

# Our Shared Journey

At ITW, we are on a shared journey for the betterment of our people, our communities and the environment.



## Our Corporate Social Responsibility Strategy

Consistent with our core values and Decentralized, Entrepreneurial Culture, our corporate social responsibility (CSR) strategy represents our enterprise's shared commitment, but it is operationalized at the divisional level.

Our CSR 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 a demonstrated commitment to 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](#).

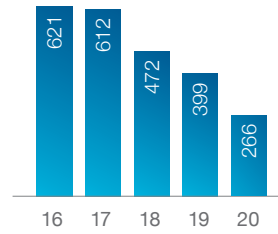


# Our People

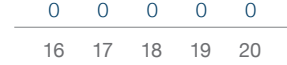
## Employee Safety

2020 marked our fifth year executing the Enterprise Safety Strategy across all ITW divisions, and we are pleased to report that we achieved a 33 percent reduction in lost time accidents in our facilities year over year. This improvement demonstrates clear progress as we enhance our culture of safety and continue a journey to zero accidents. Our total recordable incident rate (TRIR) and lost time incident rate (LTIR) decreased 20 percent and 21 percent year over year, respectively. For 2020, our TRIR was 1.4 incidents per 100 employees\*, and our LTIR was 0.7 incidents per 100 employees.

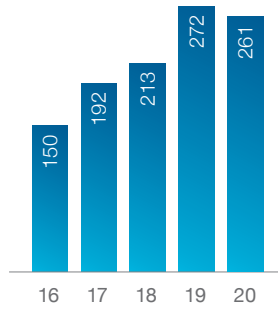
**Lost Time Accidents**  
(Number of accidents)



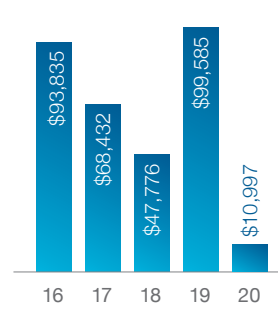
**Fatalities\***  
(Number of fatalities)



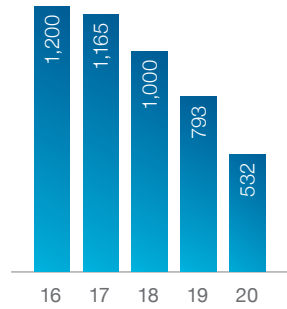
**Government Safety Inspections**  
(Number of inspections)



**Government Safety Inspections' Resulting Fines**  
(Fines in U.S. dollars)



**Medical Treatment Incidents**  
(Number of incidents)



\* Aligned with the Industrial Machinery and Goods Sustainability Accounting Standard under SASB's Sustainable Industry Classification System®

## 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.

### DIVERSITY & INCLUSION GOALS\*

Global Women Leaders

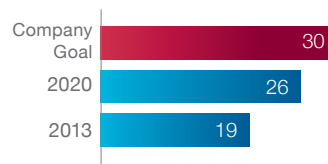
**30%**

U.S. Ethnically Diverse Leaders

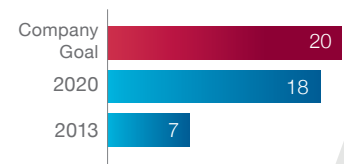
**20%**

### DIVERSITY & INCLUSION DATA\*

Global Women Leaders  
(Percent)



U.S. Ethnically Diverse Leaders  
(Percent)



\* Top 1,000 senior leaders across ITW



## Our Communities

### Philanthropy and Community Involvement

#### Our Culture of Giving

True to our Decentralized, Entrepreneurial Culture, our colleagues are empowered to support the organizations that mean the most to them. Key elements of ITW's colleague giving program include:

- \$3 for \$1 corporate match for qualified charity giving by our colleagues in the U.S. and Canada.
- A volunteer match program that provides a \$10 corporate donation for every volunteer hour submitted by our colleagues in the U.S. and Canada.
- Every dollar given to United Way as part of our annual campaign is matched by ITW to amplify our colleagues' gifts.
- A scholarship program for high-achieving colleague dependents in the U.S. and Canada seeking post-secondary education.

In addition to amplifying colleague giving, the ITW enterprise gives to important causes in our communities through multi-year pledges, annual operating grants, sponsorships and in-kind donations. In 2020, ITW gave \$17.1 million to these causes.

### Supporting Our Communities in Unprecedented Times

While 2020 presented its challenges, ITW's commitment to our communities was unwavering as we sought new opportunities to provide greater relief to those who needed it most. In addition to our steadfast commitments outlined in our annual giving plan, we mobilized our people and resources to quickly respond to the growing needs of our communities.

Investments related to the COVID-19 pandemic include, among others:

- Chicago Community COVID-19 Response Fund (\$250,000)
- Illinois COVID-19 Response Fund (\$500,000)
- Noble Network of Charter Schools/ITW David Speer Academy Family Support Fund, supporting the hardest hit zip code in Chicago (\$100,000)

True to our culture of giving, ITW and our divisions throughout the world donated face masks, hand sanitizer and other personal protective equipment (PPE) to nonprofits, healthcare facilities, schools and community groups.

### 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 nine 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.



#### ITW David Speer Academy by the Numbers

**100%**  
graduation rate  
among the class of 2020

**86%**  
of 2020 graduates  
pursuing education beyond  
high school

**\$30.1 million**  
in scholarships awarded to  
the class of 2020 from various  
institutions/organizations

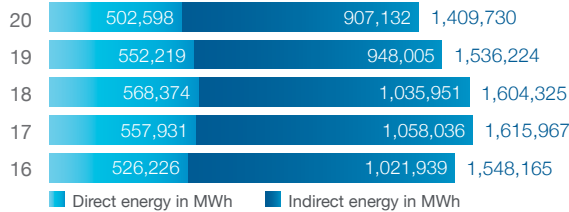


## Environmental Responsibility

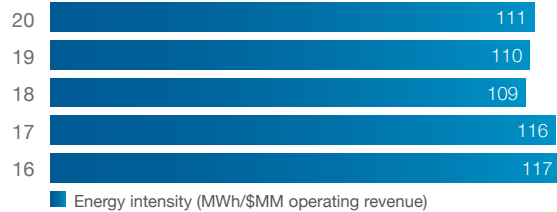
We track our impact on the environment in several areas, and we use this data to drive continuous improvement. Our data is reviewed and verified by a recognized third party to validate our disclosures. With respect to our greenhouse gas (GHG) emissions

target, we are pleased to have achieved a 26 percent GHG emissions intensity reduction through 2020 versus our 2017 baseline year, based on our third-party verified data.

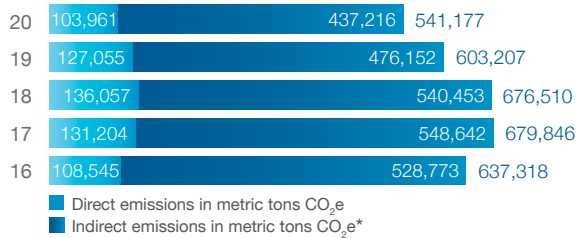
### Total Energy<sup>1,4</sup>



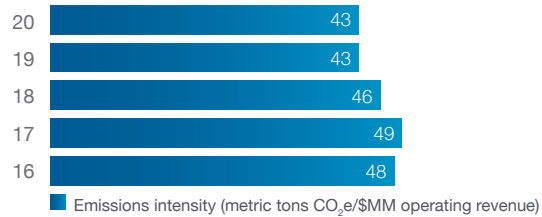
### Energy Intensity<sup>3,4</sup>



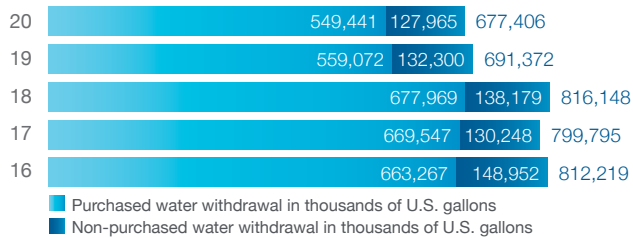
### Total Emissions<sup>2,4</sup>



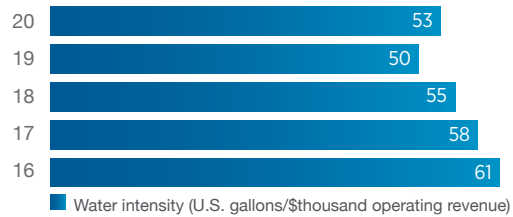
### Emissions Intensity<sup>2,3,4</sup>



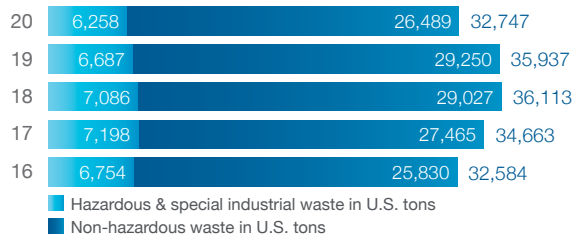
### Total Water Withdrawn



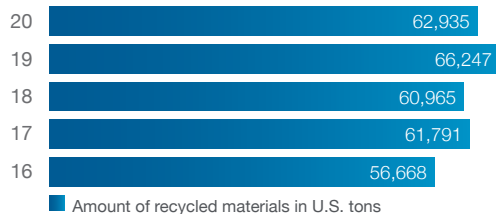
### Water Intensity<sup>3</sup>



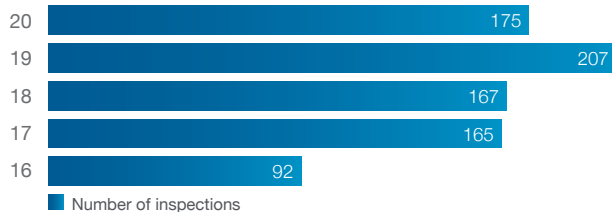
### Total Solid Waste



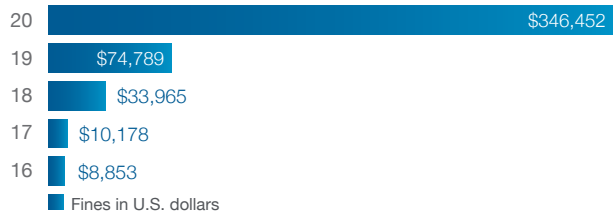
### Total Recycled Material



### Government Environmental Inspections



### Government Environmental Inspections' Resulting Fines<sup>5</sup>



The reporting period for ITW's environmental, health and safety data is January 1 – December 31, 2020. The reporting boundary includes companies over which ITW has operational control.

<sup>1</sup> Includes electricity, natural gas, heating/fuel oil, diesel, gasoline, propane and liquefied natural gas.

<sup>2</sup> Emissions from electricity use (location based), the combustion of natural gas, heating/fuel oil, diesel, gasoline, propane and liquefied natural gas and the use of foam blowing agents. CO<sub>2</sub>e includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

<sup>3</sup> Only operating revenue from businesses within the reporting boundary was included in the calculation of intensity indicators, representing no less than 90 percent of the total operating revenue.

<sup>4</sup> 2016-2019, including the baseline year, Energy and Total Emissions recalculated for the following reasons: updated UK Government GHG Conversion Factors for Company Reporting, published July 2020; National Greenhouse Accounts Factors: 2020, published September 2020; and corrections to reported figures.

<sup>5</sup> 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.

\* Location based emissions