(23.6)** | (19.3) | 1.4 |
| Foreign tax rate differential | **(48.0)** | (28.8) | (63.5) |
| Uncertain tax benefits | **30.5** | 26.3 | 49.6 |
| Change in valuation allowance | **33.5** | (25.1) | (11.9) |
| Change in deferred tax liabilities on undistributed foreign earnings | **—** | 12.8 | 23.1 |
| Stock-based compensation | **8.2** | 7.3 | (6.3) |
| Change in tax rates | **0.2** | (5.5) | (31.1) |
| Tax credits | **(13.8)** | (8.8) | (6.7) |
| U.S. federal tax expense (benefit) on foreign earnings | **61.1** | 55.7 | (118.1) |
| Intra-entity asset transfer of intellectual property | **(131.3)** | (153.3) | (114.2) |
| Withholding taxes | **38.9** | 5.4 | 12.0 |
| Impairment on assets held for sale | **30.4** | — | — |
| Other | **(1.2)** | (7.1) | (12.4) |
| Income taxes | **$ (94.0)** | $ (132.4) | $ 55.1 |

The Company conducts business globally and, as a result, files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course, the Company is subject to examinations by taxing authorities throughout the world. The Internal Revenue Service is currently examining the Company's consolidated U.S. income tax returns for the 2017 through 2019 tax years. With few exceptions, as of December 30, 2023, the Company is no longer subject to U.S. federal, state, local, or foreign examinations by tax authorities for years before 2012.

The Company’s liabilities for unrecognized tax benefits relate to U.S. and various foreign jurisdictions. The following table summarizes the activity related to the unrecognized tax benefits from continuing operations:

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| Balance at beginning of year | **$ 502.7** | $ 487.7 | $ 428.3 |
| Additions based on tax positions related to current year | **20.9** | 27.2 | 33.6 |
| Additions based on tax positions related to prior years | **20.4** | 41.1 | 53.5 |
| Reductions based on tax positions related to prior years | **(8.2)** | (37.8) | (17.2) |
| Settlements | **(16.2)** | (7.0) | (1.3) |
| Statute of limitations expirations | **(16.8)** | (8.5) | (9.2) |
| Reclassification to long-term liabilities held for sale | **(21.5)** | — | — |
| Balance at end of year | **$ 481.3** | $ 502.7 | $ 487.7 |

The gross unrecognized tax benefits from continuing operations at December 30, 2023 and December 31, 2022 include $475.7 million and $496.0 million, respectively, of tax benefits that, if recognized, would impact the effective tax rate. The liability for potential penalties and interest related to unrecognized tax benefits from continuing operations, excluding 2023 amounts reclassified to liabilities held for sale, increased by $15.5 million in 2023, decreased by $11.2 million in 2022 and increased by $9.6 million in 2021. The liability for potential penalties and interest totaled $64.3 million as of December 30, 2023, $48.8 million as of December 31, 2022, and $60.0 million as of January 1, 2022. The Company classifies all tax-related interest and penalties as income tax expense.

The Company considers many factors when evaluating and estimating its tax positions and the impact on income tax expense, which may require periodic adjustments, and which may not accurately anticipate actual outcomes. It is reasonably possible that the amount of the unrecognized benefit with respect to certain of the Company's unrecognized tax positions will significantly increase or decrease within the next twelve months. However, based on the uncertainties associated with finalizing audits with the relevant tax authorities including formal legal proceedings, it is not possible to reasonably estimate the impact of any such change.

**R. COMMITMENTS AND GUARANTEES**

**COMMITMENTS —** The Company has numerous assets, predominantly real estate, vehicles and equipment, under various lease arrangements. At inception of arrangements with vendors, the Company determines whether the contract is or contains a lease based on each party's rights and obligations under the arrangement. If the lease arrangement also contains non-lease components, the lease and non-lease elements are separately accounted for in accordance with the appropriate accounting guidance for each item. From time to time, lease arrangements allow for, and the Company executes, the purchase of the underlying leased asset. Lease arrangements may also contain renewal options or early termination options. As part of its lease liability and right-of-use asset calculation, consideration is given to the likelihood of exercising any extension or termination options. Leases with expected durations of less than twelve months from inception (i.e. short-term leases) are excluded from the Company's calculation of lease liabilities and right-of-use assets, as permitted by ASC 842, *Leases*. The following is a summary of the Company's right-of-use-assets and lease liabilities:

| *(Millions of Dollars)* | December 30, 2023 | December 31, 2022 |
|---|---|---|
| Right-of-use assets | **$ 502.9** | $ 431.5 |
| Lease liabilities | **$ 506.6** | $ 440.5 |
| Weighted-average incremental borrowing rate | **4.6 %** | 3.6 % |
| Weighted-average remaining term | **7 years** | 6 years |

Right-of-use assets are included within Other assets in the Consolidated Balance Sheets, while lease liabilities are included within Accrued expenses and Other liabilities, as appropriate. The Company determines its incremental borrowing rate based on interest rates from its debt issuances, taking into consideration adjustments for collateral, lease terms and foreign currency. As of December 30, 2023, $19.4 million and $19.5 million of right-of-use assets and lease liabilities, respectively, were reclassified to held for sale due to the pending divestiture of the Infrastructure business.

As a result of acquiring right-of-use assets from new leases entered into during the years ended December 30, 2023 and December 31, 2022, the Company's lease liabilities increased approximately $206.1 million and $115.8 million, respectively. The Company has variable rate leases for certain manufacturing facilities, distribution centers and office buildings in which the periodic rental payments vary based on benchmark interest rates.

The following is a summary of the Company's total lease cost for the years ended December 30, 2023, December 31, 2022, and January 1, 2022:

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| Operating lease cost | **$ 144.0** | $ 147.1 | $ 126.3 |
| Short-term lease cost | **31.2** | 27.6 | 25.5 |
| Variable lease cost | **11.2** | 5.9 | 5.9 |
| Sublease income | **(3.2)** | (2.5) | (1.3) |
| Total lease cost | **$ 183.2** | $ 178.1 | $ 156.4 |

During 2023, 2022 and 2021, the Company paid $128.3 million, $124.1 million, and $110.8 million respectively, relating to leases included in the measurement of its lease liability and right-of-use asset.

The following is a summary of the Company's future lease obligations on an undiscounted basis at December 30, 2023:

| *(Millions of Dollars)* | Total | 2024 | 2025 | 2026 | 2027 | 2028 | Thereafter |
|---|---|---|---|---|---|---|---|
| Lease obligations | $ 613.0 | $ 135.4 | $ 105.7 | $ 90.5 | $ 69.5 | $ 56.3 | $ 155.6 |

The amounts above include undiscounted future lease obligations related to the pending divestiture of the Infrastructure business totaling $21.1 million; $4.7 million in 2024, $4.5 million in 2025, $4.5 million in 2026, $4.1 million in 2027, $1.9 million in 2028, and $1.4 million thereafter.

The following is a summary of the Company's future marketing commitments at December 30, 2023:

| *(Millions of Dollars)* | Total | 2024 | 2025 | 2026 | 2027 | 2028 | Thereafter |
|---|---|---|---|---|---|---|---|
| Marketing commitments | $ 72.5 | $ 37.9 | $ 18.6 | $ 16.0 | $ — | $ — | $ — |

As of December 30, 2023, the Company had unrecognized commitments that require the future purchase of goods or services (unconditional purchase obligations) to provide it with access to products and services at competitive prices. These obligations consist of supplier agreements with long-term minimum material purchase requirements and freight forwarding arrangements with minimum quantity commitments. The following is a summary of the Company's unconditional purchase obligations related to these agreements at December 30, 2023:

| *(Millions of Dollars)* | Total | 2024 | 2025 | 2026 | 2027 | 2028 | Thereafter |
|---|---|---|---|---|---|---|---|
| Supplier agreements | $ 199.1 | $ 87.8 | $ 44.0 | $ 37.9 | $ 22.1 | $ 7.3 | $ — |

The Company has arrangements with third-party financial institutions that offer voluntary supply chain finance ("SCF") programs. These arrangements enable certain of the Company's suppliers, at the supplier's sole discretion, to sell receivables due from the Company to the financial institutions on terms directly negotiated with the financial institutions. The Company negotiates commercial terms with its suppliers, including prices, quantities, and payment terms, regardless of suppliers' decisions to finance the receivables due from the Company under these SCF programs. The Company has no economic interest in a supplier's decision to participate in these SCF programs, and no direct financial relationship with the financial institutions, as it relates to these SCF programs. The amounts due to the financial institutions for suppliers that voluntarily participate in these SCF programs were presented within Accounts payable on the Company's Consolidated Balance Sheets and totaled $528.1 million and $607.5 million as of December 30, 2023 and December 31, 2022, respectively.

**GUARANTEES —** The Company's financial guarantees at December 30, 2023 are as follows:

| *(Millions of Dollars)* | Term | Maximum Potential Payment | Carrying Amount of Liability |
|---|---|---|---|
| Guarantees on the residual values of leased properties | One to nine years | **$ 157.4** | **$ —** |
| Standby letters of credit | Up to twenty years | **185.5** | **—** |
| Commercial customer financing arrangements | Up to six years | **93.1** | **15.5** |
| Total | | **$ 436.0** | **$ 15.5** |

The Company has guaranteed a portion of the residual values associated with certain of its variable rate leases. The lease guarantees are for an amount up to $157.4 million while the fair value of the underlying assets is estimated at $210.5 million. The related assets would be available to satisfy the guarantee obligations.

The Company has issued $185.5 million in standby letters of credit that guarantee future payments which may be required under certain insurance programs and in relation to certain environmental remediation activities described more fully in *Note S, Contingencies*.

The Company provides various limited and full recourse guarantees to financial institutions that provide financing to U.S. and Canadian Mac Tools distributors and franchisees for their initial purchase of the inventory and trucks necessary to function as a distributor and franchisee. In addition, the Company provides limited and full recourse guarantees to financial institutions that extend credit to certain end retail customers of its U.S. Mac Tools distributors and franchisees. The gross amount guaranteed in these arrangements is $93.1 million and the $15.5 million carrying value of the guarantees issued is recorded in Other liabilities in the Consolidated Balance Sheets.

The Company provides warranties on certain products across its businesses. The types of product warranties offered generally range from one year to limited lifetime. There are also certain products with no warranty. Further, the Company sometimes incurs discretionary costs to service its products in connection with product performance issues. Historical warranty and service claim experience forms the basis for warranty obligations recognized. Adjustments are recorded to the warranty liability as new information becomes available.

The changes in the carrying amount of product warranties for the years ended December 30, 2023, December 31, 2022, and January 1, 2022 are as follows:

| (Millions of Dollars) | 2023 | 2022 | 2021 |
|---|---|---|---|
| Balance beginning of period | **$ 126.6** | $ 134.5 | $ 107.9 |
| Warranties and guarantees issued | **171.3** | 155.3 | 150.1 |
| Warranties assumed in acquisitions | **—** | — | 33.4 |
| Warranty payments and currency | **(161.2)** | (163.2) | (156.9) |
| Balance end of period | **$ 136.7** | $ 126.6 | $ 134.5 |

## S. CONTINGENCIES

The Company is involved in various legal proceedings relating to environmental issues, employment, product liability, workers' compensation claims and other matters. The Company periodically reviews the status of these proceedings with both inside and outside counsel, as well as an actuary for risk insurance. Management believes that the ultimate disposition of these matters will not have a material adverse effect on operations or financial condition taken as a whole.

### Government Investigations

On January 19, 2024, the Company was notified by the Compliance and Field Operations Division (the "Division") of the Consumer Product Safety Commission that the Division intends to recommend the imposition of a civil penalty of approximately $32 million for alleged untimely reporting in relation to certain utility bars and miter saws that were subject to voluntary recalls in September 2019 and March 2022, respectively. The Company is currently evaluating and believes there are defenses to the Division's claims, and the Company is cooperating with the Division. However, given the early stage of this matter, at this time, the Company is not in a position to assess the likelihood of any potential loss or adverse effect on its financial condition or to estimate the amount of potential loss, if any, from this matter.

The Company previously disclosed that it had identified certain undisclosed perquisites in prior periods. The Company voluntarily disclosed this information to the U.S. Securities and Exchange Commission (the "SEC" or the "Commission") and cooperated with the SEC's investigation of this matter. On June 20, 2023, the SEC issued a Cease-and-Desist Order (the "Order") that resolved this matter. The Order reflects that the Company neither admitted to nor denied the allegations contained in the Order, and that the SEC did not impose any monetary penalties on the Company. The Order credited the Company's self-reporting, cooperation, and remediation efforts. In a parallel action, the SEC issued a Cease-and-Desist Order against a former executive of the Company (the "Parallel Resolution"). The SEC's press release announcing both resolutions noted that, with respect to the Parallel Resolution, "[a]fter consideration of Stanley Black & Decker's self-reporting, cooperation, and remediation, the SEC declined to bring charges against the company related to [the former executive's] conduct."

Also, as previously disclosed, the Company has identified certain transactions relating to its international operations that may raise compliance questions under the U.S. Foreign Corrupt Practices Act ("FCPA") and voluntarily disclosed this information to the U.S. Department of Justice ("DOJ") and the SEC in January 2023. The Company is cooperating with both agencies in their investigations of these transactions (the "FCPA Matters"). Currently, the Company does not believe that the FCPA Matters will have a material impact on its financial condition or results of operations, although it is possible that a loss related to the FCPA Matters may be incurred.

Given the ongoing nature of the FCPA Matters, management cannot predict the duration, scope, or outcome of the DOJ's or SEC's investigations or estimate the potential magnitude of any such loss or range of loss, or the cost of the ongoing investigations. Any determination that certain transactions relating to the Company's international operations were not in compliance with the FCPA could result in the imposition of fines, civil or criminal penalties, equitable remedies, including disgorgement, injunctive relief, or other sanctions against the Company. The Company also may become a party to litigation or other legal proceedings over the FCPA Matters described above.

The Company is committed to upholding the highest standards of corporate governance and is continuously focused on ensuring the effectiveness of its policies, procedures, and controls. The Company is in the process, with the assistance of professional advisors, of reviewing and further enhancing relevant policies, procedures, and controls.

### Class Action Litigation

As previously disclosed, on March 24, 2023, a putative class action lawsuit titled *Naresh Vissa Rammohan v. Stanley Black & Decker, Inc., et al.*, Case No. 3:23-cv-00369-KAD (the "*Rammohan* Class Action"), was filed in the United States District Court for the District of Connecticut against the Company and certain of the Company's current and former officers and directors. The complaint was filed on behalf of a purported class consisting of all purchasers of Stanley Black & Decker common stock between October 28, 2021 and July 28, 2022, inclusive. The complaint asserts violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 based on allegedly false and misleading statements related to consumer demand for the Company's products amid changing COVID-19 trends and macroeconomic conditions. The complaint seeks unspecified damages and an award of costs and expenses. On October 13, 2023, Lead Plaintiff General Retirement System of the City of Detroit filed an Amended Complaint that asserts the same claims and seeks the same forms of relief as the original complaint.

The Company intends to vigorously defend this action in all respects and on December 14, 2023 filed a motion to dismiss the Amended Complaint in its entirety. Briefing on that motion is expected to conclude in April 2024. Given the early stage of this litigation, at this time, the Company is not in a position to assess the likelihood of any potential loss or adverse effect on its financial condition or to estimate the amount or range of potential losses, if any, from this action.

**Derivative Actions**

As previously disclosed, on August 2, 2023 and September 20, 2023, derivative complaints were filed in the United States District Court for the District of Connecticut, titled *Callahan v. Allan, et al*., Case No. 3:23-cv-01028-OAW (the "*Callahan* Derivative Action") and *Applebaum v. Allan, et al*., Case No. 3:23-cv-01234-OAW (the "*Applebaum* Derivative Action"), respectively, by putative stockholders against certain current and former directors and officers of the Company premised on the same allegations as the *Rammohan* Class Action. The *Callahan* and *Applebaum* Derivative Actions were consolidated by Court order on November 6, 2023 and defendants' responses to both complaints have been stayed pending the disposition of any motions to dismiss in the *Rammohan* Class Action. The individual defendants intend to vigorously defend the *Callahan* and *Applebaum* Derivative Actions in all respects. However, given the early stage of this litigation, at this time, the Company is not in a position to assess the likelihood of any potential loss or adverse effect on its financial condition or to estimate the amount or range of potential losses, if any, from these actions.

On October 19, 2023, a derivative complaint was filed in Connecticut Superior Court, titled *Vladimir Gusinsky Revocable Trust v. Allan, et al*., Docket Number HHBCV236082260S, by a putative stockholder against certain current and former directors and officers of the Company. Plaintiff seeks to recover for alleged breach of fiduciary duties and unjust enrichment under Connecticut state law premised on the same allegations as the *Rammohan* Class Action. By Court order on November 11, 2023, the Connecticut Superior Court granted the parties' motion to stay defendants' response to the complaint pending the disposition of any motions to dismiss in the *Rammohan* Class Action. The individual defendants intend to vigorously defend this action in all respects. However, given the early stage of this litigation, at this time, the Company is not in a position to assess the likelihood of any potential loss or adverse effect on its financial condition or to estimate the amount or range of potential losses, if any, from this action.

**Environmental**

In the normal course of business, the Company is a party to administrative proceedings and litigation, before federal and state regulatory agencies, relating to environmental remediation with respect to claims involving the discharge of hazardous substances into the environment, generally at current and former manufacturing facilities. In addition, some of these claims assert that the Company is responsible for damages and liability, for remedial investigation and clean-up costs, with respect to sites that have never been owned or operated by the Company, but the Company has been identified as a potentially responsible party ("PRP").

In connection with the 2010 merger with Black & Decker, the Company assumed certain commitments and contingent liabilities. Black & Decker is a party to litigation and administrative proceedings with respect to claims involving the discharge of hazardous substances into the environment at current and former manufacturing facilities and has also been named as a PRP in certain administrative proceedings.

The Company, along with many other companies, has been named as a PRP in numerous administrative proceedings for the remediation of various waste sites, including 23 active Superfund sites. Current laws potentially impose joint and several liabilities upon each PRP. In assessing its potential liability at these sites, the Company has considered the following: whether responsibility is being disputed, the terms of existing agreements, experience at similar sites, and the Company's volumetric contribution at these sites.

The Company's policy is to accrue environmental investigatory and remediation costs for identified sites when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. If no amount in the range of probable loss is considered most likely, the minimum loss in the range is accrued. The amount of liability recorded is based on an evaluation of currently available facts with respect to each individual site and includes such factors as existing technology, presently enacted laws and regulations, and prior experience in remediation of contaminated sites. The liabilities recorded do not take into account any claims for recoveries from insurance or third parties. As assessments and remediation progress at individual sites, the amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. As of December 30, 2023 and December 31, 2022, the Company had reserves of $124.5 million and $129.3 million, respectively, for remediation activities associated with Company-owned properties, as well as for Superfund sites, for losses that are probable and estimable. Of the December 30, 2023 amount, $46.0 million is classified as current and $78.5 million as long-term which is expected to be paid over the estimated remediation period. As of December 30, 2023, the range of environmental remediation costs that is reasonably possible is $79.9 million to $226.8 million which is subject to change in the near term. The Company may be liable for environmental remediation of sites it no longer owns. Liabilities have been recorded on those sites in accordance with the Company's policy.

As of December 30, 2023, the Company has recorded $17.0 million in other assets related to funding received by the Environmental Protection Agency ("EPA") and placed in a trust in accordance with the final settlement with the EPA, embodied in a Consent Decree approved by the United States District Court for the Central District of California on July 3, 2013. Per the Consent Decree, Emhart Industries, Inc. (a dissolved and liquidated former indirectly wholly-owned subsidiary of The Black & Decker Corporation) ("Emhart") has agreed to be responsible for an interim remedy at a site located in Rialto, California and formerly operated by West Coast Loading Corporation ("WCLC"), a defunct company for which Emhart was alleged to be liable as a successor. The remedy will be funded by (i) the amounts received from the EPA as gathered from multiple parties, and, to the extent necessary, (ii) Emhart's affiliate. The interim remedy requires the construction of a water treatment facility and the filtering of ground water at or around the site for a period of approximately 30 years or more. As of December 30, 2023, the Company's net cash obligation associated with remediation activities, including WCLC assets, is $107.5 million.

The EPA also asserted claims in federal court in Rhode Island against Black & Decker and Emhart related to environmental contamination found at the Centredale Manor Restoration Project Superfund Site ("Centredale"), located in North Providence, Rhode Island. The EPA discovered a variety of contaminants at the site, including but not limited to, dioxins, polychlorinated biphenyls, and pesticides. The EPA alleged that Black & Decker and Emhart are liable for site clean-up costs under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") as successors to the liability of Metro-Atlantic, Inc., a former operator at the site, and demanded reimbursement of the EPA's costs related to this site. Black & Decker and Emhart then vigorously litigated the issue of their liability for environmental conditions at the Centredale site, including completing trial on Phase 1 of the proceedings in late July 2015 and completing trial on Phase 2 of the proceedings in April 2017. On July 9, 2018, a Consent Decree was lodged with the United States District Court documenting the terms of a settlement between the Company and the United States for reimbursement of EPA's past costs and remediation of environmental contamination found at the Centredale site. The terms of the Consent Decree were subject to public comment and Court approval. After a full hearing on March 19, 2019, the Court approved and entered the Consent Decree on April 8, 2019. The settlement resolves outstanding issues relating to Phase 1 and 2 of the litigation with the United States. The Company is complying with the terms of the settlement. The District Court's entry of the Consent Decree was appealed by several PRPs at the site to the United States Court of Appeals for the First Circuit. The District Court's actions were affirmed by the First Circuit on February 17, 2021. Phase 3 of the litigation, is addressing the potential allocation of liability to other PRPs who may have contributed to contamination of the Centredale site with dioxins, polychlorinated biphenyls and other contaminants of concern. As of December 30, 2023, the Company has a remaining reserve of $24.9 million for this site.

The Company and approximately 47 other companies comprise the Lower Passaic Cooperating Parties Group (the "CPG"). The CPG members and other companies are parties to a May 2007 Administrative Settlement Agreement and Order on Consent ("AOC") with the EPA to perform a remedial investigation/feasibility study ("RI/FS") of the lower seventeen miles of the Lower Passaic River in New Jersey (the "River"). The Company's potential liability stems from former operations in Newark, New Jersey. As an interim step related to the 2007 AOC, on June 18, 2012, the CPG members voluntarily entered into an AOC with the EPA for remediation actions focused solely at mile 10.9 of the River. The Company's estimated costs related to the RI/FS and focused remediation action at mile 10.9, based on an interim allocation, are included in its environmental reserves. On April 11, 2014, the EPA issued a Focused Feasibility Study ("FFS") and proposed plan which addressed various early action remediation alternatives for the lower 8.3 miles of the River. The EPA received public comment on the FFS and proposed plan (including comments from the CPG and other entities asserting that the FFS and proposed plan do not comply with CERCLA) which public comment period ended on August 20, 2014. The CPG submitted to the EPA a draft RI report in February 2015 and draft FS report in April 2015 for the entire lower seventeen miles of the River. On March 4, 2016, the EPA issued a Record of Decision ("ROD") selecting the remedy for the lower 8.3 miles of the River. The cleanup plan adopted by the EPA is now considered a final action for the lower 8.3 miles of the River and will include the removal of 3.5 million cubic yards of sediment, placement of a cap over the entire lower 8.3 miles of the River, and, according to the EPA, will cost approximately $1.4 billion and take 6 years to implement after the remedial design is completed. On September 30, 2016, Occidental Chemical Corporation ("OCC") entered into an agreement with the EPA to perform the remedial design for the cleanup plan for the lower 8.3 miles of the River. The remedial design is expected to be substantially completed in the first quarter of 2024. On June 30, 2018, OCC filed a complaint in the United States District Court for the District of New Jersey against over 100 companies, including the Company, seeking CERCLA cost recovery or contribution for past costs relating to various investigations and cleanups OCC has conducted or is conducting in connection with the River. According to the complaint, OCC has incurred or is incurring costs which include the estimated cost ($165 million) to complete the remedial design for the cleanup plan for the lower 8.3 miles of the River. OCC also seeks a declaratory judgment to hold the defendants liable for their proper shares of future response costs for OCC's ongoing activities in connection with the River. The Company and other defendants have answered the complaint and have been engaged in discovery with OCC. On February 24, 2021, the Company and other defendants filed a third party complaint against the Passaic Valley Sewerage Commissioners and forty-two municipalities to require those entities to pay their equitable share of response costs. On October 10, 2018, the EPA issued a letter directing the CPG to prepare a streamlined feasibility study for the upper 9 miles of the River based on an iterative approach using adaptive management strategies. The CPG submitted a revised draft Interim Remedy Feasibility Study to the EPA on December 4, 2020, which identified various targeted dredge and cap alternatives with costs that range from $420 million to $468 million (net present value). The EPA approved the Interim Remedy Feasibility Study on December 11, 2020. The EPA issued the Interim Remedy Proposed Plan on April 14, 2021 and the Interim Remedy ROD on September 28, 2021, selecting an alternative that the EPA estimates will cost $441 million (net present value). The CPG has substantially completed the RI/FS for the entire 17-mile River. The Company and 105 other parties received a letter dated March 31, 2016 from the EPA notifying such parties of potential liability for the costs of the cleanup of the lower 8.3 miles of the River and a letter dated March 30, 2017 stating that the EPA had offered 20 of the parties (not including the Company) an early cash out settlement. In a letter dated May 17, 2017, the EPA stated that these 20 parties did not discharge any of the eight hazardous substances identified as the contaminants of concern in the lower 8.3 mile ROD. In the March 30, 2017 letter, the EPA stated that other parties who did not discharge dioxins, furans or polychlorinated biphenyls (which are considered the contaminants of concern posing the greatest risk to human health or the environment) may also be eligible for cash out settlement, but expected those parties' allocation to be determined through a complex settlement analysis using a third-party allocator. The EPA subsequently clarified this statement to say that such parties would be eligible to be "funding parties" for the lower 8.3 mile remedial action with each party's share of the costs determined by the EPA based on the allocation process and the remaining parties would be "work parties" for the remedial action. The Company asserts that it did not discharge dioxins, furans or polychlorinated biphenyls and should be eligible to be a "funding party" for the lower 8.3 mile remedial action. The Company participated in the allocation process. The allocator selected by the EPA issued a confidential allocation report on December 28, 2020, which was reviewed by the EPA. As a result of the allocation process, on February 11, 2022, the EPA and certain parties (including the Company) reached an agreement in principle for a cash-out settlement for remediation of the entire 17-mile Lower Passaic River. On December 16, 2022, the United States lodged a Consent Decree with the United States District Court for the District of New Jersey in *United States v. Alden Leeds, Inc. et al.* (No. 2:22-cv-07326) that addresses the liability of 85 parties (including the Company) for an aggregate amount of $150 million based on the EPA-sponsored allocation report that found OCC 99.4% responsible for the cleanup costs of the River. The Consent Decree was subject to a 90-day public comment period, which ended March 22, 2023. On November 21, 2023, the United States informed the Court that it concluded, based on the public comments, that a small number of parties (not including the Company) should be removed from the settlement, that a change should be made to the United States' reservation of rights (which was agreed to by the remaining settling parties) and that it intends to file a Motion to Enter the modified Consent Decree (without soliciting additional public comments) no later than January 31, 2024. On December 12, 2023, the Court ordered the United States to file the proposed modified Consent Decree on or before January 17, 2024 and its Motion to Enter the modified Consent Decree no later than January 31, 2024 and established a schedule to complete briefing by July 2024. After the United States moves to enter the modified Consent Decree the Court will enter or disapprove. On December 20, 2022, various defendants (including the Company) in the OCC litigation filed an unopposed motion to stay the litigation for six months which was granted by the Court on March 1, 2023. On March 2, 2023, the EPA issued a Unilateral Administrative Order requiring OCC to design the interim remedy for the upper 9 miles of the River (the "2023 UAO"). Notwithstanding the stay of the litigation commenced in 2018 (and two days after the public comment period on the Consent Decree closed), OCC filed a complaint named *Occidental Chem. Corp. v. Givaudan Fragrances Corp., et al.*, No. 2:23-cv-1699 at 2, 5 (D.N.J. Mar. 24, 2023) (the "2023 Litigation") against forty parties (not including the Company) for recovery of past and future response costs it will incur in complying with the 2023 UAO. All of the defendants named in the 2023 Litigation are also defendants or third-party defendants in the litigation commenced in 2018. Pursuant to a settlement agreement by and among the Maxus Liquidating Trust, YPF and Repsol submitted to the bankruptcy court on April 7, 2023, YPF and Repsol will jointly pay a combined sum of $573 million to various creditors. Based on the waterfall payout of the bankruptcy plan, it is currently estimated that the CPG will receive approximately $9 million, which will be used either to offset future CPG costs, including EPA RI/FS oversight and legal and administrative costs, or to reimburse CPG members for a portion of their past contributions to the RI/FS costs. At this time, the Company cannot reasonably estimate its liability related to the litigation and remediation efforts, excluding the RI/FS and remediation actions at mile 10.9, as the OCC litigation is pending and the EPA settlement process has not been completed and requires court approval.

Per the terms of a Final Order and Judgment approved by the United States District Court for the Middle District of Florida on January 22, 1991, Emhart is responsible for a percentage of remedial costs arising out of the Kerr McGee Chemical Corporation Superfund Site located in Jacksonville, Florida. On March 15, 2017, the Company received formal notification from the EPA that the EPA had issued a ROD selecting the preferred alternative identified in the Proposed Cleanup Plan. On or about November 2, 2023, the Multistate Trust managing the remediation revised the estimated remediation costs for work to be performed in 2024, and the Company adjusted the reserve for its percentage share of such costs accordingly. As of December 30, 2023, the Company has reserved $28.2 million for this site.

The environmental liability for certain sites that have cash payments beyond the current year that are fixed or reliably determinable have been discounted using a rate of 4.4% to 5.5%, depending on the expected timing of disbursements. The discounted and undiscounted amount of the liability relative to these sites is $34.3 million and $47.0 million, respectively. The payments relative to these sites are expected to be $3.2 million in 2024, $3.2 million in 2025, $3.2 million in 2026, $2.4 million in 2027, $2.4 million in 2028, and $32.6 million thereafter.

The amount recorded for identified contingent liabilities is based on estimates. Amounts recorded are reviewed periodically and adjusted to reflect additional technical and legal information that becomes available. Actual costs to be incurred in future periods may vary from the estimates, given the inherent uncertainties in evaluating certain exposures. Subject to the imprecision in estimating future contingent liability costs, the Company does not expect that any sum it may have to pay in connection with these environmental matters in excess of the amounts recorded will have a materially adverse effect on its financial position, results of operations or liquidity.

## T. DIVESTITURES

### PENDING DIVESTITURE

*Infrastructure business*

In December 2023, the Company announced that it had entered into a definitive agreement for the sale of its Infrastructure business as part of the Company's strategic commitment to simplify and streamline its portfolio to focus on the core Tools & Outdoor and Industrial businesses. Based on management's commitment to sell this business, the assets and liabilities related to the Infrastructure business were classified as held for sale on the Company's Consolidated Balance Sheet as of December 30, 2023. This pending divestiture does not qualify for discontinued operations and therefore, its results are included in the Company's continuing operations within the Industrial segment for all periods presented.

Following is the pre-tax income for this business for the years ended December 30, 2023, December 31, 2022 and January 1, 2022:

| *(Millions of Dollars)* | 2023 | 2022 | 2021 |
|---|---|---|---|
| Pre-tax income | **$ 52.0** | $ 54.3 | $ 65.1 |

In addition, the Company recognized a $150.8 million pre-tax asset impairment charge in the fourth quarter of 2023 to adjust the carrying amount of the long-lived assets of the Infrastructure business to its estimated fair value less selling cost based on the contractual sale price outlined in the agreement. The transaction is subject to regulatory approval and other customary closing conditions.

The carrying amounts of the assets and liabilities that were aggregated in assets held for sale and liabilities held for sale as of December 30, 2023 are presented in the following table:

| *(Millions of Dollars)* | December 30, 2023 |
|---|---|
| Cash and cash equivalents | **$ 0.6** |
| Accounts and notes receivable, net | **41.3** |
| Inventories, net | **96.5** |
| Other current assets | **2.4** |
| Property, plant and equipment, net | **70.4** |
| Goodwill | **389.7** |
| Intangibles, net | **214.3** |
| Other assets | **42.4** |
| Total assets | **$ 857.6** |
| | |
| Accounts payable and accrued expenses | **$ 44.1** |
| Other long-term liabilities | **84.8** |
| Total liabilities | **$ 128.9** |

### 2022 DIVESTITURES

*Oil & Gas business*

On August 19, 2022, the Company completed the sale of its Oil & Gas business comprised of the pipeline services and equipment businesses to Pipeline Technique Limited and recognized a pre-tax loss of $8.6 million. This divestiture did not qualify for discontinued operations and therefore, its results were included in the Company's continuing operations within the Industrial segment for all periods presented through the date of sale. For the years ended December 31, 2022 and January 1, 2022, the Company recognized pre-tax losses of $2.7 million and $16.8 million for this business, respectively.

In addition, the Company recognized a $168.4 million pre-tax asset impairment charge to adjust the carrying amount of the long-lived assets of the Oil & Gas business to its fair value less the costs to sell during the second quarter of 2022.

*Commercial Electronic Security and Healthcare businesses*

On July 22, 2022, the Company completed the sale of its Convergent Security Solutions ("CSS") business comprised of the commercial electronic security and healthcare businesses to Securitas AB for net proceeds of approximately $3.1 billion and recorded a pre-tax gain of $574 million.

As part of the purchase and sale agreement, the Company provided transition services relating to certain administrative functions for Securitas AB from the date of close through January 2024. A portion of the net proceeds received at closing was deferred to reimburse the Company for transition service costs incurred over the service period.

*Mechanical Access Solutions business*

On July 5, 2022, the Company completed the sale of its Mechanical Access Solutions ("MAS") business comprised of the automatic doors business to Allegion plc for net proceeds of $916.0 million and recorded a pre-tax gain of $609 million.

As part of the purchase and sale agreement, the Company is providing transition services relating to certain administrative functions for Allegion plc for an initial period of two years or less, with extensions up to six months for certain services, pending integration of these functions into their pre-existing business processes.

The CSS and MAS divestitures represented a single plan to exit the Security segment and were considered a strategic shift that had a major effect on the Company's operations and financial results. As such, the 2022 and 2021 operating results of CSS and MAS were reported as discontinued operations. These divestitures allowed the Company to invest in other areas that fit into its long-term strategy.

Summarized operating results of discontinued operations are presented in the following table for each fiscal year ended:

| *(Millions of Dollars)* | **2023** | 2022 | 2021 |
|---|---|---|---|
| Net Sales | **$ —** | $ 1,056.3 | $ 1,971.4 |
| Cost of sales | **—** | 687.5 | 1,258.7 |
| Selling, general, and administrative[1] | **—** | 308.0 | 529.2 |
| (Loss) gain on sale of discontinued operations | **(14.3)** | 1,197.4 | — |
| Other, net and restructuring charges | **—** | 47.3 | 59.2 |
| (Loss) earnings from discontinued operations before income taxes | **$ (14.3)** | $ 1,210.9 | $ 124.3 |
| Income taxes on discontinued operations | **14.5** | 318.5 | (12.4) |
| Net (loss) earnings from discontinued operations | **$ (28.8)** | $ 892.4 | $ 136.7 |

[1] Includes provision for credit losses.

The following table presents the significant non-cash items and capital expenditures for the discontinued operations with respect to CSS and MAS that are included in the Consolidated Statements of Cash Flows for each fiscal year ended:

| *(Millions of Dollars)* | 2022 | 2021 |
|---|---|---|
| Depreciation and amortization | $ 0.4 | $ 62.8 |
| Capital expenditures | $ 6.3 | $ 20.0 |
| Stock-based compensation | $ 17.5 | $ 7.9 |

**EXHIBIT INDEX**
**STANLEY BLACK & DECKER, INC.**
**EXHIBIT LIST**

Some of the agreements included as exhibits to this Annual Report on Form 10-K (whether incorporated by reference to earlier filings or otherwise) may contain representations and warranties, recitals or other statements that appear to be statements of fact. These agreements are included solely to provide investors with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company or the other parties to the agreements. Representations and warranties, recitals, and other common disclosure provisions have been included in the agreements solely for the benefit of the other parties to the applicable agreements and often are used as a means of allocating risk among the parties. Accordingly, such statements (i) should not be treated as categorical statements of fact; (ii) may be qualified by disclosures that were made to the other parties in connection with the negotiation of the applicable agreements, which disclosures are not necessarily reflected in the agreement or included as exhibits hereto; (iii) may apply standards of materiality in a way that is different from what may be viewed as material by or to investors in or lenders to the Company; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, representations and warranties, recitals or other disclosures contained in agreements may not describe the actual state of affairs as of the date they were made or at any other time and should not be relied on by any person other than the parties thereto in accordance with their terms. Additional information about the Company may be found in this Annual Report on Form 10-K and the Company's other public filings, which are available without charge through the SEC's website at http://www.sec.gov.

| | | |
|---|---|---|
| 2.1 | | Acquisition Agreement by and between Stanley Black & Decker, Inc. and Securitas AB, dated as of December 8, 2021 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on December 8, 2021).# |
| 3.1 | (a) | Restated Certificate of Incorporation dated September 15, 1998 (incorporated by reference to Exhibit 3(i) to the Company's Quarterly Report on Form 10-Q for the period ended April 3, 2010 filed on May 13, 2010). |
| | (b) | Certificate of Amendment to the Restated Certificate of Incorporation dated December 21, 2009 (incorporated by reference to Exhibit 3(ii) to the Company's Quarterly Report on Form 10-Q for the period ended April 3, 2010 filed on May 13, 2010). |
| | (c) | Certificate of Amendment to the Restated Certificate of Incorporation dated March 12, 2010 (incorporated by reference to Exhibit 3(iii) to the Company's Quarterly Report on Form 10-Q for the period ended April 3, 2010 filed on May 13, 2010). |
| | (d) | Certificate of Amendment to the Restated Certificate of Incorporation dated November 5, 2010 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 9, 2010). |
| | (e) | Certificate of Amendment to the Restated Certificate of Incorporation dated April 17, 2012 (incorporated by reference to Exhibit 3(i) to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2012 filed on May 2, 2012). |
| | (f) | Certificate of Amendment to the Restated Certificate of Incorporation dated May 17, 2017 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 17, 2017). |
| | (g) | Certificate of Amendment to the Restated Certificate of Incorporation dated November 13, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 13, 2019). |
| | (h) | Certificate of Amendment to the Restated Certificate of Incorporation dated May 15, 2020 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on May 15, 2020). |
| | (i) | Certificate of Amendment to the Restated Certificate of Incorporation, dated May 12, 2021 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 13, 2021). |
| | (j) | Certificate of Amendment to the Restated Certificate of Incorporation, dated November 15, 2022 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on November 17, 2022). |
| 3.2 | | Bylaws, effective October 24, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on From 8-K filed on October 24, 2023). |
| 4.1 | | Indenture, dated as of June 26, 1998, by and among Black & Decker Holdings Inc., as Issuer, The Black & Decker Corporation, as Guarantor, and The First National Bank of Chicago, as Trustee (incorporated by reference to Exhibit 4.9 to the Company's Current Report on Form 8-K filed on March 12, 2010). |

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| 4.2 | (a) | Indenture, dated as of November 1, 2002 between The Stanley Works and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4(vi) to the Company’s Annual Report on Form 10-K for the period ended December 28, 2002 filed on February 28, 2003). |
| | (b) | Third Supplemental Indenture, dated as of September 3, 2010, to the Indenture dated as of November 1, 2002, among Stanley Black & Decker, Inc., The Black & Decker Corporation and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, N.A. (formerly known as JPMorgan Chase Bank), as Trustee, relating to the 5.20% Notes due 2040 (incorporated by reference to Exhibit 4.1 to the Company’s Current Report on Form 8-K filed on September 7, 2010). |
| | (c) | Sixth Supplemental Indenture, dated as of November 6, 2018, between Stanley Black & Decker, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 4.250% Notes due 2028 and the 4.850% Notes due 2048 (incorporated by reference to Exhibit 4.2 to the Company’s Current Report on Form 8-K filed on November 6, 2018). |
| | (d) | Seventh Supplemental Indenture, dated as of March 1, 2019, between Stanley Black & Decker, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 3.400% Notes due 2026 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on March 1, 2019). |
| | (e) | Eight Supplemental Indenture, dated as of February 10, 2020, between Stanley Black & Decker, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 2.300% Notes due 2030 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on February 10, 2020). |
| | (f) | Ninth Supplemental Indenture, dated as of November 2, 2020, between Stanley Black & Decker, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 2.750% Notes due 2050 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on November 2, 2020). |
| | (g) | Tenth Supplemental Indenture, dated as of February 24, 2022, between Stanley Black & Decker, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 2.300% Notes due 2025 and the 3.000% Notes due 2032 (incorporated by reference to Exhibit 4.2 to the Company’s Current Report on Form 8-K filed on February 24, 2022). |
| | (h) | Eleventh Supplemental Indenture, dated as of March 6, 2023, between Stanley Black & Decker, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 6.272% Notes due 2026 and the 6.000% Notes due 2028 (incorporated by reference to Exhibit 4.2 to the Company’s Current Report on Form 8-K filed on March 6, 2023). |
| 4.3 | | Indenture, dated as of November 22, 2005, between The Stanley Works and HSBC Bank USA, National Association, as indenture trustee (incorporated by reference to Exhibit 4.5 to the Company’s Current Report on Form 8-K filed on November 29, 2005). |
| 4.4 | | Sixth Supplemental Indenture, dated as of February 10, 2020, between Stanley Black & Decker, Inc. and HSBC Bank USA, National Association, as trustee, relating to the 4.000% Fixed-to-Fixed Reset Rate Junior Subordinated Debentures due 2060 (incorporated by reference to Exhibit 4.5 to the Company’s Form 8-K dated February 10, 2020). |
| 4.5 | | Description of the Company's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (filed herewith). |
| 10.1 | (a) | Amended and Restated Five Year Credit Agreement, dated as of September 8, 2021 among Stanley Black & Decker, Inc., the initial lenders named therein and Citibank, N.A. as administrative agent for the lenders (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K filed on September 14, 2021).# |
| | (b) | Amendment No. 1 to Amended and Restated Five Year Credit Agreement, dated as of September 7, 2022 among Stanley Black & Decker, Inc., the lenders party thereto and Citibank, N.A. as administrative agent for the lenders (incorporated by reference to Exhibit 10.3 to the Company’s Current Report on Form 8-K filed on September 13, 2022). |
| | (c) | Amendment No. 2 to Amended and Restated Five Year Credit Agreement, dated as of February 23, 2023, by and among Stanley Black & Decker, Inc., the lenders identified on the signature pages thereto, and Citibank, N.A., as agent for the lenders (incorporated by reference to Exhibit 10.3 to the Company’s Current Report on Form 8-K filed on February 23, 2023). |

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|---|---|---|
| 10.2 | | Syndicated 364-Day Credit Agreement, made as of September 6, 2023 among Stanley Black & Decker, Inc., the initial lenders named therein and Citibank, N.A. as administrative agent for the lenders (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 8, 2023). |
| 10.3 | | Letter Agreement, dated as of May 31, 2022, between Stanley Black & Decker, Inc. and Donald Allan, Jr. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 1, 2022).* |
| 10.4 | | Employment Agreement Amendment, dated January 24, 2024, between Stanley Black & Decker, Inc. and Donald Allan, Jr.(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 24, 2024). |
| 10.5 | | Change in Control Severance Agreement, dated December 4, 2018 between Stanley Black & Decker, Inc. and Donald Allan Jr. (incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K for the period ended December 29, 2018 filed on February 26, 2019).* |
| 10.6 | | Form C of Change in Control Severance Agreement. Corbin Walburger is party to a Change in Control Severance Agreement in this Form (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 28, 2013).* |
| 10.7 | | Deferred Compensation Plan for Non-Employee Directors, as amended through October 1, 2020 (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the period ended January 2, 2021 filed on February 18, 2021).* |
| 10.8 | | Deferred Compensation Plan for Participants in Stanley's Management Incentive Plan amended and restated as of December 11, 2007 (incorporated by reference to Exhibit 10(ix) to the Company's Annual Report on Form 10-K for the period ended December 29, 2007 filed on February 25, 2008).* |
| 10.9 | | Stanley Black & Decker Supplemental Retirement Account Plan (as in effect January 1, 2019) (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2022 filed on July 28, 2022).* |
| 10.10 | | New 1991 Loan Agreement, dated June 30, 1998, between The Stanley Works, as lender, and Citibank, N.A. as trustee under the trust agreement for the Stanley Account Value Plan, to refinance the 1991 Salaried Employee ESOP Loan and the 1991 Hourly ESOP Loan and their related promissory notes (incorporated by reference to Exhibit 10(ii) to the Company's Quarterly Report on Form 10-Q for the period ended July 4, 1998 filed on August 18, 1998). |
| 10.11 | | The Stanley Works Non-Employee Directors' Benefit Trust Agreement dated December 27, 1989 and amended as of January 1, 1991 by and between The Stanley Works and Fleet National Bank, as successor trustee (incorporated by reference to Exhibit (10)(xvii)(a) to the Company's Annual Report on Form 10-K for the period ended December 29, 1990). P |
| 10.12 | (a) | The Stanley Black & Decker 2013 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 30, 2013 filed on April 26, 2013).* |
| | (b) | Form of Award Document for Performance Awards granted to executive officers under the Stanley Black & Decker 2013 Long-Term Incentive Plan, updated 2018 (incorporated by reference to Exhibit 10.16(b) to the Company's Annual Report on Form 10-K for the period ended December 30, 2017 filed on February 27, 2018).* |
| | (c) | Form of stock option certificate for grants to executive officers pursuant to the Stanley Black & Decker 2013 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.18(c) to the Company's Annual Report on Form 10-K for the period ended December 28, 2013 filed on February 21, 2014).* |
| | (d) | Form of restricted stock unit award certificate for grants of restricted stock units to executive officers pursuant to the Stanley Black & Decker 2013 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.18(d) to the Company's Annual Report on Form 10-K for the period ended December 28, 2013 filed on February 21, 2014).* |
| | (e) | Form of restricted stock unit retention award certificate for grants of restricted stock units to executive officers pursuant to the Stanley Black & Decker 2013 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.17(e) to the Company's Annual Report on Form 10-K for the period ended December 31, 2016 filed on February 15, 2017).* |
| 10.13 | (a) | The Stanley Black & Decker 2018 Omnibus Award Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2018 filed on July 20, 2018).* |

(b) Form of stock option certificate for grants to executive officers pursuant to the Stanley Black & Decker 2018 Omnibus Award Plan (incorporated by reference to Exhibit 10.16(b) to the Company's Annual Report on Form 10-K for the period ended December 28, 2019 filed on February 21, 2020).*

(c) Form of restricted stock unit award certificate for grants to executive officers pursuant to the Stanley Black & Decker 2018 Omnibus Award Plan (incorporated by reference to Exhibit 10.16(c) to the Company's Annual Report on Form 10-K for the period ended December 28, 2019 filed on February 21, 2020).*

(d) Form of restricted stock unit retention award certificate for grants to executive officers pursuant to the Stanley Black & Decker 2018 Omnibus Award Plan (incorporated by reference to Exhibit 10.16(d) to the Company's Annual Report on Form 10-K for the period ended December 28, 2019 filed on February 21, 2020).*

(e) Form of Award Document for Performance Award granted to executive officers under the Stanley Black & Decker 2018 Omnibus Award Plan (incorporated by reference to Exhibit 10.17(e) to the Company's Annual Report on Form 10-K for the period ended January 1, 2022 filed on February 22, 2022).*

(f) Form of Award Document granted to executive officers under the 2019 and 2020 Management Incentive Compensation Plan (incorporated by reference to Exhibit 10.16(f) to the Company's Annual Report on Form 10-K for the period ended December 29, 2018 filed on February 26, 2019).*

10.14 (a) The Stanley Black & Decker 2022 Omnibus Award Plan (incorporated by reference to Exhibit 99.1(a) to the Registration Statement on Form S-8 filed on April 5, 2022).*

(b) Form of stock option certificate for 2022 fiscal year grants to executive officers pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (incorporated by reference to Exhibit 10.17(b) on the Company's Annual Report on Form 10-K for the period ended December 31, 2022 filed on February 23, 2023).*

(c) Form of restricted stock unit award certificate for 2022 fiscal year grants to executive officers pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (incorporated by reference to Exhibit 10.17(c) on the Company's Annual Report on Form 10-K for the period ended December 31, 2022 filed on February 23, 2023).*

(d) Form of restricted stock unit retention award certificate for 2022 fiscal year grants to executive officers pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (incorporated by reference to Exhibit 10.17(d) on the Company's Annual Report on Form 10-K for the period ended December 31, 2022 filed on February 23, 2023)*

(e) Letter regarding 2022-2024 Long-Term Incentive Program – Special Grant to Donald Allan, Jr. pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (incorporated by reference to Exhibit 10.17(e) on the Company's Annual Report on Form 10-K for the period ended December 31, 2022 filed on February 23, 2023).*

(f) Form of award document for 2023 Management Incentive Compensation Plan pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2023 filed on May 4, 2023).*

(g) Form of award document for 2023-2025 Long-Term Incentive Program (for award valued as percentage of salary) pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2023 filed on May 4, 2023).*

(h) Form of award document for 2023-2025 Long-Term Incentive Program (for award at specified fair value) pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2023 filed on May 4, 2023).*

(i) Restricted Stock Unit Award Agreement for grants to Christopher J. Nelson pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (filed herewith).*

(j) Form of stock option certificate for 2023 fiscal year grants to executive officers pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (filed herewith).*

(k) Form of restricted stock unit award certificate for 2023 fiscal year grants to executive officers pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (filed herewith).*

(l) Form of restricted stock unit retention award certificate for 2023 fiscal year grants to executive officer pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (filed herewith).*

(m) Form of award document for 2024 Management Incentive Compensation Plan pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (filed herewith).*

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| | (n) | Form of award document for 2024-2026 Long-Term Incentive Program (for award at specified fair value) pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (filed herewith).* |
| | (o) | Form of stock option certificate for 2024 fiscal year grants to executive officers pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (filed herewith).* |
| | (p) | Form of restricted stock unit award certificate for 2024 fiscal year grants to executive officers pursuant to the Stanley Black & Decker 2022 Omnibus Award Plan (filed herewith).* |
| 10.15 | | The Stanley Black & Decker, Inc. Deferred Compensation Plan Relating to Long-Term Performance Awards (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the period ended December 29, 2018 filed on February 26, 2019). * |
| 10.16 | | The Stanley Black & Decker, Inc. Restricted Stock Unit Plan for Non-Employee Directors, as amended and restated through October 1, 2020 (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the period ended January 2, 2021 filed on February 18, 2021).* |
| 10.17 | | The Stanley Black & Decker, Inc. 2020 Restricted Stock Unit Deferral Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.19 on the Company's Annual Report on Form 10-K for the period ended December 28, 2019 filed on February 21, 2020).* |
| 10.18 | | Special Severance Policy for Management Incentive Compensation Plan Participants Levels 1-5 as amended effective June 24, 2016 (incorporated by reference to Exhibit 10.21 on the Company's Annual Report on Form 10-K for the period ended December 31, 2022 filed on February 23, 2023)* |
| 10.19 | | Executive Officer Cash Severance Policy effective as of February 15, 2023 (incorporated by reference to Appendix B to the Company's Definitive Proxy Statement on Schedule 14A filed on March 10, 2023).* |
| 10.20 | | Global Omnibus Employee Stock Purchase Plan (incorporated by reference to Exhibit 99.1(a) to the Company's Registration Statement on Form S-8 filed on November 13, 2019).* |
| 10.21 | | Employment Offer Letter, dated June 12, 2017, between Stanley Black & Decker, Inc. and Janet M. Link (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K for the period ended December 30, 2017 filed on February 27, 2018).* |
| 10.22 | | Employment Offer Letter, dated February 24, 2020, between Stanley Black & Decker, Inc. and Graham Robinson (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the period ended January 2, 2021 filed on February 18, 2021).* |
| 10.23 | | Employment Offer Letter, dated January 13, 2023, between Stanley Black & Decker, Inc. and John T. Lucas (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2023 filed on May 4, 2023).* |
| 10.24 | | Employment Offer Letter, dated January 19, 2023, between Stanley Black & Decker, Inc. and Patrick Hallinan (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2023 filed on May 4, 2023).* |
| 10.25 | | Employment Offer Letter, dated May 2, 2023, between Stanley Black & Decker, Inc. and Christopher J. Nelson (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 2023 filed on August 1, 2023).* |
| 10.26 | | Employment Offer Letter, dated November 19, 2023, by and between Stanley Black & Decker, Inc. and Tamer Abuaita (filed herewith).* |
| 10.27 | | Change in Control Severance Agreement (all other executive officers except Donald Allan Jr. and Corbin Walburger) (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the period ended January 2, 2021 filed on February 18. 2021).* |
| 21 | | Subsidiaries of Registrant. |
| 23 | | Consent of Independent Registered Public Accounting Firm. |
| 24 | | Power of Attorney. |
| 31.1 | (a) | Certification by President and Chief Executive Officer pursuant to Rule 13a-14(a). |
| 31.1 | (b) | Certification by Executive Vice President and Chief Financial Officer pursuant to Rule 13a-14(a). |

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| 32.1 | Certification by President and Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification by Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 97 | Stanley Black & Decker, Inc. Financial Statement Compensation Recoupment Policy (filed herewith). |
| 99.1 | Policy on Confidential Proxy Voting and Independent Tabulation and Inspection of Elections as adopted by The Board of Directors October 23, 1991 (incorporated by reference to Exhibit (28)(i) to the Quarterly Report on Form 10-Q for the quarter ended September 28, 1991). *P* |
| 101 | The following materials from Stanley Black & Decker Inc.'s Annual Report on Form 10-K for the year ended December 30, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022; (ii) Consolidated Statements of Comprehensive (Loss) Income for the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022; (iii) Consolidated Balance Sheets at December 30, 2023 and December 31, 2022; (iv) Consolidated Statements of Cash Flows for the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022; (v) Consolidated Statements of Changes in Shareowners' Equity for the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022; and (vi) Notes to Consolidated Financial Statements.** |
| 104 | The cover page of Stanley Black & Decker Inc.'s Annual Report on Form 10-K for the year ended December 30, 2023, formatted in iXBRL (included within Exhibit 101). |

# Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K and the Company agrees to furnish supplementally to the SEC a copy of any omitted schedules or exhibits upon request.

* Management contract or compensatory plan or arrangement.

*P* Paper Filing

** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**STANLEY BLACK & DECKER, INC.**

By: /s/ Donald Allan, Jr.

Donald Allan, Jr., President and Chief Executive Officer

Date: February 27, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| /s/ Donald Allan, Jr.<br>Donald Allan, Jr. | President and Chief Executive Officer | February 27, 2024 |
| /s/ Patrick Hallinan<br>Patrick Hallinan | Executive Vice President and Chief Financial Officer | February 27, 2024 |
| /s/ Scot Greulach<br>Scot Greulach | Chief Accounting Officer | February 27, 2024 |
| *<br>Andrea J. Ayers | Director | February 27, 2024 |
| Patrick D. Campbell | Director | |
| *<br>Susan K. Carter | Director | February 27, 2024 |
| *<br>Debra A. Crew | Director | February 27, 2024 |
| *<br>Michael D. Hankin | Director | February 27, 2024 |
| *<br>Robert J. Manning | Director | February 27, 2024 |
| *<br>Adrian V. Mitchell | Director | February 27, 2024 |
| *<br>Jane M. Palmieri | Director | February 27, 2024 |
| *<br>Mojdeh Poul | Director | February 27, 2024 |
| *<br>Irving Tan | Director | February 27, 2024 |

*By: /s/ Janet M. Link

Janet M. Link
(As Attorney-in-Fact)

**EXHIBIT 4.5**

**DESCRIPTION OF THE REGISTRANT'S SECURITIES**

**REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934 DESCRIPTION OF COMMON STOCK**

*The following is a description of the material terms of our common stock. It does not purport to be complete and is subject to and qualified in its entirety by our Restated Certificate of Incorporation, as amended (the "certificate of incorporation"), our Amended & Restated Bylaws, as amended (the "bylaws"), and the Connecticut Business Corporation Act (the "CBCA"). Copies of the certificate of incorporation and the bylaws have been filed with the Securities and Exchange Commission as Exhibits 3.1 (a) through (j) and 3.2, respectively, to our Annual Report on Form 10-K. The terms "Stanley Black & Decker, Inc.," "we," "our" and "us" refer to Stanley Black & Decker, Inc., a Connecticut corporation, and do not, unless otherwise specified, include its subsidiaries.*

**General**

Each shareholder of record of our common stock is entitled to one vote for each share held on every matter properly submitted to the shareholders for their vote. Holders of our common stock do not have cumulative voting rights. After satisfaction of the dividend rights of holders of preferred stock, if any, holders of common stock are entitled ratably to any dividend declared by the board of directors out of funds legally available for this purpose.

Upon our liquidation, dissolution or winding up, the holders of our common stock are entitled to receive ratably our net assets available, if any, after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock.

Holders of our common stock have no redemption or conversion rights, no sinking fund provisions and no preemptive right to subscribe for or purchase additional shares of any class of our capital stock.

The outstanding shares of our common stock are fully paid and nonassessable, and any shares of common stock and any shares of common stock issuable upon the exercise of common stock warrants or conversion or exchange of debt securities or preferred stock which are convertible into or exchangeable for our common stock, or in connection with the obligations of a holder of stock purchase contracts to purchase our common stock, when issued in accordance with their terms will be fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

**Anti-Takeover Effects of Provisions of the Certificate of Incorporation, Bylaws and Other Agreements**

The rights of our shareholders and related matters are governed by the CBCA, the certificate of incorporation and the bylaws. Provisions of the CBCA, the certificate of incorporation and the bylaws, which are summarized below, may discourage or make more difficult a takeover attempt that shareholders might consider in their best interest. These provisions may also adversely affect prevailing market prices for our common stock.

**Board of Directors**

The certificate of incorporation provides that the board of directors shall consist of not less than nine nor more than eighteen directors, the exact number to be fixed by the board of directors from time to time. At each annual meeting of the shareholders, each nominee for director shall stand for election to a one-year term expiring at the next annual meeting of shareholders. Despite the expiration of a director's term, such director shall continue to serve until either the director's successor shall have been duly elected and qualified or there is a decrease in the number of directors. In no case will a decrease in the number of directors shorten the term of any incumbent director. Any vacancy on the board of directors may be filled by the board of directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise. The certificate of incorporation also provides that directors may be removed from office, but only for cause by the affirmative vote of at least a majority of the votes entitled to be cast thereon.

**Shareholder Action by Written Consent; Special Meetings**

Under the certificate of incorporation, any actions required or permitted by the CBCA to be taken by our shareholders may be taken without a meeting, and without prior notice, if consents in writing setting forth such action are signed by the holders of outstanding shares having not less than the minimum number of votes that would be required to authorize or take the action at a meeting; provided that the record date for determining the shareholders entitled to consent to such action in writing must be fixed in accordance with the certificate of incorporation. In addition, shareholders will not be entitled to act by written consent if, in the good faith determination of our board of directors, (1) the request for a record date does not comply with the certificate of incorporation, (2) the action relates to an item of business that is not a proper subject for shareholder action under the CBCA, (3) the request for a record date for such action is not timely submitted to us in accordance with the certificate of incorporation, (4) an identical or substantially similar item of business, other than the election of directors, was (i) presented at a meeting of our shareholders not more than 12 months before the request for a record date for such action was received by us, (ii) presented at a meeting of our shareholders held within 90 days before we received the request for a record date or (iii) included in our notice of meeting as an item of business to brought before an annual or special meeting of our shareholders that has been called but not yet held or that is called to be held within 90 days after we received the request for a record date for such action, provided that, for purposes of this clause (4), the nomination, election or removal of directors shall be deemed to be an identical or substantially similar item of business with respect to all actions involving the nomination, election or removal of directors, changing the size of the board of directors and filling of vacancies and/or newly created directorships resulting from any increase in the authorized number of directors, or (5) the request for a record date for such action was made in a manner that involved a violation of Regulation 14A under the Exchange Act or other applicable law. Otherwise, shareholders will only be able to take action at an annual or special meeting called in accordance with the bylaws.

The bylaws provide that special meetings of shareholders may only be called by:

- a majority of our board of directors;
- the chair of the board;
- the chief executive officer;
- the secretary; or
- the chair of the board, the chief executive officer or the secretary upon the written request of the holders of shares having at least twenty-five percent (25%) of the voting power of all shares of our common stock entitled to vote on any issue proposed to be considered at such meeting.

**Advance Notice Requirements for Director Nominations and Other Proposals**

Our bylaws establish advance notice procedures with regard to shareholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee of the board of directors.

**Director Nominations.** The bylaws contain advance notice procedures with regard to shareholder proposals related to the nomination of candidates for election as directors. These procedures provide that, for a nomination of a candidate for election as a director to be brought properly before an annual meeting of shareholders, notice of such nomination must be received at our executive offices at least 90 days, but no more than 120 days, before the first anniversary of the immediately preceding annual meeting of shareholders; provided, however, that in the event the annual meeting is not within 30 days before or after such anniversary date, notice by the shareholder must be received not earlier than the one hundred twentieth (120th) day prior to the date of such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to the date of such annual meeting or on the tenth (10th) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first. To be proper in form, a shareholder’s notice of a nomination must contain certain information and the shareholder must otherwise comply with the requirements set forth in the bylaws, including compliance with the requirements of Rule 14a-19 under the Exchange Act.

**Other Proposals.** The bylaws also contain notice procedures for other shareholder proposals to be brought before an annual meeting. For a shareholder proposal to be brought properly before an annual meeting of shareholders, notice of such proposal must be received at our executive offices at least 90 days, but no more than 120 days, before the first anniversary of the immediately preceding annual meeting of shareholders; provided, however, that in the event the annual meeting is not within 30 days before or after such anniversary date, notice by the shareholder must be received not earlier than the one hundred twentieth (120th) day prior to the date of such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to the date of such annual meeting or on the tenth (10th) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first. To be proper in form, a shareholder’s notice of the proposal must contain certain information and otherwise comply with the requirements set forth in the bylaws.

If the chair of the annual meeting determines that a shareholder proposal or nomination was not properly before such annual meeting in accordance with the procedures set forth in the bylaws, including due to a failure to comply with the requirements of Rule 14a-19 under the Exchange Act, the chair will declare that such business may not be transacted or that such nomination is void and shall be disregarded.

**Antitakeover Legislation**

We are subject to the provisions of Section 33-844 of the CBCA which prohibits a Connecticut corporation from engaging in a “business combination” with an “interested shareholder” for a period of five years after the date of the transaction in which the person became an interested shareholder, unless the business combination or the purchase of stock by which such person becomes an interested shareholder is approved by our board of directors, and by a majority of our non-employee directors, prior to the date on which the person becomes an interested shareholder. A "business combination" generally includes mergers, asset sales, some types of stock issuances and other transactions with, or resulting in a disproportionate financial benefit to, the interested shareholder. Subject to exceptions, an "interested shareholder" is a person who owns 10% or more of our voting power, or is an affiliate or associate of Stanley Black & Decker, Inc. and owned 10% or more of our voting power within the past five years.

Under our certificate of incorporation, the affirmative vote by the holders of not less than a majority of the outstanding shares of our voting stock is required for the approval or authorization of any business combination involving an interested shareholder. This voting requirement does not apply if:

- 2/3 of our disinterested directors who constitute "Continuing Directors" under our certificate of incorporation expressly approve the proposed business combination; or
- The following conditions are satisfied:
  - The cash and fair market value of other consideration received on a per share basis by each shareholder is no less than the highest per share price (or the equivalent value) paid by the interested shareholder in acquiring our capital stock;
  - A proxy statement is mailed to all shareholders of the corporation for the purpose of soliciting shareholder approval of the business combination; and
  - After the interested shareholder became an interested shareholder, (a) and prior to the consummation of the business combination, (i) there was no failure to declare and timely pay any full periodic dividends on any outstanding preferred stock; (ii) there was no reduction in the annual rate of dividends paid on the outstanding common stock, except as necessary to reflect any subdivision thereof; and an increase in such annual rate of dividends as necessary to reflect any reclassification, including any reverse stock split, recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of common stock; and (iii) the interested shareholder has not become the beneficial owner of any additional shares of our stock except as part of the transaction which resulted in such interested shareholder becoming an interested shareholder or by virtue of proportionate stock splits or stock dividends; and (b) the interested shareholder has not received the benefit, except proportionately as a shareholder, of any loans, advances, guarantee, pledges or other financial assistance or any tax credits or other tax advantages provided by Stanley Black & Decker, Inc. or any of its subsidiaries, whether in anticipation of or in connection with such business combination or otherwise.

This majority vote is required even if no vote or a lesser percentage is required by any applicable laws. Additionally, the affirmative vote of the holders of not less than a majority of our outstanding shares of capital stock is required to modify this section of our certificate of incorporation.

Notwithstanding the foregoing provision in our certificate of incorporation applicable to business combinations, we are also subject to Section 33-841 and Section 33-842 of the CBCA. These provisions generally require business combinations with an interested shareholder to be approved by the board of directors and then by the affirmative vote of at least:

- the holders of 80% of the voting power of the outstanding shares of our voting stock; and
- the holders of 2/3 of the voting power of the outstanding shares of our voting stock, excluding the voting stock held by the interested shareholder;

unless the consideration to be received by the shareholders meets certain price and other requirements set forth in Section 33-842 of the CBCA or unless the board of directors of the corporation has by resolution determined to exempt business combinations with that interested shareholder prior to the time that such shareholder became an interested shareholder.

We are also subject to Section 33-756(g) of the CBCA, generally permitting directors acting with respect to mergers, sales of assets and other specified transactions to consider, in determining what they reasonably believe to be in the best interests of the corporation, specified interests, including those of the corporation's employees, customers, creditors and suppliers and any community in which any office or other facility of the corporation is located. Section 33-756(g) of the CBCA also allows a director to consider, in the discretion of such director, any other factors the director reasonably considers appropriate in determining what the director reasonably believes to be in the best interest of the corporation.

**Limitation of Liability of Directors**

The certificate of incorporation contains provisions permitted under the CBCA relating to the personal liability of directors. The provisions limit the personal liability to us or our shareholders of a director for monetary damages for breach of duty as a director to an amount that is not more than the compensation received by that director for serving us during the year of the violation to the extent permitted by applicable law, which permits such limitation provided that such violation must not involve a knowing and culpable violation of law, enable the director or an affiliate to receive an improper personal gain, show a lack of good faith and a conscious disregard for the director's duty to the corporation, amount to an abdication of the director's duty to the corporation, or create liability for an unlawful distribution. Our bylaws provide for the indemnification and reimbursement of, and advances of expenses to, any person that is made a party to an action by reason of the fact that he or she:

- is or was our director, officer, employee or agent, or
- served at our request as a director, officer, employee or agent of another corporation.

Our bylaws provide for indemnification of directors and officers to the fullest extent permitted by Connecticut law.

**Listing**

Our common stock is listed on the New York Stock Exchange under the symbol "SWK."

**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Computershare Investor Services, LLC.

StanleyBlack&Decker

***2022 Omnibus Award Plan***

# Restricted Stock Unit Award

*Subject to the terms and conditions set forth in this certificate,*

***Christopher J. Nelson** has been awarded **58,918** Restricted Stock Units as follows:*

*Grant Date: **June 29, 2023***

*Vests: as set forth in your Equity Plan account for this Award*

## Stanley Black & Decker, Inc.

*As a member of the Stanley Black & Decker team, your skills and contributions are vital to our Company's and its Shareholders' continued success. This award of restricted stock units provides you with the opportunity to earn significant financial rewards for your efforts and contributions to making Stanley Black & Decker the most successful company it can be.*

*On behalf of the Board of Directors, Congratulations.*

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

# RESTRICTED STOCK UNIT AWARD TERMS

**1. Grant of Restricted Stock Units.** This certifies that Stanley Black & Decker, Inc. (the "Company") has on the Award Date specified in this Award Certificate granted to the Participant named above an award (the "Award") of that number of Restricted Stock Units set forth in this Award Certificate, subject to certain restrictions and on the terms and conditions contained in this Award Certificate and the 2022 Omnibus Award Plan, as amended from time to time (the "Plan"). A copy of the Plan is available upon request. In the event of any conflict between the terms of the Plan and this Award Certificate, the terms of the Plan shall govern. For purposes of this Award Certificate, if the Participant is not employed by the Company, "Employer" means the Affiliate that employs the Participant.

**2. Dividend Equivalents**. Amounts equal to the dividends and distributions paid on shares of the Company's common stock, $2.50 par value per share (the "Common Stock"), shall be accrued for the benefit of the Participant to the same extent as if each Restricted Stock Unit then held by Participant was a share of Common Stock and shall vest and be distributed to the Participant in cash as the Restricted Stock Units vest.

**3. Vesting.** Subject to the terms and conditions of this Award Certificate and the Plan, the Restricted Stock Units shall vest in the amounts and on the dates specified in the Participant's Merrill Lynch (or subsequent record keeper's) account for this Award, provided the Participant remains continuously employed by the Company or an Affiliate until the applicable vesting date.

**4. Settlement of Restricted Stock Units.** Upon vesting of Participant's Restricted Stock Units, the Restricted Stock Units shall be cancelled and in exchange therefor the Company shall cause a number of shares of Common Stock equal to the number of the Restricted Stock Units then cancelled to be issued to the Participant in book-entry form. Any shares of Common Stock issued with respect to the Restricted Stock Units shall be fully registered and freely transferable. Notwithstanding the foregoing, the Committee may, in its sole discretion, settle each vested Restricted Stock Unit in the form of: (a) cash, to the extent settlement in shares of Common Stock (a) becomes prohibited under applicable laws, (b) would require the Participant, the Company or the Employer to obtain the approval of any governmental and/or regulatory body in the Participant's country of residence (and country of employment, if different), or (c) is administratively burdensome or (b) shares of Common Stock, but the Company may require the Participant to immediately sell such shares of Common Stock if necessary to comply with applicable laws (in which case, the Participant hereby expressly authorizes the Company to issue sales instructions in relation to such shares of Common Stock on the Participant's behalf).

**5. Forfeiture Upon Termination of Employment.** If, prior to vesting of the Restricted Stock Units pursuant to Section 3, the Participant ceases to be continuously employed by either the Company or an Affiliate for any reason other than as set forth in Section 6, then the Participant's rights to all of the unvested Restricted Stock Units shall be immediately and irrevocably forfeited and no shares of Common Stock shall be issued in respect thereof. Approved leaves of absence or employment transfers between the Company or an Affiliate (or vice versa) shall not be deemed terminations or interruptions of employment for vesting of the Restricted Stock Units.

**6. Vesting Upon Termination of Employment**. If, prior to vesting of the Restricted Stock Units pursuant to Section 3, the Participant ceases to be continuously employed by either the Company or an Affiliate as a result of the (i) involuntary termination of the Participant's employment without Cause (as defined in the Participant's offer letter), (ii) voluntary termination of the Participant's employment by the Participant within 30 days immediately following the Board's announcement that any person other than the Participant has been selected to succeed Donald Allan, Jr. as the Chief Executive Officer of the Company or (iii) Participant's death or as a result of the Participant's Disability, then the Restricted Stock Units shall become immediately vested in full upon the Participant's date of termination. "Disability" has the meaning provided in Section 22(e)(3) of the Code, or any successor provision.

**7. Restriction on Transfer.** Restricted Stock Units shall not be assignable, alienable, saleable, or transferable. The Award shall be transferable only by will or the laws of descent and distribution. If the Participant purports to make any transfer of the Award, except as aforesaid, the Award and all rights thereunder shall terminate immediately. Notwithstanding the foregoing, the Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to receive shares of Common Stock with respect to the Restricted Stock Units upon the death of the Participant.

**8. Income Tax Matters.**

(a) Regardless of any action the Company or the Employer takes with respect to any or all income tax (including U.S. federal, state and local taxes or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the Award, the vesting of the Award, the subsequent sale of any shares of Common Stock acquired pursuant to the Award and (ii) do not commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items.

(b) Prior to the delivery of shares of Common Stock upon the vesting of the Award, if the Participant's country of residence (and country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a sufficient number of whole shares of Common Stock otherwise issuable upon the vesting of the Award that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock. Depending on the withholding method specified in the Plan, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum applicable rates. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. In the event that the withholding of shares of Common Stock becomes prohibited under applicable law or otherwise may trigger adverse consequences to the Company or the Employer, the Company and the Employer may withhold the Tax-Related Items required to be withheld with respect to the shares of Common Stock in cash from the Participant's regular salary and/or wages or any other amounts payable to the Participant, or may require the Participant to personally make payment of the Tax-Related Items required to be withheld. In the event the withholding requirements are not satisfied through the withholding of shares of Common Stock by the Company or through the withholding of cash from the Participant's regular salary and/or wages or other amounts payable to the Participant, no shares of Common Stock will be issued to the Participant (or the Participant's estate) upon vesting or settlement of the Award unless and until satisfactory arrangements (as determined by the Committee) have been made by the Participant with respect to the payment of any Tax-Related Items that the Company or the Employer determines, in its sole discretion, must be withheld or collected with respect to such Award. If the obligation for the Participant's Tax-Related Items is satisfied by withholding a number of shares of Common Stock as described herein, the Participant shall be deemed to have been issued the full number of shares of Common Stock issuable upon vesting, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items due as a result of the vesting or any other aspect of the Award.

(c) The Participant will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of the Participant's participation in the Plan or the Participant's acquisition of shares of Common Stock that cannot be satisfied by the means described herein. The Company may refuse to deliver any shares of Common Stock due upon settlement of the Award if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items as described herein. If the Participant is subject to taxation in more than one country, the Participant acknowledges that the Company, the Employer or one or more of their respective Affiliates may be required to withhold or account for Tax-Related Items in more than one country. The Participant hereby consents to any action reasonably taken by the Company and the Employer to meet the Participant's obligation for Tax-Related Items. By accepting this Award, the Participant expressly consents to the withholding of shares of Common Stock and/or withholding from the Participant's regular salary and/or wages or other amounts payable to the Participant as provided for hereunder. All other Tax-Related Items related to the Award and any shares of Common Stock delivered in payment thereof shall be the Participant's sole responsibility.

**9. Legal and Tax Compliance; Cooperation.** If the Participant is a resident and/or employed outside of the United States, the Participant agrees, as a condition of the grant of the Award, to repatriate all payments attributable to the shares of Common Stock acquired under the Plan (including, but not limited to, any proceeds derived from the sale of the shares of Common Stock acquired pursuant to the Award) if required by and in accordance with local foreign exchange rules and regulations in the Participant's country of residence (and/or country of employment, if different). In addition, the Participant also agrees to take any and all actions, and consents to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and regulations in the Participant's country of residence (and/or country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and/or country of employment, if different).

**10. Data Privacy.** The Company is located at 1000 Stanley Drive, New Britain Connecticut 06053 U.S.A. and grants Awards to acquire shares of Common Stock under the Plan to employees of the Company and its Affiliates, at its sole discretion. In accepting the Award granted under the Plan, the Participant should carefully review the following information about the Company's data processing practices.

(a) ***Data Collection, Processing and Usage***. The Company collects, processes and uses personal data of employees, including name, home address, email address and telephone number, date of birth, social insurance, passport or other identification number, salary, citizenship, job title, any shares of Common Stock or directorships held in the Company, and details of all Awards to acquire shares of Common Stock canceled, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or, if different, the Employer ("Personal Information"). If the Company grants the Participant an Award under the Plan, then the Company will collect the Participant's Personal Information for purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. The Company's legal basis for collecting, processing and using the Participant's Personal Information will be the Company's necessity to execute its contractual obligations under this Award Certificate and to comply with its legal obligations.

(b) ***Stock Plan Administration Service Providers***. The Company transfers the Participant's Personal Information as necessary and appropriate to Bank of America Merrill Lynch and its affiliates ("BAML"), an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Participant's data with another company that serves in a similar manner. BAML will open an account for the Participant to receive and trade shares of Common Stock the Participant acquires under the Plan. The Participant will be asked to agree to separate terms and data processing practices with BAML, which is a condition of the Participant's ability to participate in the Plan.

(c) ***International Data Transfers.*** The Participant's Personal Information may be transferred to or otherwise processed in the United States or other jurisdictions besides the Participant's own. The Participant should note that the Participant's country of residence (and country of employment, if different) may have enacted data privacy laws that are different from those of the recipient country. Such transfers will be made pursuant to Company policies and data protection measures as detailed in the Company's Employee Privacy Policy, available by contacting Participant's local HR manager or Global Privacy Office.

(d) ***Data Retention.*** The Company will use the Participant's Personal Information as long as is necessary to implement, administer and manage the Participant's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Company no longer needs the Participant's Personal Information, the Company will remove it from its systems.

(e) ***Voluntariness***. The Participant's participation in the Plan is purely voluntary. If the Participant elects not to participate in the Plan, the Participant's decision would not affect the Participant's salary as an employee of the Employer or the Participant's career; the Participant would merely forfeit the opportunities associated with the Plan.

(f) ***Individual Rights.*** The Participant may have a number of rights under data privacy laws in the Participant's country of residence (and country of employment, if different). Depending on where the Participant is based, the Participant's rights may include the right to (i) request access or copies of Personal Information the Company processes pursuant to this Award Certificate, (ii) request to rectify incorrect Personal Information, (iii) request to delete Personal Information, (iv) request to restrict Personal Information processing, and/or (v) lodge complaints with competent authorities in the Participant's country of residence (and country of employment, if different). To receive clarification regarding the Participant's rights or to exercise the Participant's rights, the Participant should contact the Participant's local HR department. A response to the Participant's request will be provided consistent with applicable law.

(g) ***SBD Employee Privacy Notice*.** All collection and use of the Participant's Personal Information under this Notice is made pursuant to the Company's Employee Privacy Notice (the "Privacy Notice"), which the Participant has previously received. Please see the Privacy Notice for additional information on the Company's policies regarding data retention, data security and other important information.

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| By accepting the Award as granted under the Plan, the Participant explicitly declares that the Participant has been informed about the collection, processing and use of the Participant's Personal Information by the Company and the transfer of the Participant's Personal Information to the recipients mentioned above, including recipients located in countries that have different data protection rules than in the Participant's country of residence. |

**11. Insider Trading/Market Abuse Laws.** By participating in the Plan, the Participant agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Participant). The Participant further acknowledges that, depending on the Participant's or the Participant's broker's country of residence or where the shares of Common Stock are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (e.g., Award) or rights linked to the value of shares of Common Stock, during such times the Participant is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Participant's country of residence (or country of employment, if different). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties or causing them otherwise to buy or sell securities. The Participant understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company's insider trading policy. The Participant acknowledges that it is the Participant's personal responsibility to comply with any applicable restrictions, and that the Participant should consult with the Participant's personal advisor on this matter.

**12. Private Placement**. If the Participant is a resident and/or employed outside of the United States, the Participant acknowledges that the grant of the Award is not intended to be a public offering of securities in the Participant's country of residence (country of employment, if different). The Participant further acknowledges that the Company has not submitted any registration statement, prospectus or other filing with any securities authority other than the U.S. Securities and Exchange Commission with respect to the grant of the Award, unless otherwise required under local law. **No employee of the Company is permitted to advise the Participant on whether the Participant should acquire shares of Common Stock under the Plan or provide the Participant with any legal, tax or financial advice with respect to the grant of the Award. The acquisition of shares of Common Stock involves certain risks, and the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition of shares of Common Stock under the Plan and the disposition of them. Further, the Participant should carefully review all of the materials related to the Award and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisors for professional advice in relation to the Participant's personal circumstances.**

**13. Other.** The Company shall not be required to issue any certificate or certificates for shares of Common Stock upon settlement of the Restricted Stock Units (i) if the Common Stock is not listed on any national securities exchange, (ii) prior to the completion of any registration or other qualification of such shares of Common Stock under any state or federal law or rulings or regulations of any governmental regulatory body, and (iii) prior to the Company obtaining any consent or approval or other clearance from any governmental agency which the Company shall, in its sole discretion, determine to be necessary or advisable. Shares of Common Stock to be issued in respect of Restricted Stock Units will be issued only in compliance with the Securities Act of 1933, as amended (the "Act"), and any other applicable securities laws, and the Participant shall comply with any requirements imposed by the Committee under such laws. If the Participant qualifies as an "affiliate" (as that term is defined in Rule 144 ("Rule 144") promulgated under the Act), upon demand by the Company, the Participant (or any person acting on the Participant's behalf) shall deliver to the Treasurer at the time of settlement of the Restricted Stock Units a written representation that the Participant will acquire shares of Common Stock pursuant to the Plan for the Participant's own account, that the Participant is not taking the shares of Common Stock with a view to distribution and that the Participant will dispose of the shares of Common Stock only in compliance with Rule 144.

**14. No Right to Continued Employment.** This Award does not confer on the Participant any right with respect to the continuation of employment with the Company or any Affiliate, nor will it interfere in any way with the right of the Company or any Affiliate to terminate the Participant's employment at any time.

**15. Governing Law; Venue.** The Plan, this Award Certificate and all determinations made and actions taken pursuant to the Plan or Award Certificate shall be governed by the laws of the State of Connecticut, without giving effect to the conflict of laws principles thereof. Any disputes regarding this Award, the Award Certificate or the Plan shall be brought only in the United States in the state or federal courts of the State of Connecticut.

**16. Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Award or other awards granted to the Participant under the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

**17. Binding Effect.** The grant of this Award shall be binding and effective only if this Award Certificate is executed by or delivered on behalf of the Company.

**18. Capitalized Terms.** All capitalized terms used in this Award Certificate which are not defined in this Award Certificate shall have the meanings given them in the Plan unless the context clearly requires otherwise.

**19. English Language.** If the Participant is resident and/or employed outside of the United States, the Participant acknowledges and agrees that it is the Participant's express intent that this Award Certificate, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Participant has received this Award Certificate, the Plan or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different from the English version, the meaning of the English version shall control.

**20. Clawback/Recoupment Policy.** Notwithstanding any other provision of this Award Certificate to the contrary, the Participant acknowledges and agrees that all shares of Common Stock acquired pursuant to the Plan shall be and remain subject to any incentive compensation clawback or recoupment policy of the Company currently in effect or as may be adopted by the Company and, in each case, as may be amended from time to time. No such policy adoption or amendment shall require the Participant's prior consent. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Committee to hold the Participant's shares of Common Stock, and other amounts acquired under the Plan to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company.

**21. Addendum.** Notwithstanding any provisions of this Award Certificate to the contrary, the Award shall be subject to any special terms and conditions for the Participant's country of residence (and country of employment, if different), as are set forth in an applicable Addendum to this Award Certificate. Further, if the Participant transfers residence and/or employment to another country reflected in an Addendum to this Award Certificate, the special terms and conditions for such country will apply to the Participant to the extent the Company determines, in its discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules, and regulations or to facilitate the operation and administration of the Award and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). Any applicable Addendum shall constitute part of this Award Certificate.

**22. Additional Requirements; Amendments**. The Company reserves the right to impose other requirements on the Award, any shares of Common Stock acquired pursuant to the Award and the Participant's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing. In addition, the Company reserves the right to amend the terms and conditions reflected in this Award Certificate, without the Participant's consent, either prospectively or retroactively, to the extent that such amendment does not materially affect the Participant's rights under the Award except as otherwise permitted under the Plan or this Award Certificate.

**23. Nature of the Grant.** In accepting the Award, the Participant hereby acknowledges that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be terminated, suspended or amended by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Award is voluntary and does not create any contractual or other right to receive future Awards or benefits in lieu of an Award, even if Awards have been granted in the past;

(c) all decisions with respect to future Awards or other grants, if any, will be at the sole discretion of the Company;

(d) the grant of the Awards and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Affiliate shall not interfere with the ability of the Company, the Employer or any other Affiliate to terminate the Participant's employment relationship (if any);

(e) the Participant is voluntarily participating in the Plan;

(f) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which are outside the scope of the Participant's employment and the Participant's employment contract, if any;

(h) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, holiday top-up, pension or retirement or welfare benefits or similar mandatory payments;

(i) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty and the value of such shares of Common Stock acquired under the Plan may increase or decrease in the future;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of the Participant's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any);

(k) on the date of termination of the Participant's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), the Participant's right to participate in the Plan, if any, will terminate (for purposes of the foregoing, the Committee shall have exclusive discretion to determine the effective date the Participant is no longer an employee);

(l) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the shares of Common Stock acquired or sold under the Plan;

(m) in consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or shares of Common Stock acquired upon vesting of the Award resulting from termination of employment by the Company or the Employer, as applicable (for any reason whatsoever and whether or not in breach of applicable labor laws) and the Participant hereby irrevocably releases the Company, the Employer and any Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by acceptance of the Award, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim; and

(n) in the event of termination of the Participant's employment with the Company (whether or not in breach of local labor laws), the Participant's right to receive the Award and vest in the Award under the Plan, if any, will terminate effective as of the date of termination of the Participant's active employment as determined in the discretion of the Committee unless otherwise provided in this Award Certificate or the Plan; furthermore, in the event of termination of the Participant's employment (regardless of any contractual or local law requirements), the Participant's right to vest in the Award after such termination, if any, will be measured by the date of termination of the Participant's active employment; the Committee will have the discretion to determine the date of termination of the Participant's active employment for purposes of the Award.

**24. Acceptance.** By electronically accepting the grant of this Award, the Participant affirmatively and expressly acknowledges that the Participant has read this Award Certificate, the Addendum to the Award Certificate (as applicable) and the Plan, and specifically accepts and agrees to the provisions therein. The Participant also affirmatively and expressly acknowledges that the Company, in its sole discretion, may amend the terms and conditions reflected in this Award Certificate without the Participant's consent, either prospectively or retroactively, to the extent that such amendment does not materially impair the Participant's rights under the Award, and the Participant agrees to be bound by such amendment regardless of whether notice is given to the Participant of such change.

**25. Section 409A.** For the avoidance of doubt, if the Participant is subject to U.S. income taxation and is a “specified employee” (within the meaning of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) at the time of the Participant's separation from service, and the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled settlement date, but will instead pay it, without interest, on the first business day of the seventh month after the Participant’s separation from service or, if earlier, on the Participant’s death.

**26. Miscellaneous.** All decisions or interpretations of the Committee with respect to any question arising under the Plan or this Award shall be binding, conclusive and final. The waiver by the Company of any provision of this Award shall not operate as or be construed to be a subsequent waiver of the same provision or of any other provision of the Award. The Participant agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes of this Award.

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***2022 Omnibus Award Plan***

# Stock Option Grant Certificate

*Subject to the terms and conditions set forth in this certificate,*

***/$ParticipantName$/*** *has been awarded an Option to purchase* ***/$AwardsGranted$/*** *Shares as follows:*

*Grant Date:* ***/$GrantDate$/***

*Expiration Date:* ***/$ExpirationDate$/***

*Purchase Price Per Share:* ***/$GrantPrice$/***

*Vests: as set forth in your Equity Plan account for this Option grant*

## Stanley Black & Decker, Inc.

*As a member of the Stanley Black & Decker team, your skills and contributions are vital to our Company's and its Shareholders continued success. This award of stock options provides you with the opportunity to earn significant financial rewards for your efforts and contributions to making Stanley Black & Decker the most successful company it can be.*

*On behalf of the Board of Directors, Congratulations.*

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

# NON-QUALIFIED STOCK OPTION TERMS

This certifies that Stanley Black & Decker, Inc. (the "Company") has on the Grant Date granted to the Grantee named in this Award Certificate the option (the "Option") to purchase, on or before the Expiration Date at the Purchase Price per share of the common stock of Stanley Black & Decker, Inc., par value $2.50 per share (the "Common Stock") all as set forth in this Award Certificate. The Option is granted subject to the following terms and conditions and the terms and conditions of the Company's 2022 Omnibus Award Plan, as amended from time to time (the "Plan"). A copy of the Plan is available upon request. In the event of any conflict between the terms of the Plan and this Award Certificate, the terms of the Plan shall govern. For purposes of this Award Certificate, if the Grantee is not employed by the Company, "Employer" means the Affiliate that employs the Grantee.

**1. Vesting and Exercisability.** The Option will become vested and exercisable on the date (or dates) and in the amounts specified in the Grantee's Merrill Lynch (or subsequent recordkeeper's) account for this Option grant, provided the Grantee continues in employment with the Company or an Affiliate until the applicable vesting date. In addition, 100% of the Option will become vested in the event of the Grantee's termination of employment due to Retirement, Disability or death. Once vested, the vested portion of the Option may be exercised, from time to time, from the applicable vesting date until the earlier of (i) the Expiration Date set forth in this Award Certificate or (ii) the applicable date described below in paragraph 6 regarding termination of employment. Shares of Common Stock may be purchased hereunder only to the extent that this Option has become vested. If, prior to the vesting date for any portion of the Option, the Grantee's employment with the Company and its Affiliates terminates for any reason other than Retirement, Disability or death, the unvested portion of the Option will be forfeited.

**2. Process of Exercise.** The vested portion of the Option may be exercised, in whole or in part, by written notification to the Company's Treasurer at the Company's executive offices in New Britain, Connecticut, or by any other procedure established by the Company from time to time. Such notification shall (i) specify the number of shares of Common Stock with respect to which the Option is being exercised, and (ii) be accompanied by payment for such shares of Common Stock. Such notification shall be effective upon its receipt by the Treasurer or any other party designated by the Treasurer on or before the Expiration Date. The Option may not be exercised with respect to a fractional share or with respect to the lesser of 100 shares or the balance of the shares then covered by the Option. In the event the Expiration Date falls on a day which is not a regular business day at the Company's executive offices in New Britain, Connecticut, then such written notification must be received at such office on or before the last regular business day prior to the Expiration Date. Payment is to be made by check payable to the order of Stanley Black & Decker, Inc. or by one of the alternative methods of payment described in the Plan and acceptable to the Company's Compensation and Talent Development Committee (the "Committee"). No shares of Common Stock shall be issued on exercise of the Option until full payment for such shares of Common Stock has been made and all checks delivered in payment therefor have been collected. The Grantee shall not have any rights of a shareholder upon exercise of the Option, including but not limited to, the right to vote or to receive dividends, until stock certificates have been issued to the Grantee or Grantee's ownership has been otherwise recorded.

**3. Tax Withholding.**

(a) Regardless of any action the Company or the Employer takes with respect to any or all income tax (including U.S. federal, state and local taxes or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Grantee acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by the Grantee is and remains the Grantee's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant of the Option, the exercise of the Option, the subsequent sale of any shares of Common Stock acquired pursuant to the Option and (ii) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Grantee's liability for Tax-Related Items.

(b) Prior to the delivery of shares of Common Stock upon the exercise of the Option, if the Grantee's country of residence (and country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a sufficient number of whole shares of Common Stock otherwise issuable upon the exercise of the Option that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock. Depending on the withholding method specified in the Plan, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum applicable rates. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. In the event that the withholding of shares of Common Stock becomes prohibited under applicable law or otherwise may trigger adverse consequences to the Company or the Employer, the Company and the Employer may withhold the Tax-Related Items required to be withheld with respect to the shares of Common Stock in cash from the Grantee's regular salary and/or wages or any other amounts payable to the Grantee, or may require the Grantee to personally make payment of the Tax-Related Items required to be withheld. In the event the withholding requirements are not satisfied through the withholding of shares of Common Stock by the Company or through the withholding of cash from the Grantee's regular salary and/or wages or other amounts payable to the Grantee, no shares of Common Stock will be issued to the Grantee (or the Grantee's estate) upon exercise of the Option unless and until satisfactory arrangements (as determined by the Committee) have been made by the Grantee with respect to the payment of any Tax-Related Items that the Company or the Employer determines, in its sole discretion, must be withheld or collected with respect to such Option. If the obligation for the Grantee's Tax-Related Items is satisfied by withholding a number of shares of Common Stock as described herein, the Grantee shall be deemed to have been issued the full number of shares of Common Stock issuable upon exercise, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items due as a result of the exercise or any other aspect of the Option.

(c) The Grantee will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of the Grantee's participation in the Plan or the Grantee's acquisition of shares of Common Stock that cannot be satisfied by the means described herein. The Company may refuse to deliver any shares of Common Stock due upon exercise of the Option if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items as described herein. If the Grantee is subject to taxation in more than one country, the Grantee acknowledges that the Company, the Employer or one or more of their respective Affiliates may be required to withhold or account for Tax-Related Items in more than one country. The Grantee hereby consents to any action reasonably taken by the Company and the Employer to meet the Grantee's obligation for Tax-Related Items. By accepting this Option, the Grantee expressly consents to the withholding of shares of Common Stock and/or withholding from the Grantee's regular salary and/or wages or other amounts payable to the Grantee as provided for hereunder. All other Tax-Related Items related to the Option and any shares of Common Stock delivered in payment thereof shall be the Grantee's sole responsibility.

**4. Transferability.** Except as otherwise provided in the Plan, the Option is not transferable by the Grantee otherwise than (i) by will or by the laws of descent and distribution, (ii) pursuant to a qualified domestic relations order, as defined in the Internal Revenue Code of 1986, as amended (the "Code"), or (iii) following the Grantee's Retirement, in whole or in part and without payment of consideration, to (a) the Grantee's spouse, children and grandchildren (an "Immediate Family Member") or Immediate Family Members, (b) a trust or trusts for the exclusive benefit of Immediate Family Member(s), or (c) a partnership or partnerships in which Immediate Family Member(s) are the only Partner(s). More particularly (but without limiting the generality of the foregoing), the Option may not be assigned, transferred (except as provided above), pledged or hypothecated in any way, shall not be assignable by operation of law and shall not be subject to execution, attachment or similar process. The Company reserves the right to charge administrative fees in respect of such transfers.

**5. No Right to Continued Employment.** The Option does not confer upon the Grantee any right with respect to continuation of employment with the Company or any Affiliate, nor will not interfere in any way with the right of the Company or any Affiliate to terminate the Grantee's employment at any time.

**6**. **Termination of Employment**. Notwithstanding any other provisions:

If the Grantee's employment with the Company and its Affiliates terminates for any reason other than Retirement, Disability or death, the Grantee may exercise the portion of the Option that has become vested as of the Grantee's termination date until the earlier of (i) the Expiration Date set forth in this

Award Certificate or (ii) the last day of the two (2) month period following such termination date. If the Grantee’s employment terminates due to Retirement, Disability or death, the Option will become immediately vested in full and the Grantee (or, following the Grantee’s death, the person designated in the Grantee’s last will and testament or if no person is designated, the Grantee’s estate) may exercise the Option until the Expiration Date set forth in this Award Certificate.

Leaves of absence for such periods and purposes conforming to the personnel policy of the Company as may be approved by the Committee shall not be deemed terminations or interruptions of employment.

In the event the Option is exercised by the executors, administrators, legatees or distributees of the estate of the Grantee, the Company shall be under no obligation to issue shares unless the Company is satisfied that the person or persons exercising the Option are the duly appointed legal representatives of the Grantee’s estate or the proper legatees or distributees thereof.

**7. Legal and Tax Compliance; Cooperation.** If the Grantee is a resident and/or employed outside of the United States, the Grantee agrees, as a condition of the grant of the Option, to repatriate all payments attributable to the shares of Common Stock acquired under the Plan (including, but not limited to, any proceeds derived from the sale of the shares of Common Stock acquired pursuant to the Option) if required by and in accordance with local foreign exchange rules and regulations in the Grantee's country of residence (and/or country of employment, if different). In addition, the Grantee also agrees to take any and all actions, and consents to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and regulations in the Grantee's country of residence (and/or country of employment, if different). Finally, the Grantee agrees to take any and all actions as may be required to comply with the Grantee's personal legal and tax obligations under local laws, rules and regulations in the Grantee's country of residence (and/or country of employment, if different).

**8. Data Privacy.** The Company is located at 1000 Stanley Drive, New Britain Connecticut 06053 U.S.A. and grants Options to acquire shares of Common Stock under the Plan to employees of the Company and its Affiliates, at its sole discretion. In accepting the Option granted under the Plan, the Grantee should carefully review the following information about the Company’s data processing practices.

(a) ***Data Collection, Processing and Usage***. The Company collects, processes and uses personal data of employees, including name, home address, email address and telephone number, date of birth, social insurance, passport or other identification number, salary, citizenship, job title, any shares of Common Stock or directorships held in the Company, and details of all Options to acquire shares of Common Stock canceled, vested, or outstanding in the Grantee's favor, which the Company receives from the Grantee or, if different, the Employer (“Personal Information”). If the Company grants the Grantee an Option under the Plan, then the Company will collect the Grantee's Personal Information for purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. The Company’s legal basis for collecting, processing and using the Grantee's Personal Information will be the Company's necessity to execute its contractual obligations under this Award Certificate and to comply with its legal obligations.

(b) ***Stock Plan Administration Service Providers***. The Company transfers the Grantee's Personal Information as necessary and appropriate to Bank of America Merrill Lynch and its affiliates (“BAML”), an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Grantee's data with another company that serves in a similar manner. BAML will open an account for the Grantee to receive and trade shares of Common Stock the Grantee acquires under the Plan. The Grantee will be asked to agree to separate terms and data processing practices with BAML, which is a condition of the Grantee's ability to participate in the Plan.

(c) ***International Data Transfers.*** The Grantee's Personal Information may be transferred to or otherwise processed in the United States or other jurisdictions besides the Grantee's own. The Grantee' should note that the Grantee's country of residence (and country of employment, if different) may have enacted data privacy laws that are different from those of the recipient country. Such transfers will be made pursuant to Company policies and data protection measures as detailed in the Company’s Employee Privacy Policy, available by contacting Grantee’s local HR manager or Global Privacy Office.

(d) ***Data Retention.*** The Company will use the Grantee's Personal Information as long as is necessary to implement, administer and manage the Grantee's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Company no longer needs the Grantee's Personal Information, the Company will remove it from its systems.

(e) ***Voluntariness***. The Grantee's participation in the Plan is purely voluntary. If the Grantee elects not to participate in the Plan, the Grantee's decision would not affect the Grantee's salary as an employee of the Employer or the Grantee's career; the Grantee would merely forfeit the opportunities associated with the Plan.

(f) ***Individual Rights.*** The Grantee may have a number of rights under data privacy laws in the Grantee's country of residence (and country of employment, if different). Depending on where the Grantee is based, the Grantee's rights may include the right to (i) request access or copies of Personal Information the Company processes pursuant to this Award Certificate, (ii) request to rectify incorrect Personal Information, (iii) request to delete Personal Information, (iv) request to restrict Personal Information processing, and/or (v) lodge complaints with competent authorities in the Grantee's country of residence (and country of employment, if different). To receive clarification regarding the Grantee's rights or to exercise the Grantee's rights, the Grantee should contact the Grantee's local HR department. A response to the Grantee's request will be provided consistent with applicable law.

(g) ***SBD Employee Privacy Notice***. All collection and use of the Grantee's Personal Information under this Notice is made pursuant to the Company’s Employee Privacy Notice (the “Privacy Notice”), which the Grantee has previously received. Please see the Privacy Notice for additional information on the Company’s policies regarding data retention, data security and other important information.

By accepting the Option as granted under the Plan, the Grantee explicitly declares that the Grantee has been informed about the collection, processing and use of the Grantee's Personal Information by the Company and the transfer of the Grantee's Personal Information to the recipients mentioned above, including recipients located in countries that have different data protection rules than in the Grantee's country of residence.

**9. Insider Trading/Market Abuse Laws.** By participating in the Plan, the Grantee agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Grantee). The Grantee further acknowledges that, depending on the Grantee's or the Grantee's broker’s country of residence or where the shares of Common Stock are listed, the Grantee may be subject to insider trading restrictions and/or market abuse laws which may affect the Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to purchase shares of Common Stock (e.g., Option) or rights linked to the value of shares of Common Stock, during such times the Grantee is considered to have “inside information” regarding the Company as defined by the laws or regulations in the Grantee's country of residence (or country of employment, if different). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Grantee places before the Grantee possessed inside information. Furthermore, the Grantee could be prohibited from (a) disclosing the inside information to any third party (other than on a “need to know” basis) and (b) “tipping” third parties or causing them otherwise to buy or sell securities. The Grantee understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company's insider trading policy.

The Grantee acknowledges that it is the Grantee's personal responsibility to comply with any applicable restrictions, and that the Grantee should consult with the Grantee's personal advisor on this matter.

**10. Private Placement**. If the Grantee is a resident and/or employed outside of the United States, the Grantee acknowledges that the grant of the Option is not intended to be a public offering of securities in the Grantee's country of residence (country of employment, if different). The Grantee further acknowledges that the Company has not submitted any registration statement, prospectus or other filing with any securities authority other than the U.S. Securities and Exchange Commission with respect to the grant of the Option, unless otherwise required under local law. **No employee of the Company is permitted to advise the Grantee on whether the Grantee should acquire shares of Common Stock under the Plan or provide the Grantee with any legal, tax or financial advice with respect to the grant of the Option. The acquisition of shares of Common Stock involves certain risks, and the Grantee should carefully consider all risk factors and tax considerations relevant to the acquisition of shares of Common Stock under the Plan and the disposition of them. Further, the Grantee should carefully review all of the materials related to the Option and the Plan, and the Grantee should consult with the Grantee's personal legal, tax and financial advisors for professional advice in relation to the Grantee's personal circumstances.**

**11. Adjustments.** In the event of a merger, consolidation, reorganization, recapitalization, stock dividend, stock split or other changes in corporate structure or capitalization affecting the Common Stock, the number of shares of Common Stock remaining to be exercised under the Option and the Purchase Price shall be appropriately adjusted by the Committee in accordance with the terms and provisions of the Plan. If, as a result of any adjustment under this paragraph, the Grantee becomes entitled to a fractional share of Common Stock, the Grantee shall have the right to purchase only the adjusted number of full shares of Common Stock and no payment or other adjustment will be made with respect to the fractional share of Common Stock so disregarded.

**12. Governing Law; Venue.** The Plan, this Award Certificate and all determinations made and actions taken pursuant to the Plan or Award Certificate shall be governed by the laws of the State of Connecticut, without giving effect to the conflict of laws principles thereof. Any disputes regarding this Option, the Award Certificate or the Plan shall be brought only in the United States in the state or federal courts of the State of Connecticut.

**13. Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Option or other Options granted to the Grantee under the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

**14. Binding Effect.** The grant of this Option shall be binding and effective only if this Award Certificate is executed by or on behalf of the Company.

**15. Capitalized Terms.** The term “Retirement” means the Grantee's termination of employment with the Company and each of its Affiliates after (a) attaining the age of 55 and completing 10 years of service, or (b) attaining the age of 65 and completing one or more years of service. The term “Disability” has the meaning provided in Section 22(e)(3) of the Code, or any successor provision. All other capitalized terms used in this Award Certificate which are not defined herein or on the front of this Award Certificate shall have the meanings given them in the Plan unless the context clearly requires otherwise.

**16. Miscellaneous.** All decisions or interpretations of the Committee with respect to any question arising under the Plan or under the Option shall be binding, conclusive and final. The waiver by the Company of any provision of the Option shall not operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision of the Option. The Option shall be irrevocable during the Option period. Grantee agrees to execute such other agreements, documents, or assignments as may be necessary or desirable to effect the purposes of the Option.

**17. Clawback/Recoupment Policy.** Notwithstanding any other provision of this Award Certificate to the contrary, the Grantee acknowledges and agrees that all shares of Common Stock acquired pursuant to the Plan shall be and remain subject to any incentive compensation clawback or recoupment policy of the Company currently in effect or as may be adopted by the Company and, in each case, as may be amended from time to time. No such policy adoption or amendment shall require the Grantee's prior consent. For purposes of the foregoing, the Grantee expressly and explicitly authorizes the Company to issue instructions, on the Grantee's behalf, to any brokerage firm and/or third party administrator engaged by the Committee to hold the Grantee's shares of Common Stock, and other amounts acquired under the Plan to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company.

**18. Addendum.** Notwithstanding any provisions of this Award Certificate to the contrary, the Option shall be subject to any special terms and conditions for the Grantee's country of residence (and country of employment, if different), as are set forth in an applicable Addendum to this Award Certificate. Further, if the Grantee transfers residence and/or employment to another country reflected in an Addendum to this Award Certificate, the special terms and conditions for such country will apply to the Grantee to the extent the Company determines, in its discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules, and regulations or to facilitate the operation and administration of the Option and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Grantee's transfer). Any applicable Addendum shall constitute part of this Award Certificate.

**19. Additional Requirements; Amendments**. The Company reserves the right to impose other requirements on the Option, any shares of Common Stock acquired pursuant to the Option and the Grantee's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Option and the Plan. Such requirements may include (but are not limited to) requiring the Grantee to sign any agreements or undertakings that may be necessary to accomplish the foregoing. In addition, the Company reserves the right to amend the terms and conditions reflected in this Award Certificate, without the Grantee's consent, either prospectively or retroactively, to the extent that such amendment does not materially affect the Grantee's rights under the Option except as otherwise permitted under the Plan or this Award Certificate.

**20. Nature of the Grant.** In accepting the Option, the Grantee hereby acknowledges that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be terminated, suspended or amended by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Option is voluntary and does not create any contractual or other right to receive future Options or benefits in lieu of an Option, even if Options have been granted in the past;

(c) all decisions with respect to future Options or other grants, if any, will be at the sole discretion of the Company;

(d) the grant of the Options and the Grantee's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Affiliate shall not interfere with the ability of the Company, the Employer or any other Affiliate to terminate the Grantee's employment relationship (if any);

(e) the Grantee is voluntarily participating in the Plan;

(f) the Option and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Option and any shares of Common Stock acquired under the Plan, and the income from and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which are outside the scope of the Grantee's employment and the Grantee's employment contract, if any;

(h) the Option and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, holiday top-up, pension or retirement or welfare benefits or similar mandatory payments;

(i) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty and the value of such shares of Common Stock acquired under the Plan may increase or decrease in the future;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of the Grantee's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any);

(k) on the date of termination of the Grantee's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any), the Grantee's right to participate in the Plan, if any, will terminate (for purposes of the foregoing, the Committee shall have exclusive discretion to determine the effective date the Grantee is no longer an employee);

(l) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the shares of Common Stock acquired or sold under the Plan;

(m) in consideration of the grant of the Option, no claim or entitlement to compensation or damages shall arise from termination of the Option or diminution in value of the Option or shares of Common Stock acquired upon vesting of the Option resulting from termination of employment by the Company or the Employer, as applicable (for any reason whatsoever and whether or not in breach of applicable labor laws) and the Grantee hereby irrevocably releases the Company, the Employer and any Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by acceptance of the Option, the Grantee shall be deemed irrevocably to have waived the Grantee's entitlement to pursue such claim; and

(n) in the event of termination of the Grantee's employment with the Company (whether or not in breach of local labor laws), the Grantee's right to receive the Option and vest in the Option under the Plan, if any, will terminate effective as of the date of termination of the Grantee's active employment as determined in the discretion of the Committee unless otherwise provided in this Award Certificate or the Plan; furthermore, in the event of termination of the Grantee's employment (regardless of any contractual or local law requirements), the Grantee's right to vest in the Option after such termination, if any, will be measured by the date of termination of the Grantee's active employment; the Committee will have the discretion to determine the date of termination of the Grantee's active employment for purposes of the Option.

**21. Acceptance.** By electronically accepting the grant of this Option, the Grantee affirmatively and expressly acknowledges that the Grantee has read this Award Certificate, the Addendum to the Award Certificate (as applicable) and the Plan, and specifically accepts and agrees to the provisions therein. The Grantee also affirmatively and expressly acknowledges that the Company, in its sole discretion, may amend the terms and conditions reflected in this Award Certificate without the Grantee's consent, either prospectively or retroactively, to the extent that such amendment does not materially impair the Grantee's rights under the Option, and the Grantee agrees to be bound by such amendment regardless of whether notice is given to the Grantee of such change.

**22. Miscellaneous.** All decisions or interpretations of the Committee with respect to any question arising under the Plan or this Option shall be binding, conclusive and final. The waiver by the Company of any provision of this Option shall not operate as or be construed to be a subsequent waiver of the same provision or of any other provision of the Option. The Grantee agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes of this Option.

**23. English Language.** If the Grantee is resident and/or employed outside of the United States, the Grantee acknowledges and agrees that it is the Grantee's express intent that this Award Certificate, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Option, be drawn up in English. If the Grantee has received this Award Certificate, the Plan or any other documents related to the Option translated into a language other than English, and if the meaning of the translated version is different from the English version, the meaning of the English version shall control.

**24. Section 409A.** For the avoidance of doubt, if the Grantee is subject to U.S. income taxation and is a “specified employee” (within the meaning of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) at the time of the Grantee's separation from service, and the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled settlement date, but will instead pay it, without interest, on the first business day of the seventh month after the Grantee’s separation from service or, if earlier, on the Grantee’s death.

**25. Other.** The Company shall not be required to issue any certificate or certificates for shares of Common Stock upon settlement of the Options (i) if the Common Stock is not listed on any national securities exchange, (ii) prior to the completion of any registration or other qualification of such shares of Common Stock under any state or federal law or rulings or regulations of any governmental regulatory body, and (iii) prior to the Company obtaining any consent or approval or other clearance from any governmental agency which the Company shall, in its sole discretion, determine to be necessary or advisable. Shares of Common Stock to be issued in respect of Options will be issued only in compliance with the Securities Act of 1933, as amended (the "Act"), and any other applicable securities laws, and the Grantee shall comply with any requirements imposed by the Committee under such laws. If the Grantee qualifies as an "affiliate" (as that term is defined in Rule 144 ("Rule 144") promulgated under the Act), upon demand by the Company, the Grantee (or any person acting on the Grantee's behalf) shall deliver to the Treasurer at the time of settlement of the Options a written representation that the Grantee will acquire shares of Common Stock pursuant to the Plan for the Grantee's own account, that the Grantee is not taking the shares with a view to distribution and that the Grantee will dispose of the shares of Common Stock only in compliance with Rule 144.

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StanleyBlack&Decker

***2022 Omnibus Award Plan***

# Restricted Stock Unit Award

*Subject to the terms and conditions set forth in this certificate,*

***/$ParticipantName$/*** *has been awarded* ***/$AwardsGranted$/*** *Restricted Stock Units as follows:*

*Grant Date:* ***/$GrantDate$/***
*Vests: as set forth in your Equity Plan account for this Award*

Stanley Black & Decker, Inc.

*As a member of the Stanley Black & Decker team, your skills and contributions are vital to our Company's and its Shareholders' continued success. This award of restricted stock units provides you with the opportunity to earn significant financial rewards for your efforts and contributions to making Stanley Black & Decker the most successful company it can be.*

*On behalf of the Board of Directors, Congratulations.*

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

# RESTRICTED STOCK UNIT AWARD TERMS

**1. __Grant of Restricted Stock Units__.** This certifies that Stanley Black & Decker, Inc. (the "Company") has on the Award Date specified in this Award Certificate granted to the Participant named above an award (the "Award") of that number of Restricted Stock Units indicated in this Award Certificate, subject to certain restrictions and on the terms and conditions contained in this Award Certificate and the 2022 Omnibus Award Plan, as amended from time to time (the "Plan"). A copy of the Plan is available upon request. In the event of any conflict between the terms of the Plan and this Award Certificate, the terms of the Plan shall govern. For purposes of this Award Certificate, if the Participant is not employed by the Company, "Employer" means the Affiliate that employs the Participant.

**2. __Dividend Equivalents__**. Amounts equal to the dividends and distributions paid on shares of the Company's common stock, $2.50 par value per share (the "Common Stock"), shall be accrued for the benefit of the Participant to the same extent as if each Restricted Stock Unit then held by Participant was a share of Common Stock and shall vest and be distributed to the Participant in cash as, and to the extent that, the underlying Restricted Stock Unit(s) vest.

**3. __Vesting__.** Subject to the terms and conditions of this Award Certificate and the Plan, the Restricted Stock Units shall vest in the amounts and on the dates specified in the Participant's Merrill Lynch (or subsequent record keeper's) account for this Award, provided the Participant remains continuously employed by the Company or an Affiliate until the applicable vesting date.

**4. __Settlement of Restricted Stock Units__.** The Restricted Stock Units will be settled as soon as reasonably practicable (but in no event later than 30 days) following the earliest to occur of (i) the applicable originally-scheduled vesting date, (ii) the Participant's termination of employment due to Retirement, (iii) the Participant's termination of employment due to Disability (as defined below), and (iv) the Participant's death, in each case, at which time the applicable Restricted Stock Units shall be cancelled and in exchange therefor the Company shall cause a number of shares of Common Stock equal to the number of the Restricted Stock Units then cancelled to be issued to the Participant in book-entry form. Any shares of Common Stock issued with respect to the Restricted Stock Units shall be fully registered and freely transferable. Notwithstanding the foregoing, the Committee may, in its sole discretion, settle each vested Restricted Stock Unit in the form of: (a) cash, to the extent settlement in shares of Common Stock (a) becomes prohibited under applicable laws, (b) would require the Participant, the Company or the Employer to obtain the approval of any governmental and/or regulatory body in the Participant's country of residence (and country of employment, if different), or (c) is administratively burdensome or (b) shares of Common Stock, but the Company may require the Participant to immediately sell such shares of Common Stock if necessary to comply with applicable laws (in which case, the Participant hereby expressly authorizes the Company to issue sales instructions in relation to such shares of Common Stock on the Participant's behalf).

**5. __Forfeiture Upon Termination of Employment__.** If, prior to vesting of the Restricted Stock Units pursuant to Section 3, the Participant ceases to be continuously employed by either the Company or an Affiliate for any reason other than Retirement (as defined below), Disability (as defined below) or death, then the Participant's rights to all of the unvested Restricted Stock Units shall be immediately and irrevocably forfeited and no shares of Common Stock shall be issued in respect thereof. Approved leaves of absence or employment transfers between the Company or an Affiliate (or vice versa) shall not be deemed terminations or interruptions of employment for vesting of the Restricted Stock Units.

**6. __Death and Disability__**. Upon the Participant's death or if the Participant's employment is terminated as a result of the Participant's Disability, the Restricted Stock Units shall become immediately vested in full. "Disability" has the meaning provided in Section 22(e)(3) of the Code, or any successor provision.

**7. __Retirement__.** Upon the Participant's termination of employment with the Company and each of its Affiliates following the Participant's Retirement, the Restricted Stock Units shall become immediately vested in full. For purposes of the foregoing, "Retirement" means the Participant's termination of employment with the Company and each of its Affiliates after (i) attaining the age of 55 and completing 10 years of service, or (ii) attaining the age of 65 and completing one or more years of service.

**8. __Restriction on Transfer__.** Restricted Stock Units shall not be assignable, alienable, saleable, or transferable. The Award shall be transferable only by will or the laws of descent and distribution. If the Participant purports to make any transfer of the Award, except as aforesaid, the Award and all rights thereunder shall terminate immediately. Notwithstanding the foregoing, the Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to receive shares of Common Stock with respect to the Restricted Stock Units upon the death of the Participant.

**9. __Income Tax Matters__.**

(a) Regardless of any action the Company or the Employer takes with respect to any or all income tax (including U.S. federal, state and local taxes or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the Award, the vesting of the Award, the subsequent sale of any shares of Common Stock acquired pursuant to the Award and (ii) do not commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items.

(b) Prior to the delivery of shares of Common Stock upon the vesting of the Award, if the Participant's country of residence (and country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a sufficient number of whole shares of Common Stock otherwise issuable upon the vesting of the Award that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock. Depending on the withholding method specified in the Plan, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum applicable rates. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. In the event that the withholding of shares of Common Stock becomes prohibited under applicable law or otherwise may trigger adverse consequences to the Company or the Employer, the Company and the Employer may withhold the Tax-Related Items required to be withheld with respect to the shares of Common Stock in cash from the Participant's regular salary and/or wages or any other amounts payable to the Participant, or may require the Participant to personally make payment of the Tax-Related Items required to be withheld. In the event the withholding requirements are not satisfied through the withholding of shares of Common Stock by the Company or through the withholding of cash from the Participant's regular salary and/or wages or other amounts payable to the Participant, no shares of Common Stock will be issued to the Participant (or the Participant's estate) upon vesting or settlement of the Award unless and until satisfactory arrangements (as determined by the Committee) have been made by the Participant with respect to the payment of any Tax-Related Items that the Company or the Employer determines, in its sole discretion, must be withheld or collected with respect to such Award. If the obligation for the Participant's Tax-Related Items is satisfied by withholding a number of shares of Common Stock as described herein, the Participant shall be deemed to have been issued the full number of shares of Common Stock issuable upon vesting, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items due as a result of the vesting or any other aspect of the Award.

(c) The Participant will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of the Participant's participation in the Plan or the Participant's acquisition of shares of Common Stock that cannot be satisfied by the means described herein. The Company may refuse to deliver any shares of Common Stock due upon settlement of the Award if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items as described herein. If the Participant is subject to taxation in more than one country, the Participant acknowledges that the Company, the Employer or one or more of their respective Affiliates may be required to withhold or account for Tax-Related Items in more than one country. The Participant hereby consents to any action reasonably taken by the Company and the Employer to meet the Participant's obligation for Tax-Related Items. By accepting this Award, the Participant expressly consents to the withholding of shares of Common Stock and/or withholding from the Participant's regular salary and/or wages or other amounts payable to the Participant as provided for hereunder. All other Tax-Related Items related to the Award and any shares of Common Stock delivered in payment thereof shall be the Participant's sole responsibility.

**10. __Legal and Tax Compliance; Cooperation__.** If the Participant is a resident and/or employed outside of the United States, the Participant agrees, as a condition of the grant of the Award, to repatriate all payments attributable to the shares of Common Stock acquired under the Plan (including, but not limited to, any proceeds derived from the sale of the shares of Common Stock acquired pursuant to the Award) if required by and in accordance with local foreign exchange rules and regulations in the Participant's country of residence (and/or country of employment, if different). In addition, the Participant also agrees to take any and all actions, and consents to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and regulations in the Participant's country of residence (and/or country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and/or country of employment, if different).

**11. Data Privacy.** The Company is located at 1000 Stanley Drive, New Britain Connecticut 06053 U.S.A. and grants Awards to acquire shares of Common Stock under the Plan to employees of the Company and its Affiliates, at its sole discretion. In accepting the Award granted under the Plan, the Participant should carefully review the following information about the Company's data processing practices.

(a) ***Data Collection, Processing and Usage***. The Company collects, processes and uses personal data of employees, including name, home address, email address and telephone number, date of birth, social insurance, passport or other identification number, salary, citizenship, job title, any shares of Common Stock or directorships held in the Company, and details of all Awards to acquire shares of Common Stock canceled, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or, if different, the Employer ("Personal Information"). If the Company grants the Participant an Award under the Plan, then the Company will collect the Participant's Personal Information for purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. The Company's legal basis for collecting, processing and using the Participant's Personal Information will be the Company's necessity to execute its contractual obligations under this Award Certificate and to comply with its legal obligations.

(b) ***Stock Plan Administration Service Providers***. The Company transfers the Participant's Personal Information as necessary and appropriate to Bank of America Merrill Lynch and its affiliates ("BAML"), an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Participant's data with another company that serves in a similar manner. BAML will open an account for the Participant to receive and trade shares of Common Stock the Participant acquires under the Plan. The Participant will be asked to agree to separate terms and data processing practices with BAML, which is a condition of the Participant's ability to participate in the Plan.

(c) ***International Data Transfers.*** The Participant's Personal Information may be transferred to or otherwise processed in the United States or other jurisdictions besides the Participant's own. The Participant should note that the Participant's country of residence (and country of employment, if different) may have enacted data privacy laws that are different from those of the recipient country. Such transfers will be made pursuant to Company policies and data protection measures as detailed in the Company's Employee Privacy Policy, available by contacting Participant's local HR manager or Global Privacy Office.

(d) ***Data Retention.*** The Company will use the Participant's Personal Information as long as is necessary to implement, administer and manage the Participant's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Company no longer needs the Participant's Personal Information, the Company will remove it from its systems.

(e) ***Voluntariness***. The Participant's participation in the Plan is purely voluntary. If the Participant elects not to participate in the Plan, the Participant's decision would not affect the Participant's salary as an employee of the Employer or the Participant's career; the Participant would merely forfeit the opportunities associated with the Plan.

(f) ***Individual Rights.*** The Participant may have a number of rights under data privacy laws in the Participant's country of residence (and country of employment, if different). Depending on where the Participant is based, the Participant's rights may include the right to (i) request access or copies of Personal Information the Company processes pursuant to this Award Certificate, (ii) request to rectify incorrect Personal Information, (iii) request to delete Personal Information, (iv) request to restrict Personal Information processing, and/or (v) lodge complaints with competent authorities in the Participant's country of residence (and country of employment, if different). To receive clarification regarding the Participant's rights or to exercise the Participant's rights, the Participant should contact the Participant's local HR department. A response to the Participant's request will be provided consistent with applicable law.

(g) ***SBD Employee Privacy Notice*.** All collection and use of the Participant's Personal Information under this Notice is made pursuant to the Company's Employee Privacy Notice (the "Privacy Notice"), which the Participant has previously received. Please see the Privacy Notice for additional information on the Company's policies regarding data retention, data security and other important information.

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| By accepting the Award as granted under the Plan, the Participant explicitly declares that the Participant has been informed about the collection, processing and use of the Participant's Personal Information by the Company and the transfer of the Participant's Personal Information to the recipients mentioned above, including recipients located in countries that have different data protection rules than in the Participant's country of residence. |

**12. Insider Trading/Market Abuse Laws.** By participating in the Plan, the Participant agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Participant). The Participant further acknowledges that, depending on the Participant's or the Participant's broker's country of residence or where the shares of Common Stock are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (e.g., Award) or rights linked to the value of shares of Common Stock, during such times the Participant is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Participant's country of residence (or country of employment, if different). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties or causing them otherwise to buy or sell securities. The Participant understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company's insider trading policy. The Participant acknowledges that it is the Participant's personal responsibility to comply with any applicable restrictions, and that the Participant should consult with the Participant's personal advisor on this matter.

**13. Private Placement**. If the Participant is a resident and/or employed outside of the United States, the Participant acknowledges that the grant of the Award is not intended to be a public offering of securities in the Participant's country of residence (country of employment, if different). The Participant further acknowledges that the Company has not submitted any registration statement, prospectus or other filing with any securities authority other than the U.S. Securities and Exchange Commission with respect to the grant of the Award, unless otherwise required under local law. **No employee of the Company is permitted to advise the Participant on whether the Participant should acquire shares of Common Stock under the Plan or provide the Participant with any legal, tax or financial advice with respect to the grant of the Award. The acquisition of shares of Common Stock involves certain risks, and the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition of shares of Common Stock under the Plan and the disposition of them. Further, the Participant should carefully review all of the materials related to the Award and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisors for professional advice in relation to the Participant's personal circumstances.**

**14. Other.** The Company shall not be required to issue any certificate or certificates for shares of Common Stock upon settlement of the Restricted Stock Units (i) if the Common Stock is not listed on any national securities exchange, (ii) prior to the completion of any registration or other qualification of such shares of Common Stock under any state or federal law or rulings or regulations of any governmental regulatory body, and (iii) prior to the Company obtaining any consent or approval or other clearance from any governmental agency which the Company shall, in its sole discretion, determine to be necessary or advisable. Shares of Common Stock to be issued in respect of Restricted Stock Units will be issued only in compliance with the Securities Act of 1933, as amended (the "Act"), and any other applicable securities laws, and the Participant shall comply with any requirements imposed by the Committee under such laws. If the Participant qualifies as an "affiliate" (as that term is defined in Rule 144 ("Rule 144") promulgated under the Act), upon demand by the Company, the Participant (or any person acting on the Participant's behalf) shall deliver to the Treasurer at the time of settlement of the Restricted Stock Units a written representation that the Participant will acquire shares of Common Stock pursuant to the Plan for the Participant's own account, that the Participant is not taking the shares of Common Stock with a view to distribution and that the Participant will dispose of the shares of Common Stock only in compliance with Rule 144.

**15. No Right to Continued Employment.** This Award does not confer on the Participant any right with respect to the continuation of employment with the Company or any Affiliate, nor will it interfere in any way with the right of the Company or any Affiliate to terminate the Participant's employment at any time.

**16. Governing Law; Venue.** The Plan, this Award Certificate and all determinations made and actions taken pursuant to the Plan or Award Certificate shall be governed by the laws of the State of Connecticut, without giving effect to the conflict of laws principles thereof. Any disputes regarding this Award, the Award Certificate or the Plan shall be brought only in the United States in the state or federal courts of the State of Connecticut.

**17. Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Award or other awards granted to the Participant under the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

**18. Binding Effect.** The grant of this Award shall be binding and effective only if this Award Certificate is executed by or delivered on behalf of the Company.

**19. Capitalized Terms.** All capitalized terms used in this Award Certificate which are not defined in this Award Certificate shall have the meanings given them in the Plan unless the context clearly requires otherwise.

**20. English Language.** If the Participant is resident and/or employed outside of the United States, the Participant acknowledges and agrees that it is the Participant's express intent that this Award Certificate, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Participant has received this Award Certificate, the Plan or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different from the English version, the meaning of the English version shall control.

**21. Clawback/Recoupment Policy.** Notwithstanding any other provision of this Award Certificate to the contrary, the Participant acknowledges and agrees that all shares of Common Stock acquired pursuant to the Plan shall be and remain subject to any incentive compensation clawback or recoupment policy of the Company currently in effect or as may be adopted by the Company and, in each case, as may be amended from time to time. No such policy adoption or amendment shall require the Participant's prior consent. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Committee to hold the Participant's shares of Common Stock, and other amounts acquired under the Plan to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company.

**22. Addendum.** Notwithstanding any provisions of this Award Certificate to the contrary, the Award shall be subject to any special terms and conditions for the Participant's country of residence (and country of employment, if different), as are set forth in an applicable Addendum to this Award Certificate. Further, if the Participant transfers residence and/or employment to another country reflected in an Addendum to this Award Certificate, the special terms and conditions for such country will apply to the Participant to the extent the Company determines, in its discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules, and regulations or to facilitate the operation and administration of the Award and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). Any applicable Addendum shall constitute part of this Award Certificate.

**23. Additional Requirements; Amendments**. The Company reserves the right to impose other requirements on the Award, any shares of Common Stock acquired pursuant to the Award and the Participant's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing. In addition, the Company reserves the right to amend the terms and conditions reflected in this Award Certificate, without the Participant's consent, either prospectively or retroactively, to the extent that such amendment does not materially affect the Participant's rights under the Award except as otherwise permitted under the Plan or this Award Certificate.

**24. Nature of the Grant.** In accepting the Award, the Participant hereby acknowledges that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be terminated, suspended or amended by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Award is voluntary and does not create any contractual or other right to receive future Awards or benefits in lieu of an Award, even if Awards have been granted in the past;

(c) all decisions with respect to future Awards or other grants, if any, will be at the sole discretion of the Company;

(d) the grant of the Awards and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Affiliate shall not interfere with the ability of the Company, the Employer or any other Affiliate to terminate the Participant's employment relationship (if any);

(e) the Participant is voluntarily participating in the Plan;

(f) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which are outside the scope of the Participant's employment and the Participant's employment contract, if any;

(h) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, holiday top-up, pension or retirement or welfare benefits or similar mandatory payments;

(i) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty and the value of such shares of Common Stock acquired under the Plan may increase or decrease in the future;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of the Participant's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any);

(k) on the date of termination of the Participant's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), the Participant's right to participate in the Plan, if any, will terminate (for purposes of the foregoing, the Committee shall have exclusive discretion to determine the effective date the Participant is no longer an employee);

(l) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the shares of Common Stock acquired or sold under the Plan;

(m) in consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or shares of Common Stock acquired upon vesting of the Award resulting from termination of employment by the Company or the Employer, as applicable (for any reason whatsoever and whether or not in breach of applicable labor laws) and the Participant hereby irrevocably releases the Company, the Employer and any Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by acceptance of the Award, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim; and

(n) in the event of termination of the Participant's employment with the Company (whether or not in breach of local labor laws), the Participant's right to receive the Award and vest in the Award under the Plan, if any, will terminate effective as of the date of termination of the Participant's active employment as determined in the discretion of the Committee unless otherwise provided in this Award Certificate or the Plan; furthermore, in the event of termination of the Participant's employment (regardless of any contractual or local law requirements), the Participant's right to vest in the Award after such termination, if any, will be measured by the date of termination of the Participant's active employment; the Committee will have the discretion to determine the date of termination of the Participant's active employment for purposes of the Award.

**25. Section 409A.** For the avoidance of doubt, if the Participant is subject to U.S. income taxation and is a “specified employee” (within the meaning of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) at the time of the Participant's separation from service, and the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled settlement date, but will instead pay it, without interest, on the first business day of the seventh month after the Participant’s separation from service or, if earlier, on the Participant’s death.

**26. Acceptance.** By electronically accepting the grant of this Award, the Participant affirmatively and expressly acknowledges that the Participant has read this Award Certificate, the Addendum to the Award Certificate (as applicable) and the Plan, and specifically accepts and agrees to the provisions therein. The Participant also affirmatively and expressly acknowledges that the Company, in its sole discretion, may amend the terms and conditions reflected in this Award Certificate without the Participant's consent, either prospectively or retroactively, to the extent that such amendment does not materially impair the Participant's rights under the Award, and the Participant agrees to be bound by such amendment regardless of whether notice is given to the Participant of such change.

**27. Miscellaneous.** All decisions or interpretations of the Committee with respect to any question arising under the Plan or this Award shall be binding, conclusive and final. The waiver by the Company of any provision of this Award shall not operate as or be construed to be a subsequent waiver of the same provision or of any other provision of the Award. The Participant agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes of this Award.

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***2022 Omnibus Award Plan***

# Restricted Stock Unit Award

*Subject to the terms and conditions set forth in this certificate,*

***/$ParticipantName$/** has been awarded **/$AwardsGranted$/** Restricted Stock Units as follows:*

*Grant Date: **/$GrantDate$/***
*Vests: as set forth in your Equity Plan account for this Award*

## Stanley Black & Decker, Inc.

*As a member of the Stanley Black & Decker team, your skills and contributions are vital to our Company's and its Shareholders' continued success. This award of restricted stock units provides you with the opportunity to earn significant financial rewards for your efforts and contributions to making Stanley Black & Decker the most successful company it can be.*

*On behalf of the Board of Directors, Congratulations.*

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

# RESTRICTED STOCK UNIT AWARD TERMS

**1. <u>Grant of Restricted Stock Units</u>.** This certifies that Stanley Black & Decker, Inc. (the “Company”) has on the Award Date specified in this Award Certificate granted to the Participant named above an award (the “Award”) of that number of Restricted Stock Units set forth in this Award Certificate, subject to certain restrictions and on the terms and conditions contained in this Award Certificate and the 2022 Omnibus Award Plan, as amended from time to time (the “Plan”). A copy of the Plan is available upon request. In the event of any conflict between the terms of the Plan and this Award Certificate, the terms of the Plan shall govern. For purposes of this Award Certificate, if the Participant is not employed by the Company, “Employer” means the Affiliate that employs the Participant.

**2. <u>Dividend Equivalents</u>**. Amounts equal to the dividends and distributions paid on shares of the Company's common stock, $2.50 par value per share (the “Common Stock”), shall be accrued for the benefit of the Participant to the same extent as if each Restricted Stock Unit then held by Participant was a share of Common Stock and shall vest and be distributed to the Participant in cash as the Restricted Stock Units vest.

**3. <u>Vesting</u>.** Subject to the terms and conditions of this Award Certificate and the Plan, the Restricted Stock Units shall vest in the amounts and on the dates specified in the Participant’s Merrill Lynch (or subsequent record keeper’s) account for this Award, provided the Participant remains continuously employed by the Company or an Affiliate until the applicable vesting date.

**4. <u>Settlement of Restricted Stock Units</u>.** Upon vesting of Participant's Restricted Stock Units, the Restricted Stock Units shall be cancelled and in exchange therefor the Company shall cause a number of shares of Common Stock equal to the number of the Restricted Stock Units then cancelled to be issued to the Participant in book-entry form. Any shares of Common Stock issued with respect to the Restricted Stock Units shall be fully registered and freely transferable. Notwithstanding the foregoing, the Committee may, in its sole discretion, settle each vested Restricted Stock Unit in the form of: (a) cash, to the extent settlement in shares of Common Stock (a) becomes prohibited under applicable laws, (b) would require the Participant, the Company or the Employer to obtain the approval of any governmental and/or regulatory body in the Participant's country of residence (and country of employment, if different), or (c) is administratively burdensome or (b) shares of Common Stock, but the Company may require the Participant to immediately sell such shares of Common Stock if necessary to comply with applicable laws (in which case, the Participant hereby expressly authorizes the Company to issue sales instructions in relation to such shares of Common Stock on the Participant's behalf).

**5. <u>Forfeiture Upon Termination of Employment</u>.** If, prior to vesting of the Restricted Stock Units pursuant to Section 3, the Participant ceases to be continuously employed by either the Company or an Affiliate for any reason other than Disability (as defined below) or death, then the Participant’s rights to all of the unvested Restricted Stock Units shall be immediately and irrevocably forfeited and no shares of Common Stock shall be issued in respect thereof. Approved leaves of absence or employment transfers between the Company or an Affiliate (or vice versa) shall not be deemed terminations or interruptions of employment for vesting of the Restricted Stock Units.

**6. <u>Death and Disability</u>**. Upon the Participant's death or if the Participant's employment is terminated as a result of the Participant's Disability, the Restricted Stock Units shall become immediately vested in full. "Disability" has the meaning provided in Section 22(e)(3) of the Code, or any successor provision.

**7. <u>Restriction on Transfer</u>.** Restricted Stock Units shall not be assignable, alienable, saleable, or transferable. The Award shall be transferable only by will or the laws of descent and distribution. If the Participant purports to make any transfer of the Award, except as aforesaid, the Award and all rights thereunder shall terminate immediately. Notwithstanding the foregoing, the Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to receive shares of Common Stock with respect to the Restricted Stock Units upon the death of the Participant.

**8. <u>Income Tax Matters</u>.**

(a) Regardless of any action the Company or the Employer takes with respect to any or all income tax (including U.S. federal, state and local taxes or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the Award, the vesting of the Award, the subsequent sale of any shares of Common Stock acquired pursuant to the Award and (ii) do not commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items.

(b) Prior to the delivery of shares of Common Stock upon the vesting of the Award, if the Participant's country of residence (and country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a sufficient number of whole shares of Common Stock otherwise issuable upon the vesting of the Award that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock. Depending on the withholding method specified in the Plan, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum applicable rates. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. In the event that the withholding of shares of Common Stock becomes prohibited under applicable law or otherwise may trigger adverse consequences to the Company or the Employer, the Company and the Employer may withhold the Tax-Related Items required to be withheld with respect to the shares of Common Stock in cash from the Participant's regular salary and/or wages or any other amounts payable to the Participant, or may require the Participant to personally make payment of the Tax-Related Items required to be withheld. In the event the withholding requirements are not satisfied through the withholding of shares of Common Stock by the Company or through the withholding of cash from the Participant's regular salary and/or wages or other amounts payable to the Participant, no shares of Common Stock will be issued to the Participant (or the Participant's estate) upon vesting or settlement of the Award unless and until satisfactory arrangements (as determined by the Committee) have been made by the Participant with respect to the payment of any Tax-Related Items that the Company or the Employer determines, in its sole discretion, must be withheld or collected with respect to such Award. If the obligation for the Participant's Tax-Related Items is satisfied by withholding a number of shares of Common Stock as described herein, the Participant shall be deemed to have been issued the full number of shares of Common Stock issuable upon vesting, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items due as a result of the vesting or any other aspect of the Award.

(c) The Participant will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of the Participant's participation in the Plan or the Participant's acquisition of shares of Common Stock that cannot be satisfied by the means described herein. The Company may refuse to deliver any shares of Common Stock due upon settlement of the Award if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items as described herein. If the Participant is subject to taxation in more than one country, the Participant acknowledges that the Company, the Employer or one or more of their respective Affiliates may be required to withhold or account for Tax-Related Items in more than one country. The Participant hereby consents to any action reasonably taken by the Company and the Employer to meet the Participant's obligation for Tax-Related Items. By accepting this Award, the Participant expressly consents to the withholding of shares of Common Stock and/or withholding from the Participant's regular salary and/or wages or other amounts payable to the Participant as provided for hereunder. All other Tax-Related Items related to the Award and any shares of Common Stock delivered in payment thereof shall be the Participant's sole responsibility.

**9. <u>Legal and Tax Compliance; Cooperation</u>.** If the Participant is a resident and/or employed outside of the United States, the Participant agrees, as a condition of the grant of the Award, to repatriate all payments attributable to the shares of Common Stock acquired under the Plan (including, but not limited to, any proceeds derived from the sale of the shares of Common Stock acquired pursuant to the Award) if required by and in accordance with local foreign exchange rules and regulations in the Participant's country of residence (and/or country of employment, if different). In addition, the Participant also agrees to take any and all actions, and consents to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and regulations in the Participant's country of residence (and/or country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and/or country of employment, if different).

**10. Data Privacy.** The Company is located at 1000 Stanley Drive, New Britain Connecticut 06053 U.S.A. and grants Awards to acquire shares of Common Stock under the Plan to employees of the Company and its Affiliates, at its sole discretion. In accepting the Award granted under the Plan, the Participant should carefully review the following information about the Company's data processing practices.

(a) ***Data Collection, Processing and Usage***. The Company collects, processes and uses personal data of employees, including name, home address, email address and telephone number, date of birth, social insurance, passport or other identification number, salary, citizenship, job title, any shares of Common Stock or directorships held in the Company, and details of all Awards to acquire shares of Common Stock canceled, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or, if different, the Employer ("Personal Information"). If the Company grants the Participant an Award under the Plan, then the Company will collect the Participant's Personal Information for purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. The Company's legal basis for collecting, processing and using the Participant's Personal Information will be the Company's necessity to execute its contractual obligations under this Award Certificate and to comply with its legal obligations.

(b) ***Stock Plan Administration Service Providers***. The Company transfers the Participant's Personal Information as necessary and appropriate to Bank of America Merrill Lynch and its affiliates ("BAML"), an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Participant's data with another company that serves in a similar manner. BAML will open an account for the Participant to receive and trade shares of Common Stock the Participant acquires under the Plan. The Participant will be asked to agree to separate terms and data processing practices with BAML, which is a condition of the Participant's ability to participate in the Plan.

(c) ***International Data Transfers.*** The Participant's Personal Information may be transferred to or otherwise processed in the United States or other jurisdictions besides the Participant's own. The Participant should note that the Participant's country of residence (and country of employment, if different) may have enacted data privacy laws that are different from those of the recipient country. Such transfers will be made pursuant to Company policies and data protection measures as detailed in the Company's Employee Privacy Policy, available by contacting Participant's local HR manager or Global Privacy Office.

(d) ***Data Retention.*** The Company will use the Participant's Personal Information as long as is necessary to implement, administer and manage the Participant's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Company no longer needs the Participant's Personal Information, the Company will remove it from its systems.

(e) ***Voluntariness***. The Participant's participation in the Plan is purely voluntary. If the Participant elects not to participate in the Plan, the Participant's decision would not affect the Participant's salary as an employee of the Employer or the Participant's career; the Participant would merely forfeit the opportunities associated with the Plan.

(f) ***Individual Rights.*** The Participant may have a number of rights under data privacy laws in the Participant's country of residence (and country of employment, if different). Depending on where the Participant is based, the Participant's rights may include the right to (i) request access or copies of Personal Information the Company processes pursuant to this Award Certificate, (ii) request to rectify incorrect Personal Information, (iii) request to delete Personal Information, (iv) request to restrict Personal Information processing, and/or (v) lodge complaints with competent authorities in the Participant's country of residence (and country of employment, if different). To receive clarification regarding the Participant's rights or to exercise the Participant's rights, the Participant should contact the Participant's local HR department. A response to the Participant's request will be provided consistent with applicable law.

(g) ***SBD Employee Privacy Notice*****.** All collection and use of the Participant's Personal Information under this Notice is made pursuant to the Company's Employee Privacy Notice (the "Privacy Notice"), which the Participant has previously received. Please see the Privacy Notice for additional information on the Company's policies regarding data retention, data security and other important information.

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| By accepting the Award as granted under the Plan, the Participant explicitly declares that the Participant has been informed about the collection, processing and use of the Participant's Personal Information by the Company and the transfer of the Participant's Personal Information to the recipients mentioned above, including recipients located in countries that have different data protection rules than in the Participant's country of residence. |

**11. Insider Trading/Market Abuse Laws.** By participating in the Plan, the Participant agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Participant). The Participant further acknowledges that, depending on the Participant's or the Participant's broker's country of residence or where the shares of Common Stock are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (e.g., Award) or rights linked to the value of shares of Common Stock, during such times the Participant is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Participant's country of residence (or country of employment, if different). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties or causing them otherwise to buy or sell securities. The Participant understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company's insider trading policy. The Participant acknowledges that it is the Participant's personal responsibility to comply with any applicable restrictions, and that the Participant should consult with the Participant's personal advisor on this matter.

**12. Private Placement**. If the Participant is a resident and/or employed outside of the United States, the Participant acknowledges that the grant of the Award is not intended to be a public offering of securities in the Participant's country of residence (country of employment, if different). The Participant further acknowledges that the Company has not submitted any registration statement, prospectus or other filing with any securities authority other than the U.S. Securities and Exchange Commission with respect to the grant of the Award, unless otherwise required under local law. **No employee of the Company is permitted to advise the Participant on whether the Participant should acquire shares of Common Stock under the Plan or provide the Participant with any legal, tax or financial advice with respect to the grant of the Award. The acquisition of shares of Common Stock involves certain risks, and the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition of shares of Common Stock under the Plan and the disposition of them. Further, the Participant should carefully review all of the materials related to the Award and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisors for professional advice in relation to the Participant's personal circumstances.**

**13. Other.** The Company shall not be required to issue any certificate or certificates for shares of Common Stock upon settlement of the Restricted Stock Units (i) if the Common Stock is not listed on any national securities exchange, (ii) prior to the completion of any registration or other qualification of such shares of Common Stock under any state or federal law or rulings or regulations of any governmental regulatory body, and (iii) prior to the Company obtaining any consent or approval or other clearance from any governmental agency which the Company shall, in its sole discretion, determine to be necessary or advisable. Shares of Common Stock to be issued in respect of Restricted Stock Units will be issued only in compliance with the Securities Act of 1933, as amended (the "Act"), and any other applicable securities laws, and the Participant shall comply with any requirements imposed by the Committee under such laws. If the Participant qualifies as an "affiliate" (as that term is defined in Rule 144 ("Rule 144") promulgated under the Act), upon demand by the Company, the Participant (or any person acting on the Participant's behalf) shall deliver to the Treasurer at the time of settlement of the Restricted Stock Units a written representation that the Participant will acquire shares of Common Stock pursuant to the Plan for the Participant's own account, that the Participant is not taking the shares of Common Stock with a view to distribution and that the Participant will dispose of the shares of Common Stock only in compliance with Rule 144.

**14. No Right to Continued Employment.** This Award does not confer on the Participant any right with respect to the continuation of employment with the Company or any Affiliate, nor will it interfere in any way with the right of the Company or any Affiliate to terminate the Participant's employment at any time.

**15. Governing Law; Venue.** The Plan, this Award Certificate and all determinations made and actions taken pursuant to the Plan or Award Certificate shall be governed by the laws of the State of Connecticut, without giving effect to the conflict of laws principles thereof. Any disputes regarding this Award, the Award Certificate or the Plan shall be brought only in the United States in the state or federal courts of the State of Connecticut.

**16. Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Award or other awards granted to the Participant under the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

**17. Binding Effect.** The grant of this Award shall be binding and effective only if this Award Certificate is executed by or delivered on behalf of the Company.

**18. Capitalized Terms.** All capitalized terms used in this Award Certificate which are not defined in this Award Certificate shall have the meanings given them in the Plan unless the context clearly requires otherwise.

**19. English Language.** If the Participant is resident and/or employed outside of the United States, the Participant acknowledges and agrees that it is the Participant's express intent that this Award Certificate, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Participant has received this Award Certificate, the Plan or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different from the English version, the meaning of the English version shall control.

**20. Clawback/Recoupment Policy.** Notwithstanding any other provision of this Award Certificate to the contrary, the Participant acknowledges and agrees that all shares of Common Stock acquired pursuant to the Plan shall be and remain subject to any incentive compensation clawback or recoupment policy of the Company currently in effect or as may be adopted by the Company and, in each case, as may be amended from time to time. No such policy adoption or amendment shall require the Participant's prior consent. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Committee to hold the Participant's shares of Common Stock, and other amounts acquired under the Plan to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company.

**21. Addendum.** Notwithstanding any provisions of this Award Certificate to the contrary, the Award shall be subject to any special terms and conditions for the Participant's country of residence (and country of employment, if different), as are set forth in an applicable Addendum to this Award Certificate. Further, if the Participant transfers residence and/or employment to another country reflected in an Addendum to this Award Certificate, the special terms and conditions for such country will apply to the Participant to the extent the Company determines, in its discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules, and regulations or to facilitate the operation and administration of the Award and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). Any applicable Addendum shall constitute part of this Award Certificate.

**22. Additional Requirements; Amendments**. The Company reserves the right to impose other requirements on the Award, any shares of Common Stock acquired pursuant to the Award and the Participant's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing. In addition, the Company reserves the right to amend the terms and conditions reflected in this Award Certificate, without the Participant's consent, either prospectively or retroactively, to the extent that such amendment does not materially affect the Participant's rights under the Award except as otherwise permitted under the Plan or this Award Certificate.

**23. Nature of the Grant.** In accepting the Award, the Participant hereby acknowledges that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be terminated, suspended or amended by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Award is voluntary and does not create any contractual or other right to receive future Awards or benefits in lieu of an Award, even if Awards have been granted in the past;

(c) all decisions with respect to future Awards or other grants, if any, will be at the sole discretion of the Company;

(d) the grant of the Awards and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Affiliate shall not interfere with the ability of the Company, the Employer or any other Affiliate to terminate the Participant's employment relationship (if any);

(e) the Participant is voluntarily participating in the Plan;

(f) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which are outside the scope of the Participant's employment and the Participant's employment contract, if any;

(h) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, holiday top-up, pension or retirement or welfare benefits or similar mandatory payments;

(i) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty and the value of such shares of Common Stock acquired under the Plan may increase or decrease in the future;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of the Participant's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any);

(k) on the date of termination of the Participant's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), the Participant's right to participate in the Plan, if any, will terminate (for purposes of the foregoing, the Committee shall have exclusive discretion to determine the effective date the Participant is no longer an employee);

(l) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the shares of Common Stock acquired or sold under the Plan;

(m) in consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or shares of Common Stock acquired upon vesting of the Award resulting from termination of employment by the Company or the Employer, as applicable (for any reason whatsoever and whether or not in breach of applicable labor laws) and the Participant hereby irrevocably releases the Company, the Employer and any Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by acceptance of the Award, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim; and

(n) in the event of termination of the Participant's employment with the Company (whether or not in breach of local labor laws), the Participant's right to receive the Award and vest in the Award under the Plan, if any, will terminate effective as of the date of termination of the Participant's active employment as determined in the discretion of the Committee unless otherwise provided in this Award Certificate or the Plan; furthermore, in the event of termination of the Participant's employment (regardless of any contractual or local law requirements), the Participant's right to vest in the Award after such termination, if any, will be measured by the date of termination of the Participant's active employment; the Committee will have the discretion to determine the date of termination of the Participant's active employment for purposes of the Award.

**24. Acceptance.** By electronically accepting the grant of this Award, the Participant affirmatively and expressly acknowledges that the Participant has read this Award Certificate, the Addendum to the Award Certificate (as applicable) and the Plan, and specifically accepts and agrees to the provisions therein. The Participant also affirmatively and expressly acknowledges that the Company, in its sole discretion, may amend the terms and conditions reflected in this Award Certificate without the Participant's consent, either prospectively or retroactively, to the extent that such amendment does not materially impair the Participant's rights under the Award, and the Participant agrees to be bound by such amendment regardless of whether notice is given to the Participant of such change.

**25. Section 409A.** For the avoidance of doubt, if the Participant is subject to U.S. income taxation and is a “specified employee” (within the meaning of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) at the time of the Participant's separation from service, and the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled settlement date, but will instead pay it, without interest, on the first business day of the seventh month after the Participant’s separation from service or, if earlier, on the Participant’s death.

**26. Miscellaneous.** All decisions or interpretations of the Committee with respect to any question arising under the Plan or this Award shall be binding, conclusive and final. The waiver by the Company of any provision of this Award shall not operate as or be construed to be a subsequent waiver of the same provision or of any other provision of the Award. The Participant agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes of this Award.

*********************************************

**John Lucas**
SVP, Chief Human Resources Officer
Stanley Black & Decker
1000 Stanley Drive, New Britain, CT 06053

Date: [●], 2024

To: [●]

From: John Lucas

Re: 2024 Management Incentive Compensation Plan

Dear Don,

It is my pleasure to congratulate you for being selected to participate in the 2024 Management Incentive Compensation Plan (the "MICP") under the Stanley Black & Decker 2022 Omnibus Award Plan (the "2022 Omnibus Plan"). This Program is intended to provide cash awards to MICP participants, provided specific goals are achieved during the 2024 fiscal year (the "Measurement Period"). Capitalized terms used but not defined herein shall have the meanings set forth in the 2022 Omnibus Plan.

**Bonus Opportunity**

As a participant, you will have an opportunity to earn a cash award based on your current level provided the established performance goals are met.

- In addition to the core annual performance goals, there will be an Adjusted Gross Margin Kicker ("AGM Kicker") that may increase your bonus by up to 10% based on any incremental improvement in excess of the AGM Rate maximum core performance goal.
- Your bonus payout may be adjusted upward or downward based on your 2024 individual, business, or regional performance determined completely at the Committee's [or Company's] discretion.

Your bonus opportunity is a percentage of your Qualifying Salary as of January 1, 2024 or as of your eligibility date, as follows:

| Level | Plan[1] | Proration[1] | Threshold | Target | Max |
|---|---|---|---|---|---|
| | | | | | |

[1] Plan and Proration as of the communication date is subject to change in the event of a change in employment status. Proration is the percentage of the performance period applicable to that plan and/or, if newly promoted or a new hire, the percentage applicable to the payout.

**Financial Measurements**

Performance goals for corporate participants are based 100% on metrics that apply to the Company as a whole. Performance goals for division participants are based on metrics that apply to both Company and divisional performance.
Payouts under the MICP will be determined by the Committee based upon the actual 2024 results achieved in relation to the Performance Goals, subject to Committee discretion as described in the attached Terms and Conditions (the "Terms and Conditions"). Participants will be eligible for an award provided they are continuously employed by Stanley Black & Decker through the award payment date, as more fully set forth in the enclosed Terms and Conditions applicable to Management Incentive Compensation Plan Awards.

Although this summary includes the key aspects of the MICP, it is not intended to represent a full accounting of the rules and regulations applicable to the Program and is subject to the terms described in the Terms and Conditions applicable to Management Incentive Compensation Plan Awards and The Stanley Black & Decker 2022 Omnibus Plan (available on request), which together with this document govern the Program.

If you have any questions, please contact Elizabeth Ryen or Eileen Sawyer. Thank you for your continued support and congratulations on being selected to participate in this important Program.

Best Regards,

John Lucas
SVP, Chief Human Resources Officer

Terms and Conditions Applicable to the
2024 Management Incentive Compensation Plan Awards under the
Stanley Black & Decker 2022 Omnibus Award Plan

This document sets forth the Terms and Conditions applicable to the 2024 Management Incentive Compensation Plan awards **("MICP Awards")** issued to eligible employees under The Stanley Black & Decker 2022 Omnibus Award Plan **(the "2022 Plan").** A copy of the 2022 Plan is available upon request. In the event of any conflict between the terms of the 2022 Plan and the Award Documents, the terms of the 2022 Plan shall govern.

Each MICP Award represents the right of the Participant to receive a cash bonus to be issued based on the Company's level of achievement of the applicable Performance Goals for the Measurement Period as set forth in the Award Documents, provided the Service-Based Condition has been satisfied.

1. **Determination of Earned MICP Awards.** As soon as reasonably practicable following the release of the Company's financial results in respect of the Measurement Period (which generally occurs by early February of each year), the Committee will determine the level(s) at which the applicable Performance Factors for the Performance Goals have been achieved and the percentage of the Participant's MICP Award which has been earned, which amount shall be payable to the Participant subject to satisfaction of the Service-Based Condition.

   If, upon conclusion of the Measurement Period, achievement of a Performance Goal exceeds a specified level established for such Performance Goal but is below the next specified level established for such Performance Goal (e.g., above "threshold" level but below "target" level, or above "target" level but below "maximum" level"), the percentage of the Participant's MICP Award to be earned in respect of such Performance Goal shall be linearly interpolated on a straight-line basis. Where performance achieved is below "threshold" level for any metric, bonus amount(s) payable with respect to that metric <u>may</u> be prorated, if applicable, on a linear basis to zero, in the sole discretion of the Committee. Any discretionary bonus, as determined in the sole discretion of the Committee, in the event performance is below a threshold goal is not earned under the plan and such a discretionary payment would be limited to active employees at the time of payout.

   There is also an AGM Kicker that may be applied to the MICP Award. The AGM Kicker can increase the MICP Award by a specified percentage if certain goals are met, as determined by the Committee.

2. **Vesting and Payment**. Subject to the Service-Based Condition, earned MICP Awards (if any) will be paid on the Settlement Date. Notwithstanding the foregoing, if a Participant's employment with the Company terminates due to his or her Retirement, death or Disability or (ii) if determined by the Committee in its discretion, by the Company without Cause (as defined in the 2022 Plan), in each case, prior to the Settlement Date, the Participant will remain eligible to receive payment of his or her MICP Award, based on the extent to which the applicable Performance Goals have been achieved, and pro-rated based on the number of completed months in the Measurement Period that the participant was employed by the Company. The Participant's pro-rated MICP Award (if any) will typically be settled on the Settlement Date. A Participant whose employment with the Company terminates prior to the Settlement Date for any other reason will forfeit all rights in respect of his or her MICP Award and will not be entitled to receive any payment under the MICP.

   In the event that MICP Awards become payable in connection with a termination of the Participant's employment with the Company, the Company may require the Participant to execute an effective release of claims in a form provided by the Company.

3. **Transferability.** The MICP Award is not assignable, alienable, saleable or transferable by the Participant other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order.

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4. **Adjustments.** Notwithstanding any other provision hereof, MICP Awards may be adjusted up or down, at the sole discretion of the Committee, based upon any factors determined by the Committee to be appropriate, including without limitation (i) the impact of pandemics, war, or severe weather on the Company's results of operations, (ii) any other unforeseen, unusual or extraordinary gains, losses, expenses, revenues, charges or credits not contemplated at the time of the determination of the 2024 budget, and/or (iii) individual, business or regional performance.

5. **Miscellaneous.** The Committee shall have full authority to administer the MICP Awards and to interpret the terms of the Award Documents, which authority includes the authority to waive certain conditions in appropriate circumstances. All decisions or interpretations of the Committee with respect to any question arising in respect of the MICP Awards shall be binding, conclusive and final. The waiver by Stanley Black & Decker of any provision of an Award Document shall not operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision of this document or any Award Document. The validity and construction of the terms of the Award Documents shall be governed by the laws of the State of Connecticut. The terms and conditions set forth in the Award Documents are subject in all respects to the terms and conditions of the 2022 Plan, which shall be controlling. The Participant agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes hereof.

6. **Unfunded Arrangement.** The MICP Award represents an unfunded unsecured promise of Stanley Black & Decker and the rights of the Participant in respect of the MICP Award is no greater than the rights of an unsecured creditor of the Company.

7. **Change in Control**.

(a) Notwithstanding any provision in the 2022 Plan to the contrary, upon a Change in Control, unless an outstanding MICP Award is assumed, replaced or converted by the successor or the resulting entity (or any parent thereof) into a Replacement Award, each outstanding MICP Award shall be cancelled and, in respect of his or her cancelled Performance Cash Award, a Participant shall receive a pro rata portion of the MICP Award, calculated by determining the achievement of the applicable Performance Goal or Performance Goals based on actual performance though the date of such Change in Control, and then multiplying this amount by a fraction, the numerator of which is the number of full days completed in the Measurement Period prior to the Change in Control and the denominator of which is the total number of days in the Measurement Period (the "**Pro Rata Change in Control Amount**"). The Pro Rata Change in Control Amount shall be paid in cash as soon as practicable following the Change in Control and no later than 60 days following the Change in Control. The determination as to whether a MICP Award is assumed, replaced or converted in connection with the Change in Control shall be made by the Committee, in good faith, taking into account such factors as it deems appropriate, including the feasibility of continuing the applicable Performance Goals or Performance Goals based on the resulting entity in the applicable Change in Control.

(b) If (i) the Participant receives a Replacement Award in respect of the MICP Award, and (ii) the Participant incurs a termination by the Company without Cause or if the Participant terminates his or her employment for Good Reason, in each case, prior to the end of the Measurement Period, then, unless otherwise provided for in a Participant's employment or severance agreement or in a severance plan in which the Participant then participates, such Participant will be entitled to receive a pro rata portion of the Replacement Award, assuming the achievement of the underlying performance goals at "target" level and based on the number of days completed in the Measurement Period prior to the date of his or her termination of employment. The pro rata portion of the Replacement Award will be paid within 30 days following such participant's termination of employment. After a Change in Control, the Committee may not exercise the discretion referred to in these Terms and Conditions to decrease the amount payable in respect of any

MICP Award which is outstanding immediately prior to the occurrence of the Change in Control.

8. **Detrimental Activity and Recapture Provisions**. The Committee or the Board may provide for the cancellation or forfeiture of a MICP Award or the forfeiture and repayment to the Company of any gain related to a MICP Award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Committee or the Board from time to time (including under the Stanley Black & Decker, Inc. Financial Compensation Recoupment Policy] or any other applicable clawback policy adopted by the Company), including, without limitation, in the event that a Participant, during employment or other service with the Company or an Affiliate, engages in activity detrimental to the business of the Company.

9. **Capitalized Terms.** The following capitalized terms shall have the meaning set forth below. All other capitalized terms used but not otherwise defined in this document shall have the meanings set forth in the 2022 Plan.

   **Award Documents.** The documents provided to a Participant that advise the Participant that he or she has been selected to Participate in the MICP and set forth the Performance Period, Performance factors, Performance Goals, amounts payable at the Threshold, Target and Maximum Levels, and the terms and conditions applicable to the MICP Award, which shall consist of an Award Letter, signed by the Chief Executive Officer or the Senior Vice President, Chief Human Resources Officer, and the documents referenced therein.

   **Disability**. Disability has the meaning provided in Section 22(e)(3) of the Internal Revenue Code of 1986, or any successor provision.

   **Measurement Period.** Fiscal year 2024.

   **Performance Goals.** Goals established by the Committee or, pursuant to an appropriate delegation of authority, the Chief Executive Officer, for performance of the Company as a whole and/or specific businesses or functions during the Measurement Period. If they are not specified in the Award Letter, the Performance Goals applicable to the Participant for a particular Measurement Period will be promptly communicated to the Participant by a member of the Company's Human Resources Department.

   **Performance Factors.** Threshold, Target and Maximum performance to be achieved with respect to specified factors over the Measurement Period as set forth in the Award Documents.

   **AGM Kicker.** An adjustment to the MICP Award that can increase but not decrease the Award tied to specified goals.

   **Performance Period.** The period beginning on the first day of the Measurement Period and ending on the Settlement Date.

   **Settlement Date.** The date payments are made to Participants based on Performance Goals achieved for the Measurement Period. For U.S. employees, the payments will be made by March 15$^{th}$ of the year immediately following the end of the Measurement Period.

   **Service-Based Condition**. Participants must be continuously employed by the Company until the Settlement Date in order to receive a payment in respect of his or her MICP Award.

   **Terms and Conditions**. The terms and conditions applicable to 2024 Management Incentive Compensation Plan Awards under the Stanley Black & Decker 2022 Omnibus Award Plan, as well as this award letter

EXHIBIT 10.14(n)

**Donald Allan**
President & Chief Executive Officer
Stanley Black & Decker
1000 Stanley Drive, New Britain, CT 06053

Date: March [●], 2024

To:

From: Don Allan

Re: 2024 - 2026 Long-Term Incentive Program

Dear ,

It is my pleasure to congratulate you for being selected to participate in the Long Term Performance Award Program (the "Program") under The Stanley Black & Decker 2022 Omnibus Award Plan (the "2022 Plan"). This Program is intended to provide substantial, equity-based awards for specified full-time members of our senior executive team, provided specific Corporate goals are achieved during the Program's 36 month measurement period (January 2024 - December 2026). Capitalized terms used but not defined herein shall have the meanings set forth in the 2022 Omnibus Plan.

In conjunction with our short-term incentive compensation program ("MICP") and our time-vesting equity award program, the Program is an important element of your total compensation package and provides a strong additional incentive to continue increasing shareholder value.

**Award Opportunity**

Each participant will have an opportunity to earn a number of Performance Shares ("PS") based upon achievement of corporate financial goals and may earn additional performance shares if the corporate financial goals are exceeded, up to the maximum number of shares set forth below. Each PS unit represents one share of Stanley Black & Decker Common Stock and, accordingly, the potential value of a participant's performance award under the Program may change as our stock price changes.

The target shares in your grant have a ~$xxxxx accounting fair value on the [●], 2024 grant date (rounded to the nearest whole share). The threshold shares are half the number of the target shares, and the maximum shares are twice the number of target shares (in each case rounded to the nearest whole share).

Your performance award covers the following number of PS units using a $[●] fair value stock price:

| | Threshold | Target | Max |
|---|---|---|---|
| # PS | | | |

Performance awards will become vested at the time of settlement to the extent that the applicable performance metrics have been achieved and provided the participant is continuously employed by Stanley Black & Decker until such time, as more fully set forth in the Terms and Conditions applicable to Long Term Performance Awards.

**Financial Measurements**

The Corporate financial goals for this Program consist of three metrics: one absolute goal (Cash Flow Return on Investment or "CFROI") and two relative goals (Total Shareholder Return vs. the S&P 500 Capital Goods Index and Relative Organic Growth) as set forth in the attached document. Relative Organic Growth measures our organic sales growth relative to market performance, defined as Gross Domestic Product (“GDP”) weighted by SBD actual global revenue over the 3-year measurement period.

Although this summary includes the key aspects of the Program, it is not intended to represent a full accounting of the rules and regulations applicable to the Program and is subject to the terms described in the Terms and Conditions Applicable to Long Term Performance Awards and The Stanley Black & Decker 2022 Omnibus Award Plan (available on request), which together with this document govern the Program.

If you have any questions, please contact Elizabeth Ryen. Once again, thank you for your continued support and congratulations on being selected to participate in this important Program.

Best regards,

Don Allan
President & Chief Executive Officer

Terms and Conditions applicable to
Long Term Performance Awards

This certifies that Stanley Black & Decker, Inc. (the **"Company"**) has, on the date set forth in Award Letter to which these Terms and Conditions apply, granted to the Participant named above a performance award ("**Performance Award**") of that number of Performance Shares set forth in the Award Letter, subject to certain restrictions and on the terms and conditions contained in the Award Documents and the Company's 2022 Omnibus Award Plan, as amended from time to time (the **"2022 Plan**"). A copy of the 2022 Plan is available upon request. In the event of any conflict between the terms of the 2022 Plan and the Award Documents, the terms of the 2022 Plan shall govern. This Performance Award represents the right of the Participant to receive a number of Shares to be issued if the Company achieves the Performance Goals for the Measurement Period and employment requirements are satisfied.

1. **Determination of Earned Performance Shares.** As soon as reasonably practicable following the completion of the applicable Measurement Period, the Committee will determine (i) whether and to what extent the applicable Performance Factor levels for the Performance Goals have been achieved, and (ii) the number of Performance Shares that are deemed "earned" in respect of the Measurement Period as a result of such performance, with the number of earned Performance Shares to be linearly interpolated on a straight-line basis between specified levels of performance (i.e., for performance that falls above "threshold" level but below "target" level, or above "target" level but below "maximum" level). With respect to the relative TSR metric, in the event the Company's total stock return for the three-year Measurement Period is negative, the payout of the portion of the award attributable to the relative TSR metric will be limited to the Target opportunity regardless of whether the stock return exceeds the $50^{th}$ percentile of the S&P 500 Capital Goods Index.

   In order for any Performance Shares to be earned in respect of a Performance Goal, the "threshold" level of achievement with respect to such Performance Goal must be achieved; except that, where performance achieved is below "threshold" level for any metric, the number of Performance Shares to be earned with respect to that metric may be prorated on a linear basis to zero, in the sole discretion of the Committee.

   Any Performance Shares determined by the Committee to have been earned in accordance with this Paragraph 1 shall be settled by the Company in accordance with the terms and conditions set forth herein, which issuance shall be in full settlement of the Participant's Performance Award hereunder.

2. **Vesting; form of settlement.**

   a. Performance Awards will become vested and will be settled on the Settlement Date to the extent that the applicable performance metrics have been achieved and, except as set forth below, provided that the Participant is continuously employed by the Company until such time. Performance Awards will be settled in Shares as soon as practicable following the end of the Measurement Period. Notwithstanding the foregoing, the Committee may, in its sole discretion, settle each vested Performance Award in the form of: (i) cash, to the extent settlement in Shares (A) becomes prohibited under applicable laws, (B) would require the Participant, the Company or the Affiliate that employs the Participant to obtain the approval of any governmental and/or regulatory body in the Participant's country of residence (and country of employment, if different), or (C) is administratively burdensome or (ii) Shares, but the Company may require the Participant to immediately sell such Shares if necessary to comply with applicable laws (in which case, the Participant hereby expressly authorizes the Company to issue sales instructions in relation to such Shares on the Participant's behalf).

b. If a Participant's employment with the Company terminates prior to the date the Performance Awards are settled due to his or her Retirement, death or Disability and the Participant complies with the Restrictive Covenants for the Restriction Period, the Participant's Performance Award will be settled pursuant to Section 2(a) at the same time as performance awards for active participants are settled, to the extent the applicable performance metrics have been achieved; except that, if the termination occurs prior to December 31 of the first year of the Measurement Period, the earned Performance Award shall be prorated based on the number of complete months in the Measurement Period that the Participant was employed by the Company.

c. If a Participant's employment with the Company terminates prior to the date the Performance Awards are settled as a result of a Qualifying Divestiture Termination (as defined below), the Participant's Performance Award will be settled pursuant to Section 2(a) at the same time as performance awards for active participants are settled, to the extent the applicable performance metrics have been achieved; except that, if the termination occurs prior to the last day of the Measurement Period, the earned Performance Award shall be prorated based on the number of complete months in the Measurement Period that the Participant was employed by the Company.

d. Unless determined otherwise by the Committee, a Participant whose employment with the Company terminates prior to the Settlement Date for any other reason will forfeit all rights in respect of his or her Performance Award and will not be entitled to receive any Shares or other payment under the Program.

e. In the event that any Performance Shares are otherwise settled in connection with a termination of the Participant's employment with the Company, the Company may require the Participant to execute an effective release of claims in the form provided by the Company.

3. **Rights of a Shareholder.** The Participant shall not have any rights of a shareholder with respect to the Performance Awards or any Shares issued in settlement thereof prior to the Settlement Date.

4. **Transferability.** The Performance Award is not assignable, alienable, saleable or transferable by the Participant other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order.

5. **Adjustments.** Notwithstanding any other provision hereof, Performance Awards may be adjusted up or down, at the sole discretion of the Committee, based upon any factors determined by the Committee to be appropriate, including without limitation (i) the impact of pandemics, war, or severe weather on the Company's results of operations, (ii) any other unforeseen, unusual or extraordinary gains, losses, expenses, revenues, charges or credits not contemplated at the time of the determination of the 2024-2026 Program goal establishment, and/or (iii) individual, business or regional performance.

6. **Miscellaneous.** The Committee shall have full authority to administer the Performance Awards and to interpret the terms of the Award Documents, which authority includes the authority to waive certain conditions in appropriate circumstances. All decisions or interpretations of the Committee with respect to any question arising in respect of the Performance Awards shall be binding, conclusive and final. The waiver by the Company of any provision of this document or any other Award Document shall not operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision of this document or any other Award Document. The validity and construction of the terms of this document and any other Award Document shall be governed by the laws of the State of Connecticut. The terms and conditions

set forth in this document and any other Award Document are subject in all respects to the terms and conditions of the 2022 Plan, which shall be controlling. The Participant agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes hereof.

7. **Unfunded Arrangement.** The Performance Awards represented in the Award Documents constitute an unfunded unsecured promise of the Company and the rights of the Participant in respect of the Performance Awards are no greater than the rights of an unsecured creditor of the Company.

8. **Detrimental Activity and Recapture Provisions**. The Committee or the Board may provide for the cancellation or forfeiture of a Performance Award or the forfeiture and repayment to the Company of any gain related to a Performance Award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Committee or the Board from time to time (including under the Stanley Black & Decker, Inc. Financial Compensation Recoupment Policy or any other applicable clawback policy adopted by the Company), including, without limitation, in the event that a Participant, during employment or other service with the Company or an affiliate, engages in activity detrimental to the business of the Company.

9. **Capitalized Terms.** The following capitalized terms shall have the meaning set forth below for purposes of this Letter. All other capitalized terms used but not otherwise defined in this document shall have the meanings set forth in the 2022 Plan.

**Award Documents.** The documents provided to a Participant that advise the Participant that he or she has been selected to Participate in the Performance Award Program and set forth the Performance Factors, Performance Goals, amounts payable at the Threshold, Target and Maximum Levels, and the terms and conditions applicable to the Award, which shall consist of an Award Letter, signed by the Chief Executive Officer or the Senior Vice President, Chief Human Resources Officer, and the documents referenced therein.

**Disability**. Disability has the meaning provided in Section 22(e)(3) of the Internal Revenue Code of 1986, or any successor provision.

**Divestiture.** The consummation of a sale or other disposition of a subsidiary, division, business unit, or other organizational unit, whether such disposition is effected by means of a sale of assets, a sale of subsidiary equity or other ownership interest, or otherwise, in each case that is designated by the Company, in its sole discretion, as a “Divestiture.” For the avoidance of doubt, any transaction that is a Change in Control shall not constitute a Divestiture.

**Measurement Period.** The period during which financial performance is measured against the applicable Performance Goals as set forth in the Award Documents.

**Performance Factors.** Threshold, Target and Maximum performance to be achieved over the Measurement Period.

**Performance Goals.** Goals established by the Committee or, pursuant to an appropriate delegation of authority, the Chief Executive Officer, for performance of the Company as a whole and/or specific businesses or functions during the Measurement Period. The Performance Goals applicable to a Participant for a particular Measurement Period, if not enclosed with the Award Letter, will be promptly communicated to the Participant by a member of the Company’s Human Resources Department.

**Qualifying Divestiture Termination.** The termination of a Participant’s employment with the Company and its Affiliates in connection with a Divestiture as a result of (i) the

Participant becoming employed by the purchaser in such Divestiture or its affiliate immediately following the Divestiture; (ii) the Participant not receiving qualifying offer of employment from the purchaser in such Divestiture or its affiliate, as determined by the Company, in its sole discretion; or (iii) Participant's employing entity ceasing to be an Affiliate of the Company as a result of the Divestiture.

**Restriction Period.** The period of time between the Termination Date and the Settlement Date, or the period of restriction contained in any Restrictive Covenant Agreement executed by the Participant with respect to Participant's employment with the Company, whichever is longer.

**Restrictive Covenants.** The Restrictive Covenants contained in any Restrictive Covenant Agreement executed by a Participant regarding his or her employment with the Company or a subsidiary thereof. To be eligible to receive distributions of Performance Awards following a termination of employment due to Retirement, death or Disability, Participant understands and agrees that (i) Participant may not accept employment (as an employee or contractor) for a competitor of the Company, disparage the Company or any of its employees, solicit customers of the Company, or solicit employees of the Company for employment directly or indirectly, at any time during the Restriction Period and (ii) in the event Participant fails to comply with clause (i), Participant will not be eligible to receive any distribution Participant otherwise would have received under this provision. The Restrictive Covenants set forth herein apply only to eligibility to receive distributions of Performance Awards following a termination of employment due to Retirement, death or Disability. Because they serve only as a condition to eligibility to receive a Performance Award, these Restrictive Covenants are in addition to, and do not supersede, any Restrictive Covenants set forth in any written employment agreement or other agreement with a Participant. Notwithstanding anything to the contrary set forth herein, the restrictions contained herein (i) are not intended to, and shall be interpreted in a manner that does not limit or restrict you from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the U.S. Securities Exchange Act of 1934, as amended) and (ii) do not apply to any Participant working from or based in any jurisdiction where such restrictions are prohibited, including, without limitation, the State of California.

**Retirement.** The Participant's termination of employment with the Company and each of its Affiliates after (i) attaining the age of 55 and completing 10 years of service, or (ii) attaining the age of 65 and completing one or more years of service.

**Settlement Date.** The date payments are made to Participants based on the Performance Goals achieved for the Measurement Period. The payments will occur by March 15 of the year following the end of the Measurement Period.

**Shares.** Shares of Unrestricted Stock to be issued if Performance Goals are achieved, as specified in the Award Documents.

**Termination Date.** The date upon which the participant ceases to be an employee of Stanley Black & Decker, Inc., or a subsidiary thereof.

**Unrestricted Stock.** Common Stock of the Company that may be sold at any time.

***2022 Omnibus Award Plan***

# Stock Option Grant Certificate

*Subject to the terms and conditions set forth in this certificate,*

***/$ParticipantName$/** has been awarded an Option to purchase **/$AwardsGranted$/** Shares as follows:*

*Grant Date: **/$GrantDate$/***

*Expiration Date: **/$ExpirationDate$/***

*Purchase Price Per Share: **/$GrantPrice$/***

*Vests: as set forth in your Equity Plan account for this Option grant*

## Stanley Black & Decker, Inc.

*As a member of the Stanley Black & Decker team, your skills and contributions are vital to our Company's and its Shareholders continued success. This award of stock options provides you with the opportunity to earn significant financial rewards for your efforts and contributions to making Stanley Black & Decker the most successful company it can be.*

*On behalf of the Board of Directors, Congratulations.*

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

# NON-QUALIFIED STOCK OPTION TERMS

This certifies that Stanley Black & Decker, Inc. (the “Company”) has on the Grant Date granted to the Grantee named in this Award Certificate the option (the “Option”) to purchase, on or before the Expiration Date at the Purchase Price per share of the common stock of Stanley Black & Decker, Inc., par value $2.50 per share (the “Common Stock”) all as set forth in this Award Certificate. The Option is granted subject to the following terms and conditions and the terms and conditions of the Company’s 2022 Omnibus Award Plan, as amended from time to time (the “Plan”). A copy of the Plan is available upon request. In the event of any conflict between the terms of the Plan and this Award Certificate, the terms of the Plan shall govern. For purposes of this Award Certificate, if the Grantee is not employed by the Company, “Employer” means the Affiliate that employs the Grantee.

**1. Vesting and Exercisability.**

(a) The Option will become vested and exercisable on the date (or dates) and in the amounts specified in the Grantee’s Merrill Lynch (or subsequent recordkeeper’s) account for this Option grant, provided the Grantee continues in employment with the Company or an Affiliate until the applicable vesting date. Once vested, the vested portion of the Option may be exercised, from time to time, from the applicable vesting date until the earlier of (i) the Expiration Date set forth in this Award Certificate or (ii) the applicable date described below in paragraph 6 regarding termination of employment. Shares of Common Stock may be purchased hereunder only to the extent that this Option has become vested. If, prior to the vesting date for any portion of the Option, the Grantee’s employment with the Company and its Affiliates terminates for any reason other than as set forth in Section 1(b) or 1(c), the unvested portion of the Option will be forfeited.

(b) ) If, prior to the vesting date for any portion of the Option, the Grantee’s employment with the Company and its Affiliates terminates due to Retirement, Disability or death, this Option will become immediately fully vested.

(c) If, prior to the vesting date for any portion of the Option, the Grantee’s employment with the Company and its Affiliates terminates as a result of a Qualifying Divestiture Termination, then a pro-rata portion of each unvested tranche of the Options shall become immediately vested in an amount equal to (i) the total number of Options in such tranche subject to this Award Certificate, multiplied by (ii) a fraction, the numerator of which is the number of the Grantee’s completed full months of service from the Grant Date to the date of the Qualifying Divestiture Termination and the denominator of which is the number of full months between the Grant Date to the vesting date of such tranche under this Award Certificate. All of the Grantee’s vested but not yet exercised Options will expire on the earlier of (x) 60 days following the Grantee's termination date due to Divestiture or (y) the Expiration Date stated above. Any Options remaining unvested as of the date of the Grantee's termination due to the Divestiture after the application of this Section 1(c) will be forfeited.

**2. Process of Exercise.** The vested portion of the Option may be exercised, in whole or in part, by written notification to the Company’s Treasurer at the Company’s executive offices in New Britain, Connecticut, or by any other procedure established by the Company from time to time. Such notification shall (i) specify the number of shares of Common Stock with respect to which the Option is being exercised, and (ii) be accompanied by payment for such shares of Common Stock. Such notification shall be effective upon its receipt by the Treasurer or any other party designated by the Treasurer on or before the Expiration Date. The Option may not be exercised with respect to a fractional share or with respect to the lesser of 100 shares or the balance of the shares then covered by the Option. In the event the Expiration Date falls on a day which is not a regular business day at the Company’s executive offices in New Britain, Connecticut, then such written notification must be received at such office on or before the last regular business day prior to the Expiration Date. Payment is to be made by check payable to the order of Stanley Black & Decker, Inc. or by one of the alternative methods of payment described in the Plan and acceptable to the Company’s Compensation and Talent Development Committee (the “Committee”). No shares of Common Stock shall be issued on exercise of the Option until full payment for such shares of Common Stock has been made and all checks delivered in payment therefor have been collected. The Grantee shall not have any rights of a shareholder upon exercise of the Option, including but not limited to, the right to vote or to receive dividends, until stock certificates have been issued to the Grantee or Grantee’s ownership has been otherwise recorded.

**3. Tax Withholding.**

(a) Regardless of any action the Company or the Employer takes with respect to any or all income tax (including U.S. federal, state and local taxes or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Grantee acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by the Grantee is and remains the Grantee's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant of the Option, the exercise of the Option, the subsequent sale of any shares of Common Stock acquired pursuant to the Option and (ii) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Grantee's liability for Tax-Related Items.

(b) Prior to the delivery of shares of Common Stock upon the exercise of the Option, if the Grantee's country of residence (and country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a sufficient number of whole shares of Common Stock otherwise issuable upon the exercise of the Option that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock. Depending on the withholding method specified in the Plan, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum applicable rates. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. In the event that the withholding of shares of Common Stock becomes prohibited under applicable law or otherwise may trigger adverse consequences to the Company or the Employer, the Company and the Employer may withhold the Tax-Related Items required to be withheld with respect to the shares of Common Stock in cash from the Grantee's regular salary and/or wages or any other amounts payable to the Grantee, or may require the Grantee to personally make payment of the Tax-Related Items required to be withheld. In the event the withholding requirements are not satisfied through the withholding of shares of Common Stock by the Company or through the withholding of cash from the Grantee's regular salary and/or wages or other amounts payable to the Grantee, no shares of Common Stock will be issued to the Grantee (or the Grantee's estate) upon exercise of the Option unless and until satisfactory arrangements (as determined by the Committee) have been made by the Grantee with respect to the payment of any Tax-Related Items that the Company or the Employer determines, in its sole discretion, must be withheld or collected with respect to such Option. If the obligation for the Grantee's Tax-Related Items is satisfied by withholding a number of shares of Common Stock as described herein, the Grantee shall be deemed to have been issued the full number of shares of Common Stock issuable upon exercise, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items due as a result of the exercise or any other aspect of the Option.

(c) The Grantee will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of the Grantee's participation in the Plan or the Grantee's acquisition of shares of Common Stock that cannot be satisfied by the means described herein. The Company may refuse to deliver any shares of Common Stock due upon exercise of the Option if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items as described herein. If the Grantee is subject to taxation in more than one country, the Grantee acknowledges that the Company, the Employer or one or more of their respective Affiliates may be required to withhold or account for Tax-Related Items in more than one country. The Grantee hereby consents to any action reasonably taken by the Company and the Employer to meet the Grantee's obligation for Tax-Related Items. By accepting this Option, the Grantee expressly consents to the withholding of shares of Common Stock and/or withholding from the Grantee's regular salary and/or wages or other amounts payable to the Grantee as provided for hereunder. All other Tax-Related Items related to the Option and any shares of Common Stock delivered in payment thereof shall be the Grantee's sole responsibility.

**4. Transferability.** Except as otherwise provided in the Plan, the Option is not transferable by the Grantee otherwise than (i) by will or by the laws of descent and distribution, (ii) pursuant to a qualified domestic relations order, as defined in the Internal Revenue Code of 1986, as amended (the “Code”), or (iii) following the Grantee’s Retirement, in whole or in part and without payment of consideration, to (a) the Grantee’s spouse, children and grandchildren (an "Immediate Family Member") or Immediate Family Members, (b) a trust or trusts for the exclusive benefit of Immediate Family Member(s), or (c) a partnership or partnerships in which Immediate Family Member(s) are the only Partner(s). More particularly (but without limiting the generality of the foregoing), the Option may not be assigned, transferred (except as provided above), pledged or hypothecated in any way, shall not be assignable by operation of law and shall not be subject to execution, attachment or similar process. The Company reserves the right to charge administrative fees in respect of such transfers.

**5. No Right to Continued Employment.** The Option does not confer upon the Grantee any right with respect to continuation of employment with the Company or any Affiliate, nor will not interfere in any way with the right of the Company or any Affiliate to terminate the Grantee's employment at any time.

**6**. **Termination of Employment**. Notwithstanding any other provisions:

If the Grantee's employment with the Company and its Affiliates terminates for any reason other than Retirement, Disability or death, the Grantee may exercise the portion of the Option that has become vested as of the Grantee's termination date until the earlier of (i) the Expiration Date set forth in this Award Certificate or (ii) 60 days following such termination date. If the Grantee's employment terminates due to Retirement, Disability or death, the Option will become immediately vested in full and the Grantee (or, following the Grantee's death, the person designated in the Grantee's last will and testament or if no person is designated, the Grantee's estate) may exercise the Option until the Expiration Date set forth in this Award Certificate.

Leaves of absence for such periods and purposes conforming to the personnel policy of the Company as may be approved by the Committee shall not be deemed terminations or interruptions of employment.

In the event the Option is exercised by the executors, administrators, legatees or distributees of the estate of the Grantee, the Company shall be under no obligation to issue shares unless the Company is satisfied that the person or persons exercising the Option are the duly appointed legal representatives of the Grantee's estate or the proper legatees or distributees thereof.

**7. Legal and Tax Compliance; Cooperation.** If the Grantee is a resident and/or employed outside of the United States, the Grantee agrees, as a condition of the grant of the Option, to repatriate all payments attributable to the shares of Common Stock acquired under the Plan (including, but not limited to, any proceeds derived from the sale of the shares of Common Stock acquired pursuant to the Option) if required by and in accordance with local foreign exchange rules and regulations in the Grantee's country of residence (and/or country of employment, if different). In addition, the Grantee also agrees to take any and all actions, and consents to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and regulations in the Grantee's country of residence (and/or country of employment, if different). Finally, the Grantee agrees to take any and all actions as may be required to comply with the Grantee's personal legal and tax obligations under local laws, rules and regulations in the Grantee's country of residence (and/or country of employment, if different).

**8. Data Privacy.** The Company is located at 1000 Stanley Drive, New Britain Connecticut 06053 U.S.A. and grants Options to acquire shares of Common Stock under the Plan to employees of the Company and its Affiliates, at its sole discretion. In accepting the Option granted under the Plan, the Grantee should carefully review the following information about the Company's data processing practices.

(a) ***Data Collection, Processing and Usage***. The Company collects, processes and uses personal data of employees, including name, home address, email address and telephone number, date of birth, social insurance, passport or other identification number, salary, citizenship, job title, any shares of Common Stock or directorships held in the Company, and details of all Options to acquire shares of Common Stock canceled, vested, or outstanding in the Grantee's favor, which the Company receives from the Grantee or, if different, the Employer ("Personal Information"). If the Company grants the Grantee an Option under the Plan, then the Company will collect the Grantee's Personal Information for purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. The Company's legal basis for collecting, processing and using the Grantee's Personal Information will be the Company's necessity to execute its contractual obligations under this Award Certificate and to comply with its legal obligations.

(b) ***Stock Plan Administration Service Providers***. The Company transfers the Grantee's Personal Information as necessary and appropriate to Bank of America Merrill Lynch and its affiliates ("BAML"), an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Grantee's data with another company that serves in a similar manner. BAML will open an account for the Grantee to receive and trade shares of Common Stock the Grantee acquires under the Plan. The Grantee will be asked to agree to separate terms and data processing practices with BAML, which is a condition of the Grantee's ability to participate in the Plan.

(c) ***International Data Transfers.*** The Grantee's Personal Information may be transferred to or otherwise processed in the United States or other jurisdictions besides the Grantee's own. The Grantee' should note that the Grantee's country of residence (and country of employment, if different) may have enacted data privacy laws that are different from those of the recipient country. Such transfers will be made pursuant to Company policies and data protection measures as detailed in the Company's Employee Privacy Policy, available by contacting Grantee's local HR manager or Global Privacy Office.

(d) ***Data Retention.*** The Company will use the Grantee's Personal Information as long as is necessary to implement, administer and manage the Grantee's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Company no longer needs the Grantee's Personal Information, the Company will remove it from its systems.

(e) ***Voluntariness***. The Grantee's participation in the Plan is purely voluntary. If the Grantee elects not to participate in the Plan, the Grantee's decision would not affect the Grantee's salary as an employee of the Employer or the Grantee's career; the Grantee would merely forfeit the opportunities associated with the Plan.

(f) ***Individual Rights.*** The Grantee may have a number of rights under data privacy laws in the Grantee's country of residence (and country of employment, if different). Depending on where the Grantee is based, the Grantee's rights may include the right to (i) request access or copies of Personal Information the Company processes pursuant to this Award Certificate, (ii) request to rectify incorrect Personal Information, (iii) request to delete Personal Information, (iv) request to restrict Personal Information processing, and/or (v) lodge complaints with competent authorities in the Grantee's country of residence (and country of employment, if different). To receive clarification regarding the Grantee's rights or to exercise the Grantee's rights, the Grantee should contact the Grantee's local HR department. A response to the Grantee's request will be provided consistent with applicable law.

(g) ***SBD Employee Privacy Notice*.** All collection and use of the Grantee's Personal Information under this Notice is made pursuant to the Company's Employee Privacy Notice (the "Privacy Notice"), which the Grantee has previously received. Please see the Privacy Notice for additional information on the Company's policies regarding data retention, data security and other important information.

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| By accepting the Option as granted under the Plan, the Grantee explicitly declares that the Grantee has been informed about the collection, processing and use of the Grantee's Personal Information by the Company and the transfer of the Grantee's Personal Information to the recipients mentioned above, including recipients located in countries that have different data protection rules than in the Grantee's country of residence. |

**9. Insider Trading/Market Abuse Laws.** By participating in the Plan, the Grantee agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Grantee). The Grantee further acknowledges that, depending on the Grantee's or the Grantee's broker's country of residence or where the shares of Common Stock are listed, the Grantee may be subject to insider trading restrictions and/or market abuse laws which may affect the Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to purchase shares of Common Stock (e.g., Option) or rights linked to the value of shares of Common Stock, during such times the Grantee is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Grantee's country of residence (or country of employment, if different). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Grantee places before the Grantee possessed inside information. Furthermore, the Grantee could be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties or causing them otherwise to buy or sell securities. The Grantee understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company's insider trading policy. The Grantee acknowledges that it is the Grantee's personal responsibility to comply with any applicable restrictions, and that the Grantee should consult with the Grantee's personal advisor on this matter.

**10. Private Placement**. If the Grantee is a resident and/or employed outside of the United States, the Grantee acknowledges that the grant of the Option is not intended to be a public offering of securities in the Grantee's country of residence (country of employment, if different). The Grantee further acknowledges that the Company has not submitted any registration statement, prospectus or other filing with any securities authority other than the U.S. Securities and Exchange Commission with respect to the grant of the Option, unless otherwise required under local law. **No employee of the Company is permitted to advise the Grantee on whether the Grantee should acquire shares of Common Stock under the Plan or provide the Grantee with any legal, tax or financial advice with respect to the grant of the Option. The acquisition of shares of Common Stock involves certain risks, and the Grantee should carefully consider all risk factors and tax considerations relevant to the acquisition of shares of Common Stock under the Plan and the disposition of them. Further, the Grantee should carefully review all of the materials related to the Option and the Plan, and the Grantee should consult with the Grantee's personal legal, tax and financial advisors for professional advice in relation to the Grantee's personal circumstances.**

**11. Adjustments.** In the event of a merger, consolidation, reorganization, recapitalization, stock dividend, stock split or other changes in corporate structure or capitalization affecting the Common Stock, the number of shares of Common Stock remaining to be exercised under the Option and the Purchase Price shall be appropriately adjusted by the Committee in accordance with the terms and provisions of the Plan. If, as a result of any adjustment under this paragraph, the Grantee becomes entitled to a fractional share of Common Stock, the Grantee shall have the right to purchase only the adjusted number of full shares of Common Stock and no payment or other adjustment will be made with respect to the fractional share of Common Stock so disregarded.

**12. Governing Law; Venue.** The Plan, this Award Certificate and all determinations made and actions taken pursuant to the Plan or Award Certificate shall be governed by the laws of the State of Connecticut, without giving effect to the conflict of laws principles thereof. Any disputes regarding this Option, the Award Certificate or the Plan shall be brought only in the United States in the state or federal courts of the State of Connecticut.

**13. Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Option or other Options granted to the Grantee under the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

**14. Binding Effect.** The grant of this Option shall be binding and effective only if this Award Certificate is executed by or on behalf of the Company.

**15. Capitalized Terms.**

(a) The term "Retirement" means the Grantee's termination of employment with the Company and each of its Affiliates after (a) attaining the age of 55 and completing 10 years of service, or (b) attaining the age of 65 and completing one or more years of service. The term "Disability" has the meaning provided in Section 22(e)(3) of the Code, or any successor provision.

(b) The term "Divestiture" means the consummation of a sale or other disposition of a subsidiary, division, business unit, or other organizational unit, whether such disposition is effected by means of a sale of assets, a sale of subsidiary equity or other ownership interest, or otherwise, in each case that is designated by the Company, in its sole discretion, as a "Divestiture." For the avoidance of doubt, any transaction that is a Change in Control shall not constitute a Divestiture.

(c) "Qualifying Divestiture Termination" means a termination of the Participant's employment with the Company and its Affiliates in connection with a Divestiture as a result of (i) the Participant becoming employed by the purchaser in such Divestiture or its affiliate immediately following the Divestiture; (ii) the Participant not receiving qualifying offer of employment from the purchaser in such Divestiture or its affiliate, as determined by the Company, in its sole discretion; or (iii) Participant's employing entity ceasing to be an Affiliate of the Company as a result of the Divestiture.

All other capitalized terms used in this Award Certificate which are not defined herein or on the front of this Award Certificate shall have the meanings given them in the Plan unless the context clearly requires otherwise.

**16. Miscellaneous.** All decisions or interpretations of the Committee with respect to any question arising under the Plan or under the Option shall be binding, conclusive and final. The waiver by the Company of any provision of the Option shall not operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision of the Option. The Option shall be irrevocable during the Option period. Grantee agrees to execute such other agreements, documents, or assignments as may be necessary or desirable to effect the purposes of the Option.

**17. Clawback/Recoupment Policy.** Notwithstanding any other provision of this Award Certificate to the contrary, the Grantee acknowledges and agrees that all shares of Common Stock acquired pursuant to the Plan shall be and remain subject to any incentive compensation clawback or recoupment policy of the Company currently in effect or as may be adopted by the Company and, in each case, as may be amended from time to time. No such policy adoption or amendment shall require the Grantee's prior consent. For purposes of the foregoing, the Grantee expressly and explicitly authorizes the Company to issue instructions, on the Grantee's behalf, to any brokerage firm and/or third party administrator engaged by the Committee to hold the Grantee's shares of Common Stock, and other amounts acquired under the Plan to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company.

**18. Addendum.** Notwithstanding any provisions of this Award Certificate to the contrary, the Option shall be subject to any special terms and conditions for the Grantee's country of residence (and country of employment, if different), as are set forth in an applicable Addendum to this Award Certificate. Further, if the Grantee transfers residence and/or employment to another country reflected in an Addendum to this Award Certificate, the special terms and conditions for such country will apply to the Grantee to the extent the Company determines, in its discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules, and regulations or to facilitate the operation and administration of the Option and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Grantee's transfer). Any applicable Addendum shall constitute part of this Award Certificate.

**19. Additional Requirements; Amendments**. The Company reserves the right to impose other requirements on the Option, any shares of Common Stock acquired pursuant to the Option and the Grantee's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Option and the Plan. Such requirements may include (but are not limited to) requiring the Grantee to sign any agreements or undertakings that may be necessary to accomplish the foregoing. In addition, the Company reserves the right to amend the terms and conditions reflected in this Award Certificate, without the Grantee's consent, either prospectively or retroactively, to the extent that such amendment does not materially affect the Grantee's rights under the Option except as otherwise permitted under the Plan or this Award Certificate.

**20. Nature of the Grant.** In accepting the Option, the Grantee hereby acknowledges that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be terminated, suspended or amended by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Option is voluntary and does not create any contractual or other right to receive future Options or benefits in lieu of an Option, even if Options have been granted in the past;

(c) all decisions with respect to future Options or other grants, if any, will be at the sole discretion of the Company;

(d) the grant of the Options and the Grantee's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Affiliate shall not interfere with the ability of the Company, the Employer or any other Affiliate to terminate the Grantee's employment relationship (if any);

(e) the Grantee is voluntarily participating in the Plan;

(f) the Option and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Option and any shares of Common Stock acquired under the Plan, and the income from and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which are outside the scope of the Grantee's employment and the Grantee's employment contract, if any;

(h) the Option and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, holiday top-up, pension or retirement or welfare benefits or similar mandatory payments;

(i) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty and the value of such shares of Common Stock acquired under the Plan may increase or decrease in the future;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of the Grantee's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any);

(k) on the date of termination of the Grantee's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any), the Grantee's right to participate in the Plan, if any, will terminate (for purposes of the foregoing, the Committee shall have exclusive discretion to determine the effective date the Grantee is no longer an employee);

(l) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the shares of Common Stock acquired or sold under the Plan;

(m) in consideration of the grant of the Option, no claim or entitlement to compensation or damages shall arise from termination of the Option, or recoupment of any shares of Common Stock acquired under the Plan, or diminution in value of the Option or shares of Common Stock acquired upon vesting of the Option resulting from (A) termination of employment by the Company or the Employer, as applicable (for any reason whatsoever and whether or not in breach of applicable labor laws) , and / or (B) the application of any recoupment policy or any recovery or clawback policy otherwise required by law, and the Grantee hereby irrevocably releases the Company, the Employer and any Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by acceptance of the Option, the Grantee shall be deemed irrevocably to have waived the Grantee's entitlement to pursue such claim; and

(n) in the event of termination of the Grantee's employment with the Company (whether or not in breach of local labor laws), the Grantee's right to receive the Option and vest in the Option under the Plan, if any, will terminate effective as of the date of termination of the Grantee's active employment as determined in the discretion of the Committee unless otherwise provided in this Award Certificate or the Plan; furthermore, in the event of termination of the Grantee's employment (regardless of any contractual or local law requirements), the Grantee's right to vest in the Option after such termination, if any, will be measured by the date of termination of the Grantee's active employment; the Committee will have the discretion to determine the date of termination of the Grantee's active employment for purposes of the Option.

**21. Acceptance.** By electronically accepting the grant of this Option, the Grantee affirmatively and expressly acknowledges that the Grantee has read this Award Certificate, the Addendum to the Award Certificate (as applicable) and the Plan, and specifically accepts and agrees to the provisions therein. The Grantee also affirmatively and expressly acknowledges that the Company, in its sole discretion, may amend the terms and conditions reflected in this Award Certificate without the Grantee's consent, either prospectively or retroactively, to the extent that such amendment does not materially impair the Grantee's rights under the Option, and the Grantee agrees to be bound by such amendment regardless of whether notice is given to the Grantee of such change.

**22. Miscellaneous.** All decisions or interpretations of the Committee with respect to any question arising under the Plan or this Option shall be binding, conclusive and final. The waiver by the Company of any provision of this Option shall not operate as or be construed to be a subsequent waiver of the same provision or of any other provision of the Option. The Grantee agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes of this Option.

**23. English Language.** If the Grantee is resident and/or employed outside of the United States, the Grantee acknowledges and agrees that it is the Grantee's express intent that this Award Certificate, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Option, be drawn up in English. If the Grantee has received this Award Certificate, the Plan or any other documents related to the Option translated into a language other than English, and if the meaning of the translated version is different from the English version, the meaning of the English version shall control.

**24. Section 409A.** For the avoidance of doubt, if the Grantee is subject to U.S. income taxation and is a “specified employee” (within the meaning of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) at the time of the Grantee's separation from service, and the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled settlement date, but will instead pay it, without interest, on the first business day of the seventh month after the Grantee’s separation from service or, if earlier, on the Grantee’s death.

**25. Other.** The Company shall not be required to issue any certificate or certificates for shares of Common Stock upon settlement of the Options (i) if the Common Stock is not listed on any national securities exchange, (ii) prior to the completion of any registration or other qualification of such shares of Common Stock under any state or federal law or rulings or regulations of any governmental regulatory body, and (iii) prior to the Company obtaining any consent or approval or other clearance from any governmental agency which the Company shall, in its sole discretion, determine to be necessary or advisable. Shares of Common Stock to be issued in respect of Options will be issued only in compliance with the Securities Act of 1933, as amended (the "Act"), and any other applicable securities laws, and the Grantee shall comply with any requirements imposed by the Committee under such laws. If the Grantee qualifies as an "affiliate" (as that term is defined in Rule 144 ("Rule 144") promulgated under the Act), upon demand by the Company, the Grantee (or any person acting on the Grantee's behalf) shall deliver to the Treasurer at the time of settlement of the Options a written representation that the Grantee will acquire shares of Common Stock pursuant to the Plan for the Grantee's own account, that the Grantee is not taking the shares with a view to distribution and that the Grantee will dispose of the shares of Common Stock only in compliance with Rule 144.

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StanleyBlack&Decker

***2022 Omnibus Award Plan***

# Restricted Stock Unit Award

*Subject to the terms and conditions set forth in this certificate,*

***/$ParticipantName$/** has been awarded **/$AwardsGranted$/** Restricted Stock Units as follows:*

*Grant Date: **/$GrantDate$/***
*Vests: as set forth in your Equity Plan account for this Award*

## Stanley Black & Decker, Inc.

*As a member of the Stanley Black & Decker team, your skills and contributions are vital to our Company's and its Shareholders' continued success. This award of restricted stock units provides you with the opportunity to earn significant financial rewards for your efforts and contributions to making Stanley Black & Decker the most successful company it can be.*

*On behalf of the Board of Directors, Congratulations.*

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

# RESTRICTED STOCK UNIT AWARD TERMS

**1. Grant of Restricted Stock Units.** This certifies that Stanley Black & Decker, Inc. (the "Company") has on the Award Date specified in this Award Certificate granted to the Participant named above an award (the "Award") of that number of Restricted Stock Units indicated in this Award Certificate, subject to certain restrictions and on the terms and conditions contained in this Award Certificate and the 2022 Omnibus Award Plan, as amended from time to time (the "Plan"). A copy of the Plan is available upon request. In the event of any conflict between the terms of the Plan and this Award Certificate, the terms of the Plan shall govern. For purposes of this Award Certificate, if the Participant is not employed by the Company, "Employer" means the Affiliate that employs the Participant.

**2. Dividend Equivalents**. Amounts equal to the dividends and distributions paid on shares of the Company's common stock, $2.50 par value per share (the "Common Stock"), shall be accrued for the benefit of the Participant to the same extent as if each Restricted Stock Unit then held by Participant was a share of Common Stock and shall vest and be distributed to the Participant in cash as, and to the extent that, the underlying Restricted Stock Unit(s) vest.

**3. Vesting.** Subject to the terms and conditions of this Award Certificate and the Plan, the Restricted Stock Units shall vest in the amounts and on the dates specified in the Participant's Merrill Lynch (or subsequent record keeper's) account for this Award, provided the Participant remains continuously employed by the Company or an Affiliate until the applicable vesting date.

**4. Settlement of Restricted Stock Units.** The Restricted Stock Units will be settled as soon as reasonably practicable (but in no event later than 30 days) following the earliest to occur of (i) the applicable originally-scheduled vesting date, (ii) the Participant's termination of employment due to Retirement, (iii) the Participant's termination of employment due to Disability (as defined below), and (iv) the Participant's death, in each case, at which time the applicable Restricted Stock Units shall be cancelled and in exchange therefor the Company shall cause a number of shares of Common Stock equal to the number of the Restricted Stock Units then cancelled to be issued to the Participant in book-entry form. Any shares of Common Stock issued with respect to the Restricted Stock Units shall be fully registered and freely transferable. Notwithstanding the foregoing, the Committee may, in its sole discretion, settle each vested Restricted Stock Unit in the form of: (a) cash, to the extent settlement in shares of Common Stock (a) becomes prohibited under applicable laws, (b) would require the Participant, the Company or the Employer to obtain the approval of any governmental and/or regulatory body in the Participant's country of residence (and country of employment, if different), or (c) is administratively burdensome or (b) shares of Common Stock, but the Company may require the Participant to immediately sell such shares of Common Stock if necessary to comply with applicable laws (in which case, the Participant hereby expressly authorizes the Company to issue sales instructions in relation to such shares of Common Stock on the Participant's behalf).

**5. Forfeiture Upon Termination of Employment.** If, prior to vesting of the Restricted Stock Units pursuant to Section 3, the Participant ceases to be continuously employed by either the Company or an Affiliate for any reason other than Retirement (as defined below), Disability (as defined below) or death, then the Participant's rights to all of the unvested Restricted Stock Units shall be immediately and irrevocably forfeited and no shares of Common Stock shall be issued in respect thereof. Approved leaves of absence or employment transfers between the Company or an Affiliate (or vice versa) shall not be deemed terminations or interruptions of employment for vesting of the Restricted Stock Units.

**6. Death and Disability**. Upon the Participant's death or if the Participant's employment is terminated as a result of the Participant's Disability, the Restricted Stock Units shall become immediately vested in full. "Disability" has the meaning provided in Section 22(e)(3) of the Code, or any successor provision.

**7. Retirement.** Upon the Participant's termination of employment with the Company and each of its Affiliates following the Participant's Retirement, the Restricted Stock Units shall become immediately vested in full. For purposes of the foregoing, "Retirement" means the Participant's termination of employment with the Company and each of its Affiliates after (i) attaining the age of 55 and completing 10 years of service, or (ii) attaining the age of 65 and completing one or more years of service.

**8. Divestiture.** If, prior to the vesting date for any portion of the Restricted Stock Units, the Participant's employment with the Company and its Affiliates terminates as a result of a Qualifying Divestiture Termination (as defined below), then a pro-rata portion of each unvested tranche of the Restricted Stock Units shall become immediately vested in an amount equal to (i) the total number of Restricted Stock Units in such tranche subject to this Award Certificate, multiplied by (ii) a fraction, the numerator of which is the number of the Participant's completed full months of service from the Grant Date to the date of the Participant's Qualifying Divestiture Termination and the denominator of which is the number of full months between the Grant Date to the vesting date of such tranche under this Award Certificate. Any Restricted Stock Units remaining unvested as of the date of the Participant's termination due to the Divestiture after the application of this Section 8 will be forfeited. For purposes of this Award Certificate:

(a) "Divestiture" means the consummation of a sale or other disposition of a subsidiary, division, business unit, or other organizational unit, whether such disposition is effected by means of a sale of assets, a sale of subsidiary equity or other ownership interest, or otherwise, in each case that is designated by the Company, in its sole discretion, as a "Divestiture." For the avoidance of doubt, any transaction that is a Change in Control shall not constitute a Divestiture.

(b) "Qualifying Divestiture Termination" means a termination of the Participant's employment with the Company and its Affiliates in connection with a Divestiture as a result of (i) the Participant becoming employed by the purchaser in such Divestiture or its affiliate immediately following the Divestiture; (ii) the Participant not receiving qualifying offer of employment from the purchaser in such Divestiture or its affiliate, as determined by the Company, in its sole discretion; or (iii) Participant's employing entity ceasing to be an Affiliate of the Company as a result of the Divestiture.

**9. Restriction on Transfer.** Restricted Stock Units shall not be assignable, alienable, saleable, or transferable. The Award shall be transferable only by will or the laws of descent and distribution. If the Participant purports to make any transfer of the Award, except as aforesaid, the Award and all rights thereunder shall terminate immediately. Notwithstanding the foregoing, the Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to receive shares of Common Stock with respect to the Restricted Stock Units upon the death of the Participant.

**10. Income Tax Matters.**

(a) Regardless of any action the Company or the Employer takes with respect to any or all income tax (including U.S. federal, state and local taxes or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the Award, the vesting of the Award, the subsequent sale of any shares of Common Stock acquired pursuant to the Award and (ii) do not commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items.

(b) Prior to the delivery of shares of Common Stock upon the vesting of the Award, if the Participant's country of residence (and country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a sufficient number of whole shares of Common Stock otherwise issuable upon the vesting of the Award that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock. Depending on the withholding method specified in the Plan, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum applicable rates. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. In the event that the withholding of shares of Common Stock becomes prohibited under applicable law or otherwise may trigger adverse consequences to the Company or the Employer, the Company and the Employer may withhold the Tax-Related Items required to be withheld with respect to the shares of Common Stock in cash from the Participant's regular salary and/or wages or any other amounts payable to the Participant, or may require the Participant to personally make payment of the Tax-Related Items required to be withheld. In the event the withholding requirements are not satisfied through the withholding of shares of Common Stock by the Company or through the withholding of cash from the Participant's regular salary and/or wages or other amounts payable to the Participant, no shares of Common Stock will be issued to the Participant (or the Participant's estate) upon vesting or settlement of the Award unless and until satisfactory arrangements (as determined by the Committee) have been made by the Participant with respect to the payment of any Tax-Related Items that the Company or the Employer determines, in its sole discretion, must be withheld or collected with respect to such Award. If the obligation for the Participant's Tax-Related Items is satisfied by withholding a number of shares of Common Stock as described herein, the Participant shall be deemed to have been issued the full number of shares of Common Stock issuable upon vesting, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items due as a result of the vesting or any other aspect of the Award.

(c) The Participant will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of the Participant's participation in the Plan or the Participant's acquisition of shares of Common Stock that cannot be satisfied by the means described herein. The Company may refuse to deliver any shares of Common Stock due upon settlement of the Award if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items as described herein. If the Participant is subject to taxation in more than one country, the Participant acknowledges that the Company, the Employer or one or more of their respective Affiliates may be required to withhold or account for Tax-Related Items in more than one country. The Participant hereby consents to any action reasonably taken by the Company and the Employer to meet the Participant's obligation for Tax-Related Items. By accepting this Award, the Participant expressly consents to the withholding of shares of Common Stock and/or withholding from the Participant's regular salary and/or wages or other amounts payable to the Participant as provided for hereunder. All other Tax-Related Items related to the Award and any shares of Common Stock delivered in payment thereof shall be the Participant's sole responsibility.

**11. Legal and Tax Compliance; Cooperation.** If the Participant is a resident and/or employed outside of the United States, the Participant agrees, as a condition of the grant of the Award, to repatriate all payments attributable to the shares of Common Stock acquired under the Plan (including, but not limited to, any proceeds derived from the sale of the shares of Common Stock acquired pursuant to the Award) if required by and in accordance with local foreign exchange rules and regulations in the Participant's country of residence (and/or country of employment, if different). In addition, the Participant also agrees to take any and all actions, and consents to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and regulations in the Participant's country of residence (and/or country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and/or country of employment, if different).

**12. Data Privacy.** The Company is located at 1000 Stanley Drive, New Britain Connecticut 06053 U.S.A. and grants Awards to acquire shares of Common Stock under the Plan to employees of the Company and its Affiliates, at its sole discretion. In accepting the Award granted under the Plan, the Participant should carefully review the following information about the Company's data processing practices.

(a) ***Data Collection, Processing and Usage***. The Company collects, processes and uses personal data of employees, including name, home address, email address and telephone number, date of birth, social insurance, passport or other identification number, salary, citizenship, job title, any shares of Common Stock or directorships held in the Company, and details of all Awards to acquire shares of Common Stock canceled, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or, if different, the Employer ("Personal Information"). If the Company grants the Participant an Award under the Plan, then the Company will collect the Participant's Personal Information for purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. The Company's legal basis for collecting, processing and using the Participant's Personal Information will be the Company's necessity to execute its contractual obligations under this Award Certificate and to comply with its legal obligations.

(b) ***Stock Plan Administration Service Providers***. The Company transfers the Participant's Personal Information as necessary and appropriate to Bank of America Merrill Lynch and its affiliates ("BAML"), an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Participant's data with another company that serves in a similar manner. BAML will open an account for the Participant to receive and trade shares of Common Stock the Participant acquires under the Plan. The Participant will be asked to agree to separate terms and data processing practices with BAML, which is a condition of the Participant's ability to participate in the Plan.

(c) ***International Data Transfers.*** The Participant's Personal Information may be transferred to or otherwise processed in the United States or other jurisdictions besides the Participant's own. The Participant should note that the Participant's country of residence (and country of employment, if different) may have enacted data privacy laws that are different from those of the recipient country. Such transfers will be made pursuant to Company policies and data protection measures as detailed in the Company's Employee Privacy Policy, available by contacting Participant's local HR manager or Global Privacy Office.

(d) ***Data Retention.*** The Company will use the Participant's Personal Information as long as is necessary to implement, administer and manage the Participant's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Company no longer needs the Participant's Personal Information, the Company will remove it from its systems.

(e) ***Voluntariness***. The Participant's participation in the Plan is purely voluntary. If the Participant elects not to participate in the Plan, the Participant's decision would not affect the Participant's salary as an employee of the Employer or the Participant's career; the Participant would merely forfeit the opportunities associated with the Plan.

(f) ***Individual Rights.*** The Participant may have a number of rights under data privacy laws in the Participant's country of residence (and country of employment, if different). Depending on where the Participant is based, the Participant's rights may include the right to (i) request access or copies of Personal Information the Company processes pursuant to this Award Certificate, (ii) request to rectify incorrect Personal Information, (iii) request to delete Personal Information, (iv) request to restrict Personal Information processing, and/or (v) lodge complaints with competent authorities in the Participant's country of residence (and country of employment, if different). To receive clarification regarding the Participant's rights or to exercise the Participant's rights, the Participant should contact the Participant's local HR department. A response to the Participant's request will be provided consistent with applicable law.

(g) ***SBD Employee Privacy Notice***. All collection and use of the Participant's Personal Information under this Notice is made pursuant to the Company's Employee Privacy Notice (the "Privacy Notice"), which the Participant has previously received. Please see the Privacy Notice for additional information on the Company's policies regarding data retention, data security and other important information.

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| By accepting the Award as granted under the Plan, the Participant explicitly declares that the Participant has been informed about the collection, processing and use of the Participant's Personal Information by the Company and the transfer of the Participant's Personal Information to the recipients mentioned above, including recipients located in countries that have different data protection rules than in the Participant's country of residence. |

13. **Insider Trading/Market Abuse Laws.** By participating in the Plan, the Participant agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Participant). The Participant further acknowledges that, depending on the Participant's or the Participant's broker's country of residence or where the shares of Common Stock are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (e.g., Award) or rights linked to the value of shares of Common Stock, during such times the Participant is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Participant's country of residence (or country of employment, if different). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties or causing them otherwise to buy or sell securities. The Participant understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company's insider trading policy. The Participant acknowledges that it is the Participant's personal responsibility to comply with any applicable restrictions, and that the Participant should consult with the Participant's personal advisor on this matter.

14. **Private Placement**. If the Participant is a resident and/or employed outside of the United States, the Participant acknowledges that the grant of the Award is not intended to be a public offering of securities in the Participant's country of residence (country of employment, if different). The Participant further acknowledges that the Company has not submitted any registration statement, prospectus or other filing with any securities authority other than the U.S. Securities and Exchange Commission with respect to the grant of the Award, unless otherwise required under local law. **No employee of the Company is permitted to advise the Participant on whether the Participant should acquire shares of Common Stock under the Plan or provide the Participant with any legal, tax or financial advice with respect to the grant of the Award. The acquisition of shares of Common Stock involves certain risks, and the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition of shares of Common Stock under the Plan and the disposition of them. Further, the Participant should carefully review all of the materials related to the Award and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisors for professional advice in relation to the Participant's personal circumstances.**

15. **Other.** The Company shall not be required to issue any certificate or certificates for shares of Common Stock upon settlement of the Restricted Stock Units (i) if the Common Stock is not listed on any national securities exchange, (ii) prior to the completion of any registration or other qualification of such shares of Common Stock under any state or federal law or rulings or regulations of any governmental regulatory body, and (iii) prior to the Company obtaining any consent or approval or other clearance from any governmental agency which the Company shall, in its sole discretion, determine to be necessary or advisable. Shares of Common Stock to be issued in respect of Restricted Stock Units will be issued only in compliance with the Securities Act of 1933, as amended (the "Act"), and any other applicable securities laws, and the Participant shall comply with any requirements imposed by the Committee under such laws. If the Participant qualifies as an "affiliate" (as that term is defined in Rule 144 ("Rule 144") promulgated under the Act), upon demand by the Company, the Participant (or any person acting on the Participant's behalf) shall deliver to the Treasurer at the time of settlement of the Restricted Stock Units a written representation that the Participant will acquire shares of Common Stock pursuant to the Plan for the Participant's own account, that the Participant is not taking the shares of Common Stock with a view to distribution and that the Participant will dispose of the shares of Common Stock only in compliance with Rule 144.

16. **No Right to Continued Employment.** This Award does not confer on the Participant any right with respect to the continuation of employment with the Company or any Affiliate, nor will it interfere in any way with the right of the Company or any Affiliate to terminate the Participant's employment at any time.

17. **Governing Law; Venue.** The Plan, this Award Certificate and all determinations made and actions taken pursuant to the Plan or Award Certificate shall be governed by the laws of the State of Connecticut, without giving effect to the conflict of laws principles thereof. Any disputes regarding this Award, the Award Certificate or the Plan shall be brought only in the United States in the state or federal courts of the State of Connecticut.

18. **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to the Award or other awards granted to the Participant under the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

19. **Binding Effect.** The grant of this Award shall be binding and effective only if this Award Certificate is executed by or delivered on behalf of the Company.

20. **Capitalized Terms.** All capitalized terms used in this Award Certificate which are not defined in this Award Certificate shall have the meanings given them in the Plan unless the context clearly requires otherwise.

21. **English Language.** If the Participant is resident and/or employed outside of the United States, the Participant acknowledges and agrees that it is the Participant's express intent that this Award Certificate, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Participant has received this Award Certificate, the Plan or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different from the English version, the meaning of the English version shall control.

22. **Clawback/Recoupment Policy.** Notwithstanding any other provision of this Award Certificate to the contrary, the Participant acknowledges and agrees that all shares of Common Stock acquired pursuant to the Plan shall be and remain subject to any incentive compensation clawback or recoupment policy of the Company currently in effect or as may be adopted by the Company and, in each case, as may be amended from time to time. No such policy adoption or amendment shall require the Participant's prior consent. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Committee to hold the Participant's shares of Common Stock, and other amounts acquired under the Plan to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company.

23. **Addendum.** Notwithstanding any provisions of this Award Certificate to the contrary, the Award shall be subject to any special terms and conditions for the Participant's country of residence (and country of employment, if different), as are set forth in an applicable Addendum to this Award Certificate. Further, if the Participant transfers residence and/or employment to another country reflected in an Addendum to this Award Certificate, the special terms and conditions for such country will apply to the Participant to the extent the Company determines, in its discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules, and regulations or to facilitate the operation and administration of the Award and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). Any applicable Addendum shall constitute part of this Award Certificate.

24. **Additional Requirements; Amendments**. The Company reserves the right to impose other requirements on the Award, any shares of Common Stock acquired pursuant to the Award and the Participant's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing. In addition, the Company reserves the right to amend the terms and conditions reflected in this Award Certificate, without the Participant's consent, either prospectively or retroactively, to the extent that such amendment does not materially affect the Participant's rights under the Award except as otherwise permitted under the Plan or this Award Certificate.

25. **Nature of the Grant.** In accepting the Award, the Participant hereby acknowledges that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be terminated, suspended or amended by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Award is voluntary and does not create any contractual or other right to receive future Awards or benefits in lieu of an Award, even if Awards have been granted in the past;

(c) all decisions with respect to future Awards or other grants, if any, will be at the sole discretion of the Company;

(d) the grant of the Awards and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Affiliate shall not interfere with the ability of the Company, the Employer or any other Affiliate to terminate the Participant's employment relationship (if any);

(e) the Participant is voluntarily participating in the Plan;

(f) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which are outside the scope of the Participant's employment and the Participant's employment contract, if any;

(h) the Award and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, holiday top-up, pension or retirement or welfare benefits or similar mandatory payments;

(i) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty and the value of such shares of Common Stock acquired under the Plan may increase or decrease in the future;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of the Participant's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any);

(k) on the date of termination of the Participant's status as an employee (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), the Participant's right to participate in the Plan, if any, will terminate (for purposes of the foregoing, the Committee shall have exclusive discretion to determine the effective date the Participant is no longer an employee);

(l) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the shares of Common Stock acquired or sold under the Plan;

(m) in consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award, or recoupment of any shares of Common Stock acquired under the Plan, or diminution in value of the Award or shares of Common Stock acquired upon vesting of the Award resulting from (A) termination of employment by the Company or the Employer, as applicable (for any reason whatsoever and whether or not in breach of applicable labor laws) , and / or (B) the application of any recoupment policy or any recovery or clawback policy otherwise required by law, and the Participant hereby irrevocably releases the Company, the Employer and any Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by acceptance of the Award, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim; and

(n) in the event of termination of the Participant's employment with the Company (whether or not in breach of local labor laws), the Participant's right to receive the Award and vest in the Award under the Plan, if any, will terminate effective as of the date of termination of the Participant's active employment as determined in the discretion of the Committee unless otherwise provided in this Award Certificate or the Plan; furthermore, in the event of termination of the Participant's employment (regardless of any contractual or local law requirements), the Participant's right to vest in the Award after such termination, if any, will be measured by the date of termination of the Participant's active employment; the Committee will have the discretion to determine the date of termination of the Participant's active employment for purposes of the Award.

**26. Section 409A.** For the avoidance of doubt, if the Participant is subject to U.S. income taxation and is a "specified employee" (within the meaning of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) at the time of the Participant's separation from service, and the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled settlement date, but will instead pay it, without interest, on the first business day of the seventh month after the Participant's separation from service or, if earlier, on the Participant's death.

**27. Acceptance.** By electronically accepting the grant of this Award, the Participant affirmatively and expressly acknowledges that the Participant has read this Award Certificate, the Addendum to the Award Certificate (as applicable) and the Plan, and specifically accepts and agrees to the provisions therein. The Participant also affirmatively and expressly acknowledges that the Company, in its sole discretion, may amend the terms and conditions reflected in this Award Certificate without the Participant's consent, either prospectively or retroactively, to the extent that such amendment does not materially impair the Participant's rights under the Award, and the Participant agrees to be bound by such amendment regardless of whether notice is given to the Participant of such change.

**28. Miscellaneous.** All decisions or interpretations of the Committee with respect to any question arising under the Plan or this Award shall be binding, conclusive and final. The waiver by the Company of any provision of this Award shall not operate as or be construed to be a subsequent waiver of the same provision or of any other provision of the Award. The Participant agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes of this Award.

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StanleyBlack&Decker

**EXHIBIT 10.26**

**Sandy Seibert**
VP, Talent Acquisition

November 19, 2021

Tamer Abuaita
[redacted]

Dear Tamer,

I am pleased to offer you the position of SVP,Chief Supply Chain Officer at Stanley Black & Decker, Inc. We anticipate you will be designated as an Executive Officer, subject to board approval. This is a full time, salaried exempt position, based in Long Grove, IL. You will report directly to Don Allan, President & CFO. Your annual base salary will be $540,000, paid monthly.

**TARGETED START DATE:** Your anticipated start date is January 3, 2022. The finalization of your start date will be determined once the contingencies in this offer have been satisfactorily met.

**SIGN-ON BONUS:** Upon joining the Company, you will receive a sign-on bonus of $650,000, subject to applicable taxes and withholdings. The sign-on bonus will be delivered as follows: $325,000 upon hire and $325,000 in December 2022. If within two years of each bonus payment you voluntarily terminate your employment, or your employment is terminated by the Company for violation of Company rules, or misconduct, you shall repay to the company the full gross amount of this signing bonus at the time of such termination.

**ANNUAL BONUS INCENTIVE:** You will participate in the Corporate Management Incentive Compensation Program (MICP) Level 1A per the terms and conditions of the plan. Your target bonus is 75% of your base salary with a 150% maximum of your base salary, payable in the spring following each MICP plan year. You will receive a full year 2022 MICP bonus to the extent earned based upon business performance in relation to the Corporate Plan metrics. MICP participants are required to sign and return a restrictive covenant agreement, which is attached to this offer letter.

**LONG-TERM INCENTIVES:**
As part of your annual compensation package, you will be eligible to participate in the Annual Equity Award Program and Long-Term Performance Award Program (LTPAP).

> **Annual Equity Grant**: Equity grants are typically made in December of each year. For your 2022 December grant, your target will be approximately $880,000 of fair value at the grant date, expected to be comprised of a mix of Stock Options and Restricted Stock Units (RSUs). Specific grant levels are subject to annual review by the Board of Directors. These grants will typically vest in 25% increments over four years.

> **Long-Term Performance Award:** LTPAP grants are typically made in February of each year. This Program is intended to provide financial rewards for specified full-time members of the Stanley Black & Decker executive team, provided specific corporate goals are achieved during the Program's three year measurement period. For your Q1 2022 grant, your target will be 100% of your base salary with an 200% maximum of your base salary, payable in shares after the completion of the three year performance period to the extent the performance goals are achieved.

**One-Time Equity Incentives:** In addition to the standard equity grants received in December, you will also receive a one-time RSU grant within 90 days of your start date with a fair value of $1,750,000 that will vest in 25% increments over four years.

**RELOCATION:** You will be eligible for the Guaranteed Buy Out Relocation Policy as described in the enclosed materials. As part of this program, you will receive a moving allowance of one month's new salary up to maximum of $5,000 to cover incidental moving expenses once you have moved. To be eligible for any relocation benefit you must first sign the Relocation Expense Agreement, which can be found on the last page of the enclosed Relocation Policy. No relocation benefit will be provided until the Company has received your signed Relocation Expense Agreement. Expectation of commencement for the relocation will occur in 2024.



**BENEFITS:** You are eligible for 4 weeks of Paid Time Off (PTO). PTO is subject to the terms of the corporate policy. You will be eligible to enroll for medical, dental, vision, flexible spending accounts, group legal, disability and life

insurance coverage effective on the first of the month following your date of hire. A benefits guide is enclosed with this offer letter.

The Stanley Black & Decker Retirement Account Plan will become effective on the first of the month following your date of hire. The plan provides a competitive retirement benefit and has two components. The Retirement Account Plan offers a 401K savings vehicle for you to save on a pre-tax basis with a Company match of 50% on employee pre-tax contributions up to 7% of your pay and a competitive investment fund line-up. In addition, the Retirement Account Plan provides a Core allocation to an account for you regardless of your own contributions. Stanley Black & Decker will make a Core allocation to your account of 2%, 4% or 6% of your pay based on your age (2% to age 39, 4% ages 40-54, and 6% age 55 and above).

**PERQUISITES:** You will be eligible for the following perquisites as described in the enclosed Executive Compensation Booklet.

**Stanley Black & Decker (SBD) Home Security System:** You are eligible for an SBD home security system with a reimbursement value (installation and equipment) up to $30,000, which will include monthly monitoring, preventative maintenance and repair costs.

**SBD Company Products:** You are eligible to receive up to $5,000 per year in SBD Company products (at standard cost).
**Executive Life Insurance Program**: Death benefit of 3X base salary and retirement cash funding if at the time of termination, you have 10 years of service and are age 55 or older.

**Executive Long-Term Disability Insurance**: Monthly LTD Benefit for qualifying disabilities equal to up to 60% of Monthly Earnings (a maximum of $35,000 monthly)

**Executive Physical Program**: An annual comprehensive medical examination and appropriate screening with an annual allowance up to $5,000.

**Executive Financial and Estate Planning Program**: Financial planning services with a professional of your choice with an annual allowance up to $15,000.

**STOCK OWNERSHIP AND CHANGE IN CONTROL**: As an Executive Officer, you will be subject to the attached Stock Ownership Guidelines. The ownership target of Company stock is three times your base salary.

Shortly after you join the Company, subject to board approval, we expect to execute a Change in Control agreement that will provide you with a 2.5x total cash benefit (base salary + average 3-year bonus) upon a double trigger event (i.e., Change in Control and involuntary termination).

**OTHER:** Please be aware that your employment at Stanley Black & Decker will be strictly on an “at-will” basis and as such is terminable by either the Company or you at any time and for any reason. Stanley Black & Decker does not recognize any contract of employment in the U.S. unless it is reduced to writing and signed by an Officer of Stanley Black & Decker. Specific terms and conditions of the various benefits are governed by program documents and policies, which are subject to periodic update.

Commencing employment is contingent upon successful:

1. Submission of completed Pre-Employment forms, including the Invention and Confidentiality Agreement;
2. Pre-employment drug screen;
3. Background check;
4. Evidence of your authorization to legally work in the U.S. in accordance with Immigration and Naturalization Act (Form I-9);
5. Return of the signed MICP Restrictive Covenant Agreement
6. Return of the signed Made in the USA Acknowledgement Agreement

We are delighted that you will be joining Stanley Black & Decker! There's a lot of exciting work to be done and we know that you'll make a great contribution to our success. If you have any questions, please do not hesitate to call me at [redacted].

Sincerely,

Sandy Seibert
VP, Talent Acquisition

I, ______________________________ hereby accept the offer of employment as presented above on this
(print name)

_________ day of _________ 2021. I understand that this letter sets forth the entire agreement between myself and Stanley Black & Decker, Inc. regarding my offer of employment, including the sections pertaining to the Sign-On Bonus and Relocation payments which state I shall repay the Company the full gross amount of such payments if, within two years of the date I commence work for Stanley Black & Decker, or the receipt of such bonus where later, I voluntarily terminate my employment, or my employment is terminated by the Company for violation of Company rules, or misconduct and fully supersedes any other agreements, understandings, or promises from any representative of the Company.

Signature: /s/ Tamer Abuaita

Enclosures:

Benefits Guide
Restrictive Covenant
Made in the USA Acknowledgement Form
Executive Compensation Booklet
Stock Ownership Guidelines

**EXHIBIT 21**

**SUBSIDIARIES OF STANLEY BLACK & DECKER, INC.**

The following is a list of all active subsidiaries of Stanley Black & Decker, Inc. as of December 30, 2023. All subsidiaries are included in the Consolidated Financial Statements of Stanley Black & Decker, Inc.

***U.S. Subsidiaries***

| Corporate Name | Jurisdiction of Incorporation/ Organization |
|---|---|
| 3-V Fastener Co., Inc. | California |
| 8 Commerce Drive, LLC | California |
| AeroFit LLC | Connecticut |
| B&D Holdings, Inc. | Maryland |
| BDK FAUCET HOLDINGS INC. | Delaware |
| Bagley Road LLC | Ohio |
| BLACK & DECKER (U.S.) INC. | Maryland |
| BLACK & DECKER DE PANAMA LLC | Maryland |
| BLACK & DECKER FUNDING CORPORATION | Delaware |
| BLACK & DECKER GROUP, LLC | Delaware |
| BLACK & DECKER HEALTHCARE MANAGEMENT INC. | Maryland |
| BLACK & DECKER HOLDINGS, LLC | Delaware |
| BLACK & DECKER INC. | Delaware |
| BLACK & DECKER INVESTMENT COMPANY, LLC | Delaware |
| BLACK & DECKER (IRELAND) INC. | Delaware |
| BLACK & DECKER INVESTMENTS (AUSTRALIA) LIMITED | Maryland |
| BLACK & DECKER INVESTMENTS LLC | Maryland |
| BLACK & DECKER MEXFIN LLC | Delaware |
| BLACK & DECKER PUERTO RICO INC. | Delaware |
| BLACK & DECKER SHELBYVILLE, LLC | Kentucky |
| Bristol Industries, LLC | Delaware |
| Bostitch-Holding, L.L.C. | Delaware |
| Consolidated Aerospace Manufacturing, LLC | Delaware |
| CAM International Holdings, Inc. | Delaware |
| CPE Acquisition Co. | Delaware |
| Cub Cadet LLC | Ohio |
| DEVILBISS AIR POWER COMPANY | Delaware |
| DIYZ, LLC | Delaware |
| Doncasters US Holdings Inc. | Delaware |
| The EAP Acquisition Co., LLC | Delaware |
| E.A. Patten Co., LLC | Connecticut |
| EMHART HARTTUNG INC. | Delaware |
| Stanley Engineered Fastening LLC (f.k.a. Emhart Teknologies LLC) | Delaware |
| Excel Industries, Inc. | Kansas |
| Hustler Turf Equipment, Inc. | Kansas |
| JRB Attachments, LLC | Delaware |
| JAFFORD LLC | Maryland |
| JennCo1, Inc. | Delaware |
| Jewel Attachments, LLC | Delaware |
| Kodiak Mfg. Inc. | Tennessee |
| Moeller Manufacturing & Supply, LLC | California |

| ***U.S. Subsidiaries (continued)*** | |
|---|---|
| **Corporate Name** | **Jurisdiction of Incorporation/ Organization** |
| MTD Consumer Group Inc. | Ohio |
| MTD International Operations Inc. | Delaware |
| MTD Holdings Inc. | Ohio |
| MTD LLC | Ohio |
| MTD Products Company | Ohio |
| MTD Products Inc. | Delaware |
| MTD Southwest Inc. | Ohio |
| MTD Southwest Holdco LLC | Ohio |
| Nelson Stud Welding International, LLC | Delaware |
| Nelson Stud Welding Inc. | Delaware |
| New FEP Co., LLC | Connecticut |
| NEWFREY LLC | Delaware |
| Paladin Brands Group, Inc. | Delaware |
| Paladin Brands Holdings, Inc. | Delaware |
| Paladin Brands International Holdings, Inc. | Delaware |
| P&B Re Holdings, LLC | Delaware |
| Pengo Corporation | Delaware |
| PORTER-CABLE ARGENTINA, LLC | Minnesota |
| Prikos & Becker, LLC | Delaware |
| QRP, Inc. | Delaware |
| Remington, LLC | Ohio |
| RIGHTCO II, LLC | Delaware |
| SBD CAYMAN LLC | Delaware |
| SBD Insurance, Inc. | Connecticut |
| SBD MDGP Partnership Holdings LLC | Delaware |
| SBD Property Holdings, LLC | Delaware |
| SBD UK Canada Holdings, Inc. | Delaware |
| Spiegelberg Manufacturing Inc. | Ohio |
| SPIRALOCK CORPORATION | Michigan |
| Stanley Atlantic Inc. | Delaware |
| Stanley Black & Decker Asia Holdings, LLC | Delaware |
| Stanley Black & Decker Cayman Holdings, Inc. | Delaware |
| Stanley Black & Decker Chile, L.L.C. | Delaware |
| Stanley Black & Decker Finance 1 LLC | Delaware |
| Stanley Black & Decker Finance 2 LLC | Delaware |
| Stanley Canada Holdings, L.L.C. | Delaware |
| Stanley Fastening Systems, L.P. | Delaware |
| Stanley Housing Fund, Inc. | Delaware |
| Stanley Industrial & Automotive, LLC | Delaware |
| Stanley International Holdings, Inc. | Delaware |
| Stanley Infrastructure, LLC f/k/a International Equipment Solutions ("IES") | Delaware |
| Stanley Logistics, L.L.C. | Delaware |
| Stanley Safety Corporation, LLC | Delaware |
| Stanley Security Solutions, Inc. | Indiana |
| Sweepster Attachments, LLC | Delaware |
| THE BLACK & DECKER CORPORATION | Maryland |

***U.S. Subsidiaries (continued)***

| Corporate Name | Jurisdiction of Incorporation/ Organization |
|---|---|
| The Ferry Cap & Set Screw Company | Ohio |
| The Farmington River Power Company | Connecticut |
| Troy-Bilt LLC | Ohio |
| Voss Industries, Inc. | Ohio |
| Zag USA, Inc. | Delaware |

***Foreign Subsidiaries***

| Corporate Name | Jurisdiction of Incorporation/ Organization |
|---|---|
| BLACK & DECKER ARGENTINA S.A. | Argentina |
| Stanley Black & Decker Australia Pty Ltd. | Australia |
| Black & Decker Distribution Pty. Ltd | Australia |
| BLACK & DECKER FINANCE (AUSTRALIA) LTD. | Australia |
| BLACK & DECKER HOLDINGS (AUSTRALIA) PTY. LTD. | Australia |
| BLACK & DECKER NO. 4 PTY. LTD. | Australia |
| MTD Products Australia Party LTD | Australia |
| MTD Investments Australia Pty Ltd. | Australia |
| Powers Fasteners Australasia Pty Limited | Australia |
| Powers Rawl Pty. Ltd. | Australia |
| Rawl Australasia Pty. Ltd. | Australia |
| Rawlplug Unit Trust | Australia |
| Stanley Black & Decker Holdings Australia Pty Ltd | Australia |
| The Stanley Works Pty. Ltd. | Australia |
| MTD Austria Handelsgesellschaft m.b.H. | Austria |
| Stanley Black & Decker Austria GmbH | Austria |
| Stanley Black & Decker (Barbados) SRL | Barbados |
| Black & Decker Limited BV | Belgium |
| Facom Belgie BV | Belgium |
| Stanley Black & Decker Latin American Holding BV | Belgium |
| Stanley Black & Decker Logistics BV | Belgium |
| Stanley Europe BV | Belgium |
| Stanley Security Europe BV | Belgium |
| Stanley Black & Decker Belgium BV | Belgium |
| BLACK & DECKER DO BRASIL LTDA. | Brazil |
| Irwin Industrial Tool Ferramentas do Brasil Ltda. | Brazil |
| M. HART DO BRASIL LTDA. | Brazil |
| BDB Ferramentas do Brasil Ltda | Brazil |
| REFAL INDUSTRIA E COMERCIO DE REBITES E REBITADEIRAS LTDA. | Brazil |
| Stanley Black & Decker Bulgaria EOOD | Bulgaria |
| 2315708 Ontario Inc. | Canada |
| CWS Industries (Mfg.) Corp. | Canada |
| Mac Tools Canada Inc. | Canada |
| MTD Products Limited | Canada |
| Nelson Stud Welding Canada, Inc. | Canada |
| STANLEY BLACK & DECKER CANADA CORPORATION | Canada |
| WINTECH CORPORATION LIMITED | Cayman Islands |
| Besco Investment Group Co. Ltd. | Cayman Islands |

| ***Foreign Subsidiaries (continued)*** | |
|---|---|
| **Corporate Name** | **Jurisdiction of Incorporation/ Organization** |
| JOINTECH CORPORATION, LTD. | Cayman Islands |
| SBD Manufacturing, Distribution & Global Purchasing Holdings L.P. | Cayman Islands |
| Stanley Black & Decker Cayman International Financing LLC | Cayman Islands |
| MAQUINAS y HERRAMIENTAS BLACK & DECKER de CHILE S.A. | Chile |
| BLACK & DECKER (SUZHOU) PRECISION MANUFACTURING CO., LTD. | China |
| BLACK & DECKER (SUZHOU) POWER TOOLS CO., LTD. | China |
| BLACK & DECKER SSC CO., LTD. | China |
| BLACK & DECKER (SUZHOU) CO., LTD. | China |
| GUANGZHOU EMHART FASTENING SYSTEM CO., LTD. | China |
| INFASTECH FASTENING SYSTEMS (WUXI) LIMITED | China |
| Hefei INTACA Science & Technology Development Co., Ltd. | China |
| INFASTECH (SHENZHEN) LIMITED | China |
| Jiangsu Guoqiang Tools Co., Ltd. | China |
| MTD China (SHANGHAI) Co., Ltd. | China |
| MTD Machinery (Suzhou) Co., Ltd. | China |
| Powers Shanghai Trading Ltd. | China |
| Shanghai Emhart Fastening System Co., Ltd. | China |
| Stanley Black & Decker Engineered Fastening (Nantong) Co., Ltd | China |
| Stanley Black & Decker Precision Manufacturing (Shenzhen) Co., Ltd. | China |
| The Stanley Works (Shanghai) Co., Ltd. | China |
| The Stanley Works (Shanghai) Management Co., Ltd. | China |
| The Stanley Works (Zhongshan) Tool Co., Ltd. | China |
| Yong Ru Plastics Industry (Suzhou) Co., Ltd | China |
| Stanley Black & Decker Colombia Services S.A.S. | Colombia |
| Black & Decker de Colombia S.A.S. | Colombia |
| BLACK AND DECKER DE COSTA RICA LIMITADA | Costa Rica |
| M.P.N. HOLDINGS LIMITED | Cyprus |
| STANLEY BLACK AND DECKER CYPRUS ONE HOLDINGS LTD | Cyprus |
| STANLEY BLACK AND DECKER CYPRUS INTERNATIONAL HOLDINGS LTD | Cyprus |
| STANLEY BLACK AND DECKER CYPRUS S1 HOLDINGS LTD | Cyprus |
| Stanley Black & Decker Czech Republic s.r.o. | Czech Republic |
| Black & Decker (Czech) s.r.o. | Czech Republic |
| TUCKER S.R.O. | Czech Republic |
| MTD Products Czech Spol. s.r.o. | Czech Republic |
| EMHART HARTTUNG A/S | Denmark |
| MTD Products Denmark ApS | Denmark |
| BLACK & DECKER DEL ECUADOR S.A. | Ecuador |
| Stanley Black & Decker Finland Oy | Finland |
| Stanley Engineered Fastening France SAS | France |
| Stanley Black & Decker Distribution SAS | France |
| BLACK & DECKER FINANCE SAS | France |
| Dubuis et Cie SAS | France |
| M.T.D. France SAS | France |
| Novia SWK SAS | France |
| Nelson Soudage de Goujons SAS | France |
| Pro One Finance SAS | France |

| ***Foreign Subsidiaries (continued)*** | |
|---|---|
| **Corporate Name** | **Jurisdiction of Incorporation/ Organization** |
| STANLEY BLACK & DECKER FRANCE SAS | France |
| Stanley Black & Decker France Services SAS | France |
| Stanley Black & Decker Manufacturing SAS | France |
| Stanley Feinwerktechnik GmbH | Germany |
| Stanley Engineered Fastening Industrial Deutschland GmbH | Germany |
| B.B.W. BAYRISCHE BOHRERWERKE GmbH | Germany |
| BLACK & DECKER INTERNATIONAL HOLDINGS B.V. & CO. KG | Germany |
| Horst Sprenger GmbH recycling-tools | Germany |
| MTD Deutschland GmbH & Co. KG | Germany |
| MTD Deutschland Verwaltungsgeschellschaft mbH | Germany |
| MTD Europe Holding GmbH | Germany |
| Stanley Black & Decker Outdoor GmbH (f.k.a.) MTD Products AG | Germany |
| Nelson Bolzenschweiß-Technik GmbH & Co. KG | Germany |
| Nelson Bolzenschweiß-Technik GmbH Verwaltungs GmbH | Germany |
| Stanley Black & Decker Deutschland GmbH | Germany |
| Stanley Grundstuecksverwaltungs GmbH | Germany |
| TUCKER GmbH | Germany |
| STANLEY BLACK & DECKER (HELLAS) EPE | Greece |
| Spiralock Global Ventures, Limited | Hong Kong |
| BDC INTERNATIONAL LIMITED | Hong Kong |
| BD Precision (Hong Kong) Limited | Hong Kong |
| BD Suzhou (Hong Kong) Limited | Hong Kong |
| BD Suzhou Power Tools (Hong Kong) Limited | Hong Kong |
| Stanley Black & Decker Limited | Hong Kong |
| MTD Asia Hong Kong Limited | Hong Kong |
| INFASTECH COMPANY LIMITED | Hong Kong |
| INFASTECH (CHINA) LIMITED | Hong Kong |
| HANGTECH LIMITED | Hong Kong |
| EMHART GUANGZHOU (HONG KONG) LIMITED | Hong Kong |
| STANLEY BLACK & DECKER HUNGARY KORALTOLT FELELOSSEGU TARSASAG | Hungary |
| MTD Hungária Kereskedelmi és Verslo Szolgáltató Korlátolt Felelősségű Társaság | Hungary |
| MTD Products India Private India Limited | India |
| Nelson Stud Welding India Private Limited | India |
| Stanley Works (India) Private Limited | India |
| Stanley Black & Decker India Private Limited | India |
| Stanley Engineered Fastening India Private Limited | India |
| Stanley Black and Decker Commercial Private India | India |
| PT STANLEY BLACK & DECKER | Indonesia |
| SBD European Investment Unlimited Company | Ireland |
| SBD European Security Investment Unlimited Company | Ireland |
| SBD European Security International Unlimited Company | Ireland |
| Gamrie Designated Activity Company | Ireland |
| Baltimore Financial Services Company Unlimited Company | Ireland |
| Belco Investments Company Unlimited Company | Ireland |
| Black & Decker International Finance 1 Unlimited Company | Ireland |

***Foreign Subsidiaries (continued)***

| **Corporate Name** | **Jurisdiction of Incorporation/ Organization** |
|---|---|
| Black & Decker International Finance 3 Designated Activity Company | Ireland |
| Chesapeake Falls Holdings Company Unlimited Company | Ireland |
| Panalok Limited | Ireland |
| Stanley Black & Decker International Finance 2 Unlimited Company | Ireland |
| Stanley Black & Decker International Finance 3 Unlimited Company | Ireland |
| Stanley Black & Decker International Finance 4 Unlimited Company | Ireland |
| Stanley Black & Decker International Finance 5 Unlimited Company | Ireland |
| Stanley Black & Decker Latin American Investment Unlimited Company | Ireland |
| Stanley Black & Decker Finance Unlimited Company | Ireland |
| Stanley Black & Decker Ireland Unlimited Company | Ireland |
| The Stanley Works Israel Ltd. | Israel |
| K.And.M. Holdco Products Ltd. | Israel |
| F. Robotics Acquisitions Ltd. | Israel |
| Stanley Engineered Fastening Italy S.r.l. | Italy |
| DeWALT INDUSTRIAL TOOLS S.p.A. | Italy |
| MTD PRODUCTS ITALIA S.R.L. | Italy |
| Stanley Black & Decker Italia S.r.l. | Italy |
| SWK Utensilerie S.r.l. | Italy |
| NIPPON POP RIVETS & FASTENERS, LTD. | Japan |
| INFASTECH (KOREA) LIMITED | Korea, Republic of |
| BLACK & DECKER (OVERSEAS) GmbH | Liechtenstein |
| BLACK & DECKER ASIA MANUFACTURING HOLDINGS 1 S.à.r.l. | Luxembourg |
| BLACK & DECKER ASIA MANUFACTURING HOLDINGS 2 S.à.r.l. | Luxembourg |
| BLACK & DECKER GLOBAL HOLDINGS S.à.r.l. | Luxembourg |
| BLACK & DECKER INTERNATIONAL HOLDINGS S.A.R.L. | Luxembourg |
| BLACK & DECKER LUXEMBOURG S.A.R.L. | Luxembourg |
| BLACK & DECKER TRANSASIA S.à.r.l. | Luxembourg |
| CHESAPEAKE INVESTMENTS COMPANY S.A.R.L. | Luxembourg |
| Constellation (Luxembourg) Holdings S.à r.l. | Luxembourg |
| Lux Star International S.à r.l. | Luxembourg |
| SBD Niscayah S.à r.l. | Luxembourg |
| Stanley Black & Decker Partnership Japan Holdings S.à r.l. | Luxembourg |
| Black & Decker International Finance 3 Designated Activity Company | Luxembourg |
| SBD European Security Holdings S.à r.l. | Luxembourg |
| Stanley Black & Decker Holdings S.à r.l. | Luxembourg |
| Stanley Black & Decker Partnership Japan | Luxembourg |
| Infastech Holdings (Malaysia) Sdn Bhd | Malaysia |
| BLACK & DECKER ASIA PACIFIC (MALAYSIA) SDN. BHD. | Malaysia |
| Infastech (Malaysia) Sdn Bhd | Malaysia |
| Infastech (Labuan) Limited | Malaysia |
| Infastech (Mauritius) Limited | Mauritius |
| Herramientas Stanley S.A. de C.V. | Mexico |
| GRUPO BLACK & DECKER MEXICO, S. DE R.L. DE C.V. | Mexico |
| Stanley Black and Decker Security Solutions Mexico, S.A. de C.V. (fka DEWALT INDUSTRIAL TOOLS, S.A. DE C.V.) | Mexico |
| MTD Products S.A. de C.V. | Mexico |
| Nelson Fastener Systems de Mexico SA de CV | Mexico |

***Foreign Subsidiaries (continued)***

| **Corporate Name** | **Jurisdiction of Incorporation/ Organization** |
|---|---|
| BLACK & DECKER DE REYNOSA, S. DE R.L. DE C.V. | Mexico |
| BLACK AND DECKER, S.A. de C.V. | Mexico |
| Stanley-Bostitch Servicios S. de R.L. de C.V. | Mexico |
| Stanley-Bostitch, S.A. de C.V. | Mexico |
| Stanley Black & Decker Hermosillo, S. de R.L. de C.V. | Mexico |
| Stanley Black & Decker de Monterrey, S. de R.L. de C.V. | Mexico |
| STANLEY BLACK & DECKER MOROCCO SARL | Morocco |
| BLACK & DECKER FAR EAST HOLDINGS B.V. | Netherlands |
| Black & Decker Hardware Holdings B.V. | Netherlands |
| BLACK & DECKER HOLDINGS B.V. | Netherlands |
| Chiro Tools Holdings B.V. | Netherlands |
| ELU B.V. | Netherlands |
| Interfast B.V. | Netherlands |
| MTD Products Benelux B.V. | Netherlands |
| NSW Fabristeel Netherlands B.V. | Netherlands |
| Stanley European Holdings B.V. | Netherlands |
| Stanley Israel Investments B.V. | Netherlands |
| Stanley Works Holdings B.V. | Netherlands |
| Stanley Black & Decker Asian Holdings B.V. | Netherlands |
| Stanley Black & Decker Netherlands B.V. | Netherlands |
| Stanley Engínerred Fastening Benelux B.V. | Netherlands |
| MTD Products New Zealand Limited | New Zealand |
| Stanley Black & Decker NZ Limited | New Zealand |
| Stanley Black & Decker Norway AS | Norway |
| Stanley Black & Decker CCA, S. de R.L. | Panama |
| Stanley Black & Decker Centroamerica S. de R.L. | Panama |
| BLACK & DECKER DEL PERU S.A. | Peru |
| MTD Poland Sp. z.o.o. | Poland |
| Stanley Black & Decker Polska Sp. z o.o. | Poland |
| STANLEY ENGINEERED FASTENING EASTERN EUROPE SP.Z O.O. | Poland |
| Stanley Fastening Systems Poland Sp. z o.o. | Poland |
| Stanley Black & Decker Romania SRL | Romania |
| Stanley Black & Decker Limited Liability Company | Russian Federation |
| Venus Enterprise Co. Ltd. | Samoa |
| Onglin International Limited | Samoa |
| Infastech (Singapore) Pte. Ltd | Singapore |
| INFASTECH INTELLECTUAL PROPERTIES PTE. LTD. | Singapore |
| INFASTECH RECEIVABLES COMPANY PTE. LTD. | Singapore |
| BLACK & DECKER ASIA PACIFIC PTE. LTD. | Singapore |
| MTD Products Singapore | Singapore |
| Stanley Works Asia Pacific Pte. Ltd. | Singapore |
| Stanley Black & Decker Slovakia s.r.o. | Slovakia |
| STANLEY BLACK & DECKER IBERICA, S.L. | Spain |
| Stanley Engineered Fastening Spain, S.L.U. | Spain |
| Stanley Black & Decker Sweden AB | Sweden |
| MTD Products Nordic AB | Sweden |

***Foreign Subsidiaries (continued)***

| **Corporate Name** | **Jurisdiction of Incorporation/ Organization** |
|---|---|
| MTD Schweiz AG | Switzerland |
| Stanley Works (Europe) GmbH | Switzerland |
| Besco Pneumatic Corporation | Taiwan |
| Fastener Jamher Taiwan Inc. | Taiwan |
| Compass Corporation | Taiwan |
| Stanley Fastening Systems Investment (Taiwan) Co. | Taiwan |
| Stanley Chiro International Ltd | Taiwan |
| Black & Decker (Thailand) Limited | Thailand |
| EMHART TEKNOLOGIES (THAILAND) LTD. | Thailand |
| Stanley Works Limited | Thailand |
| Stanley Black & Decker Turkey Alet Uretim, Sanayi ve Ticaret Limited Sirketi | Turkey |
| Stanley Black & Decker Middle East Trading FZE | United Arab Emirates |
| Stanley Black & Decker MEA FZE | United Arab Emirates |
| Stanley Black and Decker Gulf FZE | United Arab Emirates |
| Advanced Turf Technologies LTD | United Kingdom |
| Aven Tools Limited | United Kingdom |
| Avdel Holding Limited | United Kingdom |
| Avdel UK Limited | United Kingdom |
| Bandhart | United Kingdom |
| Bandhart Overseas | United Kingdom |
| Black & Decker International Finance (UK) Limited | United Kingdom |
| Black & Decker Europe | United Kingdom |
| Black & Decker International | United Kingdom |
| Black & Decker Finance | United Kingdom |
| Stanley Black & Decker UK Limited | United Kingdom |
| Black & Decker International Finance Holdings (UK) Limited | United Kingdom |
| Black & Decker | United Kingdom |
| Dewalt Industrial Power Tool Company Ltd. | United Kingdom |
| ELU Power Tools Ltd | United Kingdom |
| Emhart International Limited | United Kingdom |
| Emhart International Holdings Limited | United Kingdom |
| Stanley Security Solutions - Europe Limited | United Kingdom |
| Stanley UK Acquisition Company Limited | United Kingdom |
| Stanley Black & Decker IP Holdings Limited | United Kingdom |
| SWK (UK) Limited | United Kingdom |
| SWK (U.K.) Holding Limited | United Kingdom |
| Stanley Black & Decker UK Group Ltd. | United Kingdom |
| Stanley U.K. Holdings Ltd. | United Kingdom |
| Stanley UK Services Limited | United Kingdom |
| Tucker Fasteners Limited | United Kingdom |
| The Stanley Works Limited | United Kingdom |
| Stanley Black & Decker International Finance 1 Limited | United Kingdom |
| Stanley Black & Decker International Finance 2 Limited | United Kingdom |
| Stanley Black & Decker International Finance 3 Limited | United Kingdom |
| Stanley Black & Decker International Finance 4 Limited | United Kingdom |
| Stanley Black & Decker International Finance L.P. | United Kingdom |

***Foreign Subsidiaries (continued)***

| **Corporate Name** | **Jurisdiction of Incorporation/ Organization** |
|---|---|
| Stanley Black & Decker Finance Limited | United Kingdom |
| Compass II Co., Ltd. | Vietnam |
| INFASTECH/TRI-STAR LIMITED | Virgin Islands, British |
| BESCO INVESTMENT HOLDINGS Ltd. | Virgin Islands, British |
| Stanley Works China Investments Limited | Virgin Islands, British |
| C&C Enterprise Co., Ltd. | Virgin Islands, British |

**EXHIBIT 23**

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- Registration Statement (Form S-8 No. 2-93025)
- Registration Statement (Form S-8 No. 2-96778)
- Registration Statement (Form S-8 No. 2-97283)
- Registration Statement (Form S-8 No. 33-16669)
- Registration Statement (Form S-8 No. 033-41611)
- Registration Statement (Form S-8 No. 33-62575)
- Registration Statement (Form S-8 No. 33-55663)
- Registration Statement (Form S-8 No. 333-42346)
- Registration Statement (Form S-8 No. 333-42582)
- Registration Statement (Form S-8 No. 333-64326)
- Registration Statement (Form S-8 No. 333-162956)
- Registration Statement (Form S-8 No. 333-165454)
- Registration Statement (Form S-8 No. 333-179699)
- Registration Statement (Form S-8 No. 333-190267)
- Registration Statement (Form S-8 No. 033-62565)
- Registration Statement (Form S-8 No. 333-219984)
- Registration Statement (Form S-8 No. 333-226272)
- Registration Statement (Form S-8 No. 333-234684)
- Registration Statement (Form S-8 No. 333-264473)
- Registration Statement (Form S-3 No. 333-275211)

of our reports dated February 27, 2024, with respect to the consolidated financial statements and schedule of Stanley Black & Decker, Inc. and the effectiveness of internal control over financial reporting of Stanley Black & Decker, Inc. incorporated by reference in this Annual Report (Form 10-K) of Stanley Black & Decker, Inc. for the year ended December 30, 2023.

/s/ Ernst & Young, LLP
Hartford, Connecticut
February 27, 2024

**EXHIBIT 24**

**POWER OF ATTORNEY**

We, the undersigned officers and directors of Stanley Black & Decker, Inc., a Connecticut corporation (the "Corporation"), hereby severally constitute and appoint Janet M. Link and Donald J. Riccitelli our true and lawful attorneys-in-fact and agents each with full power of substitution, to sign for us and in our names in the capacities indicated below, the Annual Report on Form 10-K for the year ended December 30, 2023 of the Corporation filed herewith (the "Form 10-K"), and any and all amendments thereto, and to file each of the foregoing and any exhibits thereto and other documents in connect therewith with the Securities and Exchange Commission, and generally to do all such things in our name and on our behalf in our capacities as officers and directors to enable the Corporation to comply with the annual filing requirements under the Securities Exchange Act of 1934, as amended, including, all requirements of the Securities and Exchange Commission, and all requirements of any other applicable law or regulation, hereby ratifying and confirming all that said attorneys-in-fact and agents, of any of them, or substitute of any of them may lawfully do or cause to be done by virtue hereof.

| Signature | Title | Date |
|---|---|---|
| /s/ Donald Allan, Jr.<br>Donald Allan, Jr. | President and Chief Executive Officer, Director | February 27, 2024 |
| /s/ Andrea J. Ayers<br>Andrea J. Ayers | Director | February 27, 2024 |
| Patrick D. Campbell | Director | |
| /s/ Susan K. Carter<br>Susan K. Carter | Director | February 27, 2024 |
| /s/ Debra A. Crew<br>Debra A. Crew | Director | February 27, 2024 |
| /s/ Michael D. Hankin<br>Michael D. Hankin | Director | February 27, 2024 |
| /s/ Robert J. Manning<br>Robert J. Manning | Director | February 27, 2024 |
| /s/ Adrian V. Mitchell<br>Adrian V. Mitchell | Director | February 27, 2024 |
| /s/ Jane M. Palmieri<br>Jane M. Palmieri | Director | February 27, 2024 |
| /s/ Mojdeh Poul<br>Mojdeh Poul | Director | February 27, 2024 |
| /s/ Irving Tan<br>Irving Tan | Director | February 27, 2024 |

**EXHIBIT 31.1(a)**

**CERTIFICATIONS**

I, Donald Allan Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Stanley Black & Decker, Inc. and subsidiaries;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

| | |
|---|---|
| | /s/ Donald Allan, Jr. |
| Date: February 27, 2024 | Donald Allan, Jr.<br>President & Chief Executive Officer |

**EXHIBIT 31.1(b)**

## CERTIFICATIONS

I, Patrick Hallinan, certify that:

1. I have reviewed this Annual Report on Form 10-K of Stanley Black & Decker, Inc. and subsidiaries;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

| | |
|---|---|
| | /s/ Patrick Hallinan |
| Date: February 27, 2024 | Patrick Hallinan |
| | Executive Vice President & Chief Financial Officer |

**EXHIBIT 32.1**

**STANLEY BLACK & DECKER, INC.**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Stanley Black & Decker, Inc. (the "Company") on Form 10-K for the period ending December 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald Allan Jr., President and Chief Executive Officer, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Donald Allan, Jr.

Donald Allan, Jr.
President & Chief Executive Officer
February 27, 2024

**EXHIBIT 32.2**

**STANLEY BLACK & DECKER, INC.**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Stanley Black & Decker, Inc. (the “Company”) on Form 10-K for the period ending December 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Patrick Hallinan, Executive Vice President & Chief Financial Officer, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Patrick Hallinan

Patrick Hallinan
Executive Vice President & Chief Financial Officer
February 27, 2024

**EXHIBIT 97**

**STANLEY BLACK & DECKER, INC.**
**FINANCIAL STATEMENT COMPENSATION RECOUPMENT POLICY**

This Stanley Black & Decker, Inc. Financial Statement Compensation Recoupment Policy (the "**Policy**") has been adopted by the Board of Directors (the "**Board**") of Stanley Black & Decker, Inc. (the "**Company**") on July 27, 2023. This Policy provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under U.S. federal securities laws in accordance with the terms and conditions set forth herein. This Policy is intended to comply with the requirements of Section 10D of the Exchange Act (as defined below) and Section 303A.14 of the NYSE Listed Company Manual.

1. Definitions. For the purposes of this Policy, the following terms shall have the meanings set forth below.

(a) "**Committee**" means the Compensation and Talent Development Committee of the Board or any successor committee thereof. If there is no compensation committee of the Board, references herein to the "Committee" shall refer to the Company's committee of independent directors that is responsible for executive compensation decisions, or in the absence of such a compensation committee, the independent members of the Board.

(b) "**Covered Compensation**" means any Incentive-based Compensation "received" by a Covered Executive during the applicable Recoupment Period; *provided* that:

(i) such Covered Compensation was received by such Covered Executive (A) after the Effective Date, (B) after he or she commenced service as an Executive Officer and (C) while the Company had a class of securities publicly listed on a United States national securities exchange; and

(ii) such Covered Executive served as an Executive Officer at any time during the performance period applicable to such Incentive-based Compensation.

For purposes of this Policy, Incentive-based Compensation is "**received**" by a Covered Executive during the fiscal period in which the Financial Reporting Measure applicable to such Incentive-based Compensation (or portion thereof) is attained, even if the payment or grant of such Incentive-based Compensation is made thereafter.

(c) "**Covered Executive**" means any (i) current or former Executive Officer and (ii) any other employee of the Company and its subsidiaries designated by the Committee as subject to this Policy from time to time. The Policy shall apply to each Covered Executive both during and following such Covered Executive's period of employment with the Company and its affiliates.

(d) "**Effective Date**" means the date on which Section 303A.14 of the NYSE Listed Company Manual becomes effective.

(e) "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

(f) "**Executive Officer**" means, with respect to the Company, (i) its president, (ii) its principal financial officer, (iii) its principal accounting officer (or if there is no such accounting officer, its controller), (iv) any vice-president in charge of a principal business unit, division or function (such as sales, administration or finance), (v) any other officer who performs a policy-making function for the Company (including any officer of the Company's parent(s) or subsidiaries if they perform policy-making functions for the Company), and (vi) any other person who performs similar policy-making functions for the Company. Policy-making function is not intended to include policy-making functions that are not significant. The determination as to an individual's status as an Executive Officer shall be made by the Committee and such determination shall be final, conclusive and binding on such individual and all other interested persons.

(g) "**Financial Reporting Measure**" means any (i) measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, (ii) stock price measure or (iii) total shareholder return measure (and any measures that are derived wholly or in part from any measure referenced in clause (i), (ii) or (iii) above). For the avoidance of doubt, any such measure does not need to be presented within the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission to constitute a Financial Reporting Measure.

(h) "**Financial Restatement**" means a restatement of the Company's financial statements due to the Company's material noncompliance with any financial reporting requirement under U.S. federal securities laws that is required in order to correct:

(i) an error in previously issued financial statements that is material to the previously issued financial statements; or
(ii) an error that would result in a material misstatement if the error were (A) corrected in the current period or (B) left uncorrected in the current period.

For purposes of this Policy, a Financial Restatement shall not be deemed to occur in the event of a revision of the Company's financial statements due to an out-of-period adjustment (i.e., when the error is immaterial to the previously issued financial statements and the correction of the error is also immaterial to the current period) or a retrospective (1) application of a change in accounting principles; (2) revision to reportable segment information due to a change in the structure of the Company's internal organization; (3) reclassification due to a discontinued operation; (4) application of a change in reporting entity, such as from a reorganization of entities under common control; or (5) revision for stock splits, reverse stock splits, stock dividends or other changes in capital structure.

(j) "**Incentive-based Compensation"** means any compensation (including, for the avoidance of doubt, any cash or equity or equity-based compensation, whether deferred or current) that is granted, earned and/or vested based wholly or in part upon the achievement of a Financial Reporting Measure. For purposes of this Policy, "Incentive-based Compensation" shall also be deemed to include any amounts which were determined based on (or were otherwise calculated by reference to) Incentive-based Compensation (including, without limitation, any amounts under any long-term disability, life insurance or supplemental retirement or severance plan or agreement or any notional account that is based on Incentive-based Compensation, as well as any earnings accrued thereon).

(k) "**NYSE**" means the New York Stock Exchange, or any successor thereof.

(l) "**Recoupment Period**" means the three fiscal years completed immediately preceding the date of any applicable Recoupment Trigger Date. Notwithstanding the foregoing, the Recoupment Period additionally includes any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years, provided that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine (9) to twelve (12) months would be deemed a completed fiscal year.

(m) "**Recoupment Trigger Date**" means the earlier of (i) the date that the Board (or a committee thereof or the officer(s) of the Company authorized to take such action if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement, and (ii) the date on which a court, regulator or other legally authorized body directs the Company to prepare a Financial Restatement.

2. Recoupment of Erroneously Awarded Compensation.

(a) In the event of a Financial Restatement, if the amount of any Covered Compensation received by a Covered Executive (the "**Awarded Compensation**") exceeds the amount of such Covered Compensation that would have otherwise been received by such Covered Executive if calculated based on the Financial Restatement (the "**Adjusted Compensation**"), the Company shall reasonably promptly recover from such Covered Executive an amount equal to the excess of the Awarded Compensation over the Adjusted Compensation, each calculated on a pre-tax basis (such excess amount, the "**Erroneously Awarded Compensation**").

(b) If (i) the Financial Reporting Measure applicable to the relevant Covered Compensation is stock price or total shareholder return (or any measure derived wholly or in part from either of such measures) and (ii) the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Financial Restatement, then the amount of Erroneously Awarded Compensation shall be determined (on a pre-tax basis) based on the Company's reasonable estimate of the effect of the Financial Restatement on the Company's stock price or total shareholder return (or the derivative measure thereof) upon which such Covered Compensation was received.

(c) For the avoidance of doubt, the Company's obligation to recover Erroneously Awarded Compensation is not dependent on (i) if or when the restated financial statements are filed or (ii) any fault of any Covered Executive for the accounting errors or other actions leading to a Financial Restatement.

(d) Notwithstanding anything to the contrary in Sections 2(a) through (c) hereof, the Company shall not be required to recover any Erroneously Awarded Compensation if both (x) the conditions set forth in either of the following clauses (i) or (ii) are satisfied and (y) the Committee (or a majority of the independent directors serving on the Board) has determined that recovery of the Erroneously Awarded Compensation would be impracticable:

(i) the direct expense paid to a third party to assist in enforcing the recovery of the Erroneously Awarded Compensation under this Policy would exceed the amount of such Erroneously Awarded Compensation to be recovered; *provided* that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation pursuant to this Section 2(d), the Company shall have first made a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to make such recovery and provide that documentation to the NYSE; or

(ii) recovery of the Erroneously Awarded Compensation would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**").

(e) The Company shall not indemnify any Covered Executive, directly or indirectly, for any losses that such Covered Executive may incur in connection with the recovery of Erroneously Awarded Compensation pursuant to this Policy, including through the payment of insurance premiums or gross-up payments.

(f) The Committee shall determine, in its sole discretion, the manner and timing in which any Erroneously Awarded Compensation shall be recovered from a Covered Executive in accordance with applicable law, including, without limitation, by (i) requiring reimbursement of Covered Compensation previously paid in cash; (ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity or equity-based awards; (iii) offsetting the Erroneously Awarded Compensation amount from any compensation otherwise owed by the Company or any of its affiliates to the Covered Executive; (iv) cancelling outstanding vested or unvested equity or equity-based awards; and/or (v) taking any other remedial and recovery action permitted by applicable law. For the avoidance of doubt, except as set forth in Section 2(d), in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation; *provided* that, to the extent necessary to avoid any adverse tax consequences to the Covered Executive pursuant to Section 409A of the Code, any offsets against amounts under any nonqualified deferred compensation plans (as defined under Section 409A of the Code) shall be made in compliance with Section 409A of the Code.

3. Administration. This Policy shall be administered by the Committee. All decisions of the Committee shall be final, conclusive and binding upon the Company and the Covered Executives, their beneficiaries, executors, administrators and any other legal representative. The Committee shall have full power and authority to (i) administer and interpret this Policy; (ii) correct any defect, supply any omission and reconcile any inconsistency in this Policy; and (iii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of this Policy and to comply with applicable law (including Section 10D of the Exchange Act) and applicable stock market or exchange rules and regulations. Notwithstanding anything to the contrary contained herein, to the extent permitted by Section 10D of the Exchange Act and Section 303A.14 of the NYSE Listed Company Manual, the Board may, in its sole discretion, at any time and from time to time, administer this Policy in the same manner as the Committee.

4. Amendment/Termination. Subject to Section 10D of the Exchange Act and Section 303A.14 of the NYSE Listed Company Manual, this Policy may be amended or terminated by the Committee at any time. To the extent that any applicable law, or stock market or exchange rules or regulations require recovery of Erroneously Awarded Compensation in circumstances in addition to those specified herein, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Company to recover Erroneously Awarded Compensation to the fullest extent required by such applicable law, stock market or exchange rules and regulations. Unless otherwise required by applicable law, this Policy shall no longer be effective from and after the date that the Company no longer has a class of securities publicly listed on a United States national securities exchange.

5. Interpretation. Notwithstanding anything to the contrary herein, this Policy is intended to comply with the requirements of Section 10D of the Exchange Act and Section 303A.14 of the NYSE Listed Company Manual (and any applicable regulations, administrative interpretations or stock market or exchange rules and regulations adopted in connection therewith). The provisions of this Policy shall be interpreted in a manner that satisfies such requirements and this Policy shall be operated accordingly. If any provision of this Policy would otherwise frustrate or conflict with this intent, the provision shall be interpreted and deemed amended so as to avoid such conflict.

6. Other Compensation Clawback/Recoupment Rights. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies, rights or requirements with respect to the clawback or recoupment of any compensation that may be available to the Company pursuant to the terms of any other recoupment or clawback policy of the Company (or any of its affiliates) that may be in effect from time to time, any provisions in any employment agreement, offer letter, equity plan, equity award agreement or similar plan or agreement, and any other legal remedies available to the Company, as well as applicable law, stock market or exchange rules, listing standards or regulations; *provided*, *however*, that any amounts recouped or clawed back under any other policy that

would be recoupable under this Policy shall count toward any required clawback or recoupment under this Policy and vice versa.

7. Exempt Compensation. Notwithstanding anything to the contrary herein, the Company has no obligation to seek recoupment of amounts paid to a Covered Executive which are granted, vested or earned based solely upon the occurrence or non-occurrence of nonfinancial events. Such exempt compensation includes, without limitation, base salary, time-vesting awards, compensation awarded on the basis of the achievement of metrics that are not Financial Reporting Measures or compensation awarded solely at the discretion of the Committee or the Board, *provided* that such amounts are in no way contingent on, and were not in any way granted on the basis of, the achievement of any Financial Reporting Measure performance goal.

8. Miscellaneous.

(a) Any applicable award agreement or other document setting forth the terms and conditions of any compensation covered by this Policy shall be deemed to include the restrictions imposed herein and incorporate this Policy by reference and, in the event of any inconsistency, the terms of this Policy will govern. For the avoidance of doubt, this Policy applies to all compensation that is received on or after the Effective Date, regardless of the date on which the award agreement or other document setting forth the terms and conditions of the Covered Executive's compensation became effective, including, without limitation, compensation received under the Company's Management Incentive Compensation Plan, the Company's 2018 Omnibus Award Plan and the Company's 2022 Omnibus Award Plan, and any successor plan to each of the foregoing.

(b) This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

(c) All issues concerning the construction, validity, enforcement and interpretation of this Policy and all related documents, including, without limitation, any employment agreement, offer letter, equity award agreement or similar agreement, shall be governed by, and construed in accordance with, the laws of the State of Connecticut, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Connecticut or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Connecticut.

(d) The Covered Executives, their beneficiaries, executors, administrators and any other legal representative and the Company shall initially attempt to resolve all claims, disputes or controversies arising under, out of or in connection with this Policy by conducting good faith negotiations amongst themselves. To ensure the timely and economical resolution of disputes that arise in connection with this Policy, any and all disputes, claims or causes of action arising from or relating to the enforcement, performance or interpretation of this Policy shall be resolved to the fullest extent permitted by law by final, binding and confidential arbitration, by a single arbitrator, in Hartford, CT, conducted by American Arbitration Association under the applicable American Arbitration Association rules. To the fullest extent permitted by law, the Covered Executives, their beneficiaries, executors, administrators and any other legal representative and the Company, shall waive (and shall hereby be deemed to have waived) (1) the right to resolve any such dispute through a trial by jury or judge or administrative proceeding; and (2) any objection to arbitration taking place in Hartford, CT. The arbitrator shall: (i) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (ii) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that any party would be entitled to seek in a court of law. Any such award rendered shall be enforceable by any court having jurisdiction and, to the fullest extent permitted by law, the Covered Executives, their beneficiaries, executors, administrators and any other legal representative and the Company shall waive (and shall hereby be deemed to have waived) the right to resolve any such dispute regarding enforcement of such award through a trial by jury.

(e) If any provision of this Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.