

At ITW, we are inspired to make a difference for our people, our communities and the environment.



Inspired to make a difference

Our Sustainability Strategy

Consistent with our core values and decentralized, entrepreneurial culture, our sustainability strategy represents our enterprise's shared commitment, which is operationalized at the division level.

Our sustainability strategy is built around four key elements:



Our Governance & Ethics



Our People



Our Communities



Our Environment



Our Governance & Ethics

Supported by unwavering management commitment and engaged Board oversight, we operate our business with the highest level of ethical conduct, everywhere in the company every day. This commitment is reinforced by strong policies and practices related to fair, ethical and honest business dealings, robust governance, and compliance with applicable laws, while demonstrating respect for human rights at ITW and throughout our supply chain.

View our policies governing ethical conduct and responsible behavior [here](#).



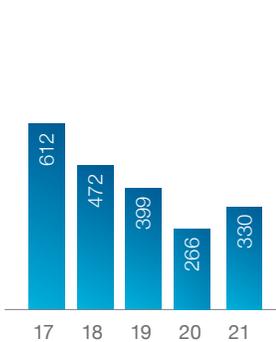
Our People

Employee Safety

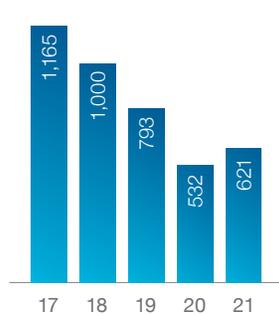
The safety of our approximately 45,000 colleagues around the world is an essential component of our commitment to be a great employer. We strive every day to foster a proactive safety culture through the execution of our Enterprise Safety Strategy, which is based on a philosophy that every accident is preventable and with a goal of zero accidents.

For 2021, our total recordable incident rate (TRIR) was 1.44 incidents per 100 employees* (up 5 percent year over year), and our lost time incident rate (LTIR) was 0.76 incidents per 100 employees (up 10 percent year over year). Given the unique operational environment in 2020 due to the onset of the pandemic, a better measure of progress is to compare 2021 incident rates with those in 2019. Our TRIR and LTIR are down 17 percent and 13 percent, respectively, from 2019 to 2021.

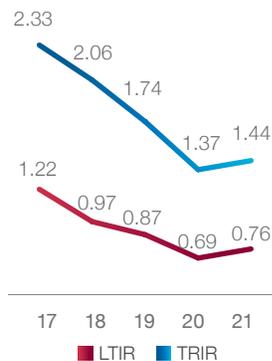
Lost Time Accidents
(Number of accidents)



Medical Treatment Incidents
(Number of incidents)

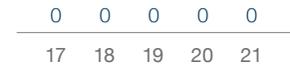


Lost Time and Total Recordable Incident Rates
(Number of incidents)



Fatalities*
(Number of fatalities)

ITW has had zero fatalities over the past five years.



* Aligned with the Industrial Machinery and Goods Sustainability Accounting Standard under SASB's Sustainable Industry Classification System®
ITW's safety metrics are based on full-time equivalent employees.

Diversity & Inclusion

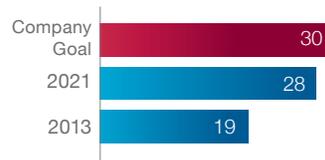
We believe we are at our best when we bring together unique perspectives, experiences and ideas. Rooted in our core values of Respect and Integrity, we are committed to treating all colleagues with dignity, fairness and respect, and afford everyone the opportunity to reach their full potential for growth and advancement. We strive to create diverse and inclusive workplaces where all ITW colleagues are heard, valued and engaged.

Our Progress on Leadership Diversity

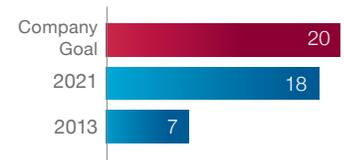
We are committed to achieving our diversity and inclusion goals and enhancing the diversity of our global leadership teams, and we have made steady and consistent progress since 2013.

DIVERSITY & INCLUSION DATA

Global Women Leaders*
(Percent)



U.S. Racially/Ethnically Diverse Leaders
(Percent)



* Top 1,000 (i.e., division directors and above) across ITW



Our Communities

Philanthropy and Community Involvement

Our Culture of Giving

Our divisions and colleagues have the flexibility to contribute to organizations and causes in ways that are meaningful to them and align with the needs of their community.

Key elements of our colleague giving program in the U.S. and Canada include:

- ITW Gift + Volunteer Match Program, which provides:
 - » A 3:1 match for qualified charitable giving by our colleagues.
 - » A \$10 per hour match for qualified volunteering hours reported by our colleagues.
- A corporate match to United Way and its partner agencies for every dollar contributed through our annual employee giving campaign.
- Scholarship programs for high-achieving dependents of ITW colleagues pursuing a post-secondary education.

In addition to amplifying our colleagues' giving, ITW strategically invests in our focus areas of education, workforce development and arts and culture through key partnerships in the community. In 2021, ITW gave \$24 million to these focus areas.

Doing More in Our Communities

The renewed focus on issues of inequities has inspired ITW to do more to contribute to a more just and equitable society for all. As part of ITW's commitment to "Listen More, Learn More and Do More," we are expanding our investment and engagement in organizations, programs and partnerships that improve access to a high-quality education and to meaningful long-term employment opportunities for marginalized communities. We look forward to sharing progress updates in our next report.

Support for Education

Our longstanding commitment to education is demonstrated through the support we provide for STEM-related (science, technology, engineering and mathematics) programming in schools and organizations.

ITW David Speer Academy

Since 2014, ITW has proudly sponsored ITW David Speer Academy in memory of former ITW chairman & CEO, David Speer, who passed away in 2012. The Chicago high school focuses on offering a world-class STEM education to over 1,000 students in grades 9 through 12.

ITW's impact extends far beyond our ongoing financial support. Our colleagues are actively involved in the school's programs and regularly engage with its many talented students. We also collaborate and partner with other organizations to offer the students unique opportunities that enrich their overall learning experience.

In 2021, ITW David Speer Academy graduated its fourth class of seniors since the school opened.



ITW David Speer Academy by the Numbers

100%
graduation rate
among the class of 2021

83%
of 2021 graduates
pursuing education beyond
high school

\$27.5 million
in scholarships awarded to
the class of 2021 from various
institutions/organizations



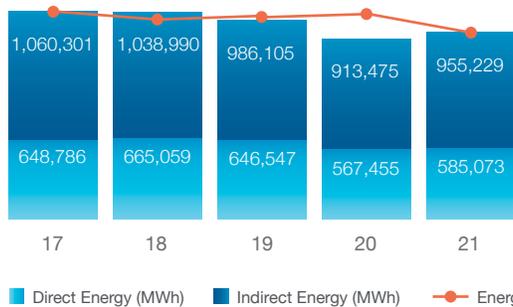
Environmental Responsibility

We track our impact on the environment in several areas, and we use this data to drive continuous improvement. Our energy and GHG emissions data are reviewed and verified by a recognized third party to validate our disclosures. With respect to our GHG emissions target, we are pleased to have achieved a 37 percent GHG emissions intensity reduction through 2021, compared with our 2017 baseline year, based on our third-party verified data.

This reduction is a result of decreased energy consumption and increased use of renewable energy. Overall, we are pleased with our performance relative to our goal. However, ITW seeks to continuously improve our environmental progress, and to that end, we are studying further goals, which may consider an absolute reduction in GHG emissions rather than our current intensity-based reduction goal.

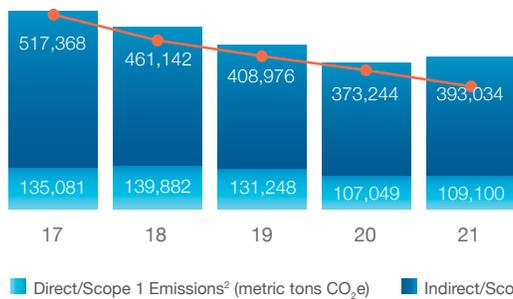
View our [GHG emissions verification statement](#).

Total Energy¹



	2017	2018	2019	2020	2021
Total Energy¹ (MWh)	1,709,087	1,704,050	1,632,651	1,480,930	1,540,302
Energy Intensity⁴ (MWh/million\$ operating revenue)	119	115	116	118	107

Total Emissions⁵



	2017	2018	2019	2020	2021
Total Emissions⁵ (metric tons CO₂e)*	652,449	601,024	540,224	480,293	502,134
Emissions Intensity Including Renewables⁴ (metric tons CO₂e/million\$ operating revenue)	46	40	36	33	29
Emissions from Biomass (metric tons CO₂)	36,726	39,369	38,033	26,139	29,170

¹ Includes electricity, purchased heat, natural gas, heating/fuel oil, diesel, gasoline, propane, wood and liquefied natural gas.

² Emissions from the combustion of natural gas, heating/fuel oil, diesel, gasoline, propane, wood and liquefied natural gas, the use of foam blowing agents, refrigerants and direct use of CO₂. CO₂e includes CO₂, CH₄ and N₂O, with the exception of wood, which is CH₄ and N₂O.

³ Emissions from purchased heat and electricity use (location based); CO₂e includes CO₂, CH₄ and N₂O.

⁴ Total operating revenue was used in the calculation of intensity indicators.

⁵ 2017-2020 Total Energy and Total Emissions were recalculated for the following reasons: added new sources, updated emission factors: UK-BEIS, published January 2022; National Greenhouse Accounts Factors: 2021, published August 2021; International Energy Association, September 2021 release; eGrid January 2022 release and corrections to reported figures. We also use GHG Protocol Emissions Factors in our calculations.

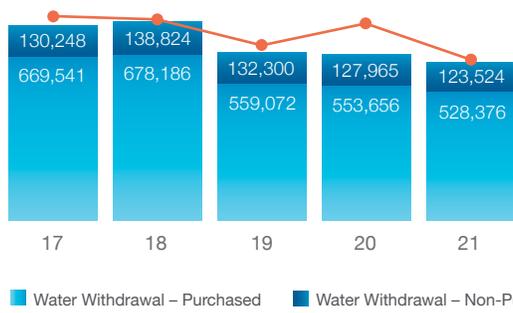
* Location based emissions

The reporting period for ITW's environmental, health and safety data is January 1, 2021 – December 31, 2021. The reporting boundary includes companies over which ITW has operational control.



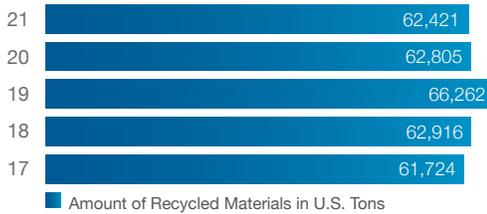
Our Environment

Total Water Withdrawn



	2017	2018	2019	2020	2021
Total Water Withdrawn	799,789	817,010	691,372	681,621	651,900
Water Intensity ¹ (U.S. gallons/ thousand\$ operating revenue)	56	55	49	54	45

Total Recycled Material



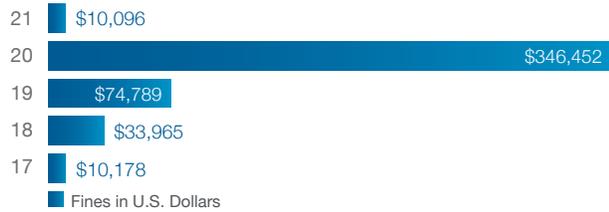
Government Environmental Inspections



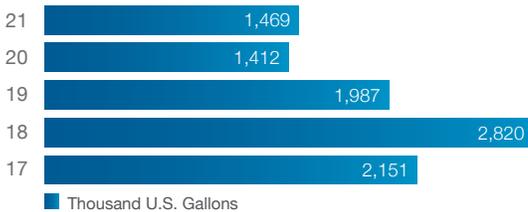
Total Solid Waste



Government Environmental Inspections' Resulting Fines²



Total Liquid Hazardous and Special Industrial Waste



¹ Total operating revenue was used in the calculation of intensity indicators.

² 2020 includes a fine resulting from the settlement of a U.S. EPA enforcement action against a facility in Rockland, Massachusetts, alleging lack of compliance with rules relating to process documentation, training and equipment maintenance, none of which resulted in a chemical release. Fine was paid in 2021.

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