W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Founded in 1912, ITW (NYSE: ITW) is a global industrial company built around a differentiated and proprietary business model. The company's seven industry-leading segments leverage the ITW Business Model to generate solid growth with best-in-class margins and returns in markets where highly innovative, customer-focused solutions are required. ITW's approximately 45,000 dedicated colleagues around the world thrive in our decentralized, entrepreneurial culture. In 2019, the company achieved revenues of $14.1 billion, with roughly half coming from outside North America. To learn more, please visit www.itw.com.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January 1 2019</td>
<td>December 31 2019</td>
</tr>
</tbody>
</table>

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

- Argentina
- Australia
- Belgium
- Brazil
- Bulgaria
- Canada
- Chile
- China
- China, Hong Kong Special Administrative Region
- Colombia
- Costa Rica
- Croatia
- Czechia
- Denmark
- Finland
- France
- Germany
- Hungary
- India
- Ireland
- Italy
- Japan
- Malaysia
- Mexico
- Netherlands
- New Zealand
- Philippines
- Poland
- Portugal
- Republic of Korea
- Russian Federation
- Slovakia
- Slovenia
- South Africa
- Spain
- Sweden
- Switzerland
- Taiwan, Greater China
- Thailand
- United Kingdom of Great Britain and Northern Ireland
- United States of America
(W0.4) Select the currency used for all financial information disclosed throughout your response.
USD

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.
Companies, entities or groups over which operational control is exercised

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?
No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th>Sufficient amounts of good quality freshwater available for use</th>
<th>Direct use importance rating</th>
<th>Indirect use importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important</td>
<td>Important</td>
<td>Important</td>
<td>The majority of ITW's operations are not water intensive and our supply chain and operations are diverse, minimizing the risks associated with having sufficient amounts of good quality freshwater available for use. Although the risk is low, it is important for us to have good quality freshwater for our direct operations. Freshwater is used in some of our products, processes including quenching, rinsing, cooling of equipment, product testing and cleaning of equipment, parts and facilities. For suppliers it is important for the same reasons as for our operations. It is important for our customers as well; water quality affects the performance of some of our products, for example wareswashers used in commercial kitchens. As ITW grows, in the future it is likely that businesses added to the portfolio will fit into the existing segments, having similar products and operations. For this reason, we do not anticipate any future changes in the importance of freshwater availability or quality in our direct operations and the remainder of our value chain.</td>
</tr>
</tbody>
</table>

| Sufficient amounts of recycled, brackish and/or produced water available for use | Neutral | Not very important | Many of our operations recycle water for use in processes and cooling of facilities. However, this is reported by a relatively low number of facilities compared to those that withdraw fresh water. With the exception of water treatment equipment, our water reliant products use freshwater. We are not aware of any concerns related to recycled, brackish and/or produced water in the rest of our value chain. As ITW grows, in the future it is likely that businesses added to the portfolio will fit into the existing segments, having similar products and operations. For this reason, we do not anticipate any future changes in the importance of recycled, brackish and/or produced water in our direct operations or the remainder of our value chain. |

W1.2
Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

| Water withdrawal quality | Not monitored | Water withdrawal quality is measured and monitored at the facility level, not enterprise wide. Onsite water monitoring is the most effective way to ensure the quality is kept at the optimal level for the specific need. Not all of ITW’s processes depend on water and where the quality is not critical, it is not closely monitored. |

| Water discharge – volume of wastewater discharged | Not monitored | Water discharge is measured and monitored at the facility level, where it is required, not enterprise wide. |

| Water discharge – volume of wastewater disposed of on-site | Not monitored | Water discharge by destination is not measured or monitored across the enterprise. |

| Water discharge quality – by standard effluent parameters | Not monitored | Water discharge quality by standard effluent parameters is not monitored at the enterprise level. It is measured by the facilities that are required to do so. |

| Water discharge quality – by temperature | Not monitored | If monitored, water discharge temperature would be monitored by the facilities and not tracked at the enterprise wide. |

| Water consumption – total volume | Not monitored | Total water consumption volume is not monitored at the corporate level, because we do not track discharge. |

| Water recycled/reused | 100% | We collect and monitor the quantity of water recycled/reused by facilities for which we have operational control. |

The provision of fully-functioning, safely managed WASH services to all workers is required.

Water withdrawal quality and gas sector

Water discharges quality

Water discharge quality – by standard effluent parameters

Water discharge by destination

Water discharge is measured and monitored at the facility level, where it is required, not enterprise wide.

Water discharge volume by treatment method

Water discharge volume by standard effluent parameters is not monitored at the enterprise level. It is measured by the facilities that are required to do so.

Water discharge quality – by temperature

Water consumption – total volume

Water recycled/reused

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Water discharge volume by treatment method

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Water discharge quality – by temperature

Water consumption – total volume

Water recycled/reused

The provision of fully-functioning, safely managed WASH services to all workers is required.
(W1.2h) Provide total water withdrawal data by source.

<table>
<thead>
<tr>
<th>Source</th>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water, including rainwater,</td>
<td>Relevant but</td>
<td>&lt;Not Applicable&gt;</td>
<td>Lower</td>
<td>There are two known facilities that collect and use rainwater. One has</td>
</tr>
<tr>
<td>water from wetlands, rivers, and lakes</td>
<td>volume unknown</td>
<td></td>
<td></td>
<td>converted its basement into a water reservoir for collecting rainwater, the</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>other collects runoff from the parking lot to be re-used.</td>
</tr>
<tr>
<td>Brackish surface water/Seawater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>This is not an applicable source.</td>
</tr>
<tr>
<td>Groundwater – renewable</td>
<td>Relevant 501</td>
<td></td>
<td>Lower</td>
<td>The renewable ground water withdrawals are approximately 4% lower than last</td>
</tr>
<tr>
<td>Groundwater – non-renewable</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>This is not an applicable source.</td>
</tr>
<tr>
<td>Produced/Entrained water</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>This is not an applicable source.</td>
</tr>
<tr>
<td>Third party sources</td>
<td>Relevant 2447</td>
<td></td>
<td>Lower</td>
<td>The quantity of water from municipal supply is less than last year’s value,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>there is 5% decrease in withdrawal. Water intensity (with respect to operating</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>revenue) is 7% lower than last year.</td>
</tr>
</tbody>
</table>

W1.4

(W1.4) Do you engage with your value chain on water-related issues?
Yes, our customers or other value chain partners

W1.4c

(W1.4c) What is your organization’s rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

In addition to working to reduce water withdrawals and improve discharge quality in our operations, we work with our customers to ensure that the products we provide them, where applicable, support their water related concerns. Customer Back Innovation is a key component of the ITW business model. It is innovating from “the customer back”; we work with our customers to develop products that meet their key needs and eliminate pain points, this includes water consumption. For example, we produce water efficient commercial kitchen equipment including ware washers and vent hoods that recirculate water.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed
Select the options that best describe your procedures for identifying and assessing water-related risks.

**Direct operations**

**Coverage**
Partial

**Risk assessment procedure**
Water risks are assessed as a standalone issue

**Frequency of assessment**
Annually

**How far into the future are risks considered?**
3 to 6 years

**Type of tools and methods used**
Tools on the market

**Tools and methods used**
WRI Aqueduct

**Comment**
WRI Aqueduct is used to assess water risks for facilities that account for 80% of ITW's total water withdrawal each year. It provides river basin level information for multi-decade periods. We examine Baseline Water Stress, Baseline Water Depletion and Inter-annual Variability for physical risks, we also review the Peak Reputation Risk score. It is beneficial for ITW to understand the conditions of and the impact it has on the areas where it withdraws water. ITW considers Access to Water when assessing regulatory and reputation risks.

**Supply chain**

**Coverage**
None

**Risk assessment procedure**
<Not Applicable>

**Frequency of assessment**
<Not Applicable>

**How far into the future are risks considered?**
<Not Applicable>

**Type of tools and methods used**
<Not Applicable>

**Tools and methods used**
<Not Applicable>

**Comment**
ITW does not perform water related risk analysis on its suppliers. However, ITW's suppliers agree to the ITW Supplier Code of Conduct and ITW Supplier Expectations which require them to comply with environmental laws and reduce their environmental impacts, including those on water.

**Other stages of the value chain**

**Coverage**
Partial

**Risk assessment procedure**
Water risks are assessed as a standalone issue

**Frequency of assessment**
Annually

**How far into the future are risks considered?**
3 to 6 years

**Type of tools and methods used**
Tools on the market

**Tools and methods used**
WRI Aqueduct

**Comment**
WRI Aqueduct is used to assess water risks for facilities that account for 80% of ITW's total water withdrawal each year. It provides information that can be used to gauge the risks that impact our investors, communities and provides insight into regulatory risks we may face.

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W3.3b
### (W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

<table>
<thead>
<tr>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water availability at a basin/catchment level</td>
<td>Relevance, sometimes included</td>
</tr>
<tr>
<td>Water quality at a basin/catchment level</td>
<td>Relevance, sometimes included</td>
</tr>
<tr>
<td>Stakeholder conflicts concerning water resources at a basin/catchment level</td>
<td>Relevance, sometimes included</td>
</tr>
<tr>
<td>Implications of water on your key commodities/raw materials</td>
<td>Not relevant, explanation provided</td>
</tr>
<tr>
<td>Water-related regulatory frameworks</td>
<td>Not relevant, explanation provided</td>
</tr>
<tr>
<td>Status of ecosystems and habitats</td>
<td>Not considered</td>
</tr>
<tr>
<td>Access to fully-functioning, safely managed WASH services for all employees</td>
<td>Not considered</td>
</tr>
<tr>
<td>Other contextual issues, please specify</td>
<td>Not considered</td>
</tr>
</tbody>
</table>

### (W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

<table>
<thead>
<tr>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Relevant, sometimes included</td>
</tr>
<tr>
<td>Employees</td>
<td>Relevant, sometimes included</td>
</tr>
<tr>
<td>Investors</td>
<td>Relevant, sometimes included</td>
</tr>
<tr>
<td>Local communities</td>
<td>Relevant, sometimes included</td>
</tr>
<tr>
<td>NGOs</td>
<td>Not relevant, included</td>
</tr>
<tr>
<td>Other water users at a basin/catchment level</td>
<td>Not relevant, explanation provided</td>
</tr>
<tr>
<td>Regulators</td>
<td>Relevant, sometimes included</td>
</tr>
<tr>
<td>River basin management authorities</td>
<td>Not considered</td>
</tr>
<tr>
<td>Statutory special interest groups at a local level</td>
<td>Not considered</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Relevant, not included</td>
</tr>
<tr>
<td>Water utilities at a local level</td>
<td>Not considered</td>
</tr>
<tr>
<td>Other stakeholders, please specify</td>
<td>Not considered</td>
</tr>
</tbody>
</table>
(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Direct operations

Water risk assessment is undertaken independently of other risk assessments and covers direct operations of some facilities. ITW's 80/20 business management process is applied to determine the facilities that are included in the annual water risk assessment. These facilities account for 80% of the total water that is withdrawn by ITW. No risk assessment process standards are used.

Once the facilities are selected, publicly available tools are used to gather information on their water related risks. The following indicators are used: baseline water stress, baseline water depletion, inter annual water variability and reputation risk factors are examined. Facilities are ranked based on the severity of each risk. Each year management receives a report based on the information gathered.

Regulatory Risks than can impact direct operations

The ITW EHSS department is informed of regulatory changes that may impact either a significant number of ITW businesses or a significant portion of revenue. It Department then alerts the affected businesses which, either prepare to comply with the regulations or if they determine the pending regulation is not in the best interest of their stakeholders, they work with industry groups to recommend changes to the regulations.

Also, ITW businesses track the water-related regulations that apply to them and assess their associated risks.

Other stages of the value chain

Water-related risks of communities and investors are analyzed annually and are based on the information discovered when assessing the risks of our direct operations.

Customer water-related risk assessment and response is managed by ITW businesses.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

We would consider a substantive impact to exist only where any of our businesses changed their operations, sources of supply or customer base due to matters that would cause a change in any one of our seven business segments that was considered significant by that segment or ITW overall.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks exist, but no substantive impact anticipated</td>
<td>The existing water risks do not pose a substantive financial or strategic impact to ITW, because of how we define substantive. The water risks include operations in regions where water conditions range from abundant to extreme scarcity, flood and drought, and operations in areas where there is high competition for available supplies. We do not feel the risk is high enough to require a change in operations, sources of supply or customer base.</td>
</tr>
</tbody>
</table>

W4.2c
W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Risks exist, but no substantive impact anticipated</td>
<td>We do not consider ITW to be exposed to water risks in the value chain (beyond direct operations) with the potential to have substantive financial or strategic impact, based on: our definition of a substantive risk, a low number of water intensive products and processes, ITW’s diverse operations (seven operating segments) and end markets.</td>
</tr>
</tbody>
</table>

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

<table>
<thead>
<tr>
<th>Type of opportunity</th>
<th>Products and services</th>
<th>Primary water-related opportunity</th>
<th>Company-specific description &amp; strategy to realize opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Increased sales of existing products/services</td>
<td>The Food Equipment segment manufactures warewash equipment for commercial kitchens that provides optimal cleaning with minimal water use and some have the ability to clean and sanitize without the use of chemical detergents. Another development from this segment is the ventless warewasher that recycles water vapor instead of releasing it. The water vapor is condensed and used in the cleaning cycle, reducing the need for additional water. Sales are mainly in the Americas, Europe and Asia.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated timeframe for realization</th>
<th>Current - up to 1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magnitude of potential financial impact</td>
<td>Low-medium</td>
</tr>
<tr>
<td>Are you able to provide a potential financial impact figure?</td>
<td>No, we do not have this figure</td>
</tr>
<tr>
<td>Potential financial impact figure (currency)</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Potential financial impact figure – minimum (currency)</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Potential financial impact figure – maximum (currency)</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Explanation of financial impact</td>
<td>This is proprietary information to ITW and while this product is financially positive to our portfolio, we do not share this information publicly.</td>
</tr>
</tbody>
</table>

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Company-wide</td>
<td>Other, please specify (In our commitment to the environment, each of our businesses monitors environmental data relevant to the business, including emissions, energy usage, water usage, waste and other applicable data.)</td>
<td>ITW collects data on the water withdrawn and recycled from facilities over which we have operational control. Our businesses monitor this information, in addition to other water related information that is relevant to their operations. 2019 - Environmental and Sustainability Policy.pdf</td>
</tr>
</tbody>
</table>
Is there board level oversight of water-related issues within your organization?
Yes

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

<table>
<thead>
<tr>
<th>Position of individual</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Chair</td>
<td>ITW’s management, subject to oversight by our Board of Directors, structures, monitors and adjusts ITW’s sustainability efforts in a manner that is consistent with its core values and that best serves the interests of the Company and its stakeholders. The Board, chaired by the CEO/Chairman, is responsible for overall risk oversight of the Company, which includes ITW’s strategic priorities, policies and goals related to environmental, social, supply chain and governance matters. ITW’s Board receives periodic updates regarding ITW’s CSR strategy, initiatives and progress. Also, ITW has a Director of Environmental, Health, Safety &amp; Sustainability with day-to-day environmental-related responsibilities, including overseeing the execution of ongoing environmental, safety and regulatory compliance initiatives. ITW management and the Board are dedicated to continuing to advance ITW’s commitment to global environmental sustainability and recognize the value in emissions disclosures and related programs.</td>
</tr>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>ITW’s management, subject to oversight by our Board of Directors, structures, monitors and adjusts ITW’s sustainability efforts in a manner that is consistent with its core values and that best serves the interests of the Company and its stakeholders. The Board, chaired by the CEO/Chairman, is responsible for overall risk oversight of the Company, which includes ITW’s strategic priorities, policies and goals related to environmental, social, supply chain and governance matters. ITW’s Board receives periodic updates regarding ITW’s CSR strategy, initiatives and progress. Also, ITW has a Director of Environmental, Health, Safety &amp; Sustainability with day-to-day environmental-related responsibilities, including overseeing the execution of ongoing environmental, safety and regulatory compliance initiatives. ITW management and the Board are dedicated to continuing to advance ITW’s commitment to global environmental sustainability and recognize the value in emissions disclosures and related programs.</td>
</tr>
</tbody>
</table>

(W6.2b) Provide further details on the board’s oversight of water-related issues.

<table>
<thead>
<tr>
<th>Frequency that water-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled - some meetings</td>
<td>Overseeing acquisitions and divestures</td>
<td>The Board is responsible for overall risk oversight of the Company, which includes ITW’s strategic priorities as well as policies and goals related to environmental matters, including climate change and water. ITW’s Board receives periodic updates regarding the Company’s CSR strategy, initiatives and progress.</td>
</tr>
<tr>
<td></td>
<td>Overseeing major capital expenditures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding annual budgets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding business plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding major plans of action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding risk management policies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding corporate responsibility strategy</td>
<td></td>
</tr>
</tbody>
</table>

(W6.3)
(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Other, please specify (Vice President/General Manager)
Responsibility
Both assessing and managing water-related risks and opportunities
Frequency of reporting to the board on water-related issues
Not reported to board
Please explain
Climate and water-related risks and opportunities are assessed and managed at the business level. This includes region specific requirements and issues.

Name of the position(s) and/or committee(s)
Other, please specify (Director Environmental, Health, Safety and Sustainability (EHSS))
Responsibility
Other, please specify (Provides oversight)
Frequency of reporting to the board on water-related issues
Annually
Please explain
Oversees the execution of ongoing environmental and regulatory compliance initiatives, including climate change and water. Annually provides analysis and data for report to the Board on environmental matters.

Name of the position(s) and/or committee(s)
Other, please specify (VP of Global Sourcing & EHSS)
Responsibility
Assessing water-related risks and opportunities
Frequency of reporting to the board on water-related issues
Annually
Please explain
Annually provides analysis and data for report to the Board on Environmental Social Governance matters generally, including climate change and water. Water-related issues, if material, would be reported to the board. Water issues have not been material to the Company.

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

<table>
<thead>
<tr>
<th>Provide incentives for management of water-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, and we do not plan to introduce them in the next two years</td>
<td></td>
</tr>
</tbody>
</table>

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1
Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Are water-related issues integrated?</th>
<th>Long-term time horizon (years)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>5-10</td>
<td>Our decentralized businesses each create a long-range plan on an annual basis that consider strategic threats and opportunities. Water-related issues, as they may affect our businesses, are considered within the context of the long-range plan. As example, our Warewash division has a strategic priority to reduce water consumption in the equipment they produce, and this is a strategic imperative that drives certain product design priorities. ITW does not typically have manufacturing processes that are water intensive, so for many of our businesses, this is not a critical issue. Our business objectives are therefore to help our customers solve their needs for water efficient equipment and provide best in class solutions, and as a manufacturer which uses a modest quantity of water in our operations to continue to be vigilant about opportunities to reduce our own consumption.</td>
</tr>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>5-10</td>
<td>Our decentralized businesses each create a long-range plan on an annual basis that consider strategic threats and opportunities. Water-related issues, as they may affect our businesses, are considered within the context of the long-range plan. As example, our Warewash division has a strategic priority to reduce water consumption in the equipment they produce, and this is a strategic imperative that drives certain product design priorities. ITW does not typically have manufacturing processes that are water intensive, so for many of our businesses, this is not a critical issue.</td>
</tr>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>5-10</td>
<td>Our financial planning is comprehended as part of the long-range planning process described above. While water is integrated within overall business consideration, it does not have a material financial effect on any of our businesses.</td>
</tr>
</tbody>
</table>

What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

<table>
<thead>
<tr>
<th>Water-related CAPEX (+/- % change)</th>
<th>Anticipated forward trend for CAPEX (+/- % change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>175</td>
<td>20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Water-related OPEX (+/- % change)</th>
<th>Anticipated forward trend for OPEX (+/- % change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4</td>
<td>-5</td>
</tr>
</tbody>
</table>

Please explain

Many ITW businesses have shared they plan to implement water related projects within the next two years, increasing CAPEX. Production rates have lowered over the last two year and with the impact of the Coronavirus Pandemic, production for 2020 will likely be lower, further decreasing the OPEX. If things continue at the same rate, water use will continue to decrease, as will the OPEX.

Does your organization use climate-related scenario analysis to inform its business strategy?

<table>
<thead>
<tr>
<th>Use of climate-related scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No plans for the next two years</td>
<td>There is no water-related scenario analysis performed at the corporate level. This analysis is better suited for the divisions.</td>
</tr>
</tbody>
</table>

Does your company use an internal price on water?

<table>
<thead>
<tr>
<th>Does your company use an internal price on water?</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, and we do not anticipate doing so within the next two years</td>
<td>We recognize that the true value of water is not reflected in its cost. While water is integrated within our overall business consideration, it does not have a material financial effect on a significant number of our businesses. Placing an internal price on water is not a high priority for ITW at this time and it is not likely that it will be in the next two years.</td>
</tr>
</tbody>
</table>

Targets
(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

<table>
<thead>
<tr>
<th>Levels for targets and/or goals</th>
<th>Monitoring at corporate level</th>
<th>Approach to setting and monitoring targets and/or goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Our company sets no targets or goals</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W8.1c

(W8.1c) Why do you not have water target(s) or goal(s) and what are your plans to develop these in the future?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Judged to be unimportant, explanation provided</td>
</tr>
</tbody>
</table>

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Vice President, Global Strategic Sourcing &amp; Environmental Health &amp; Safety</td>
</tr>
</tbody>
</table>

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub (applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)).

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization’s annual revenue for the reporting period?

<table>
<thead>
<tr>
<th>Annual revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
</tr>
</tbody>
</table>

SW0.2
SW0.2

Do you have an ISIN for your organization that you are willing to share with CDP?
Yes

SW0.2a

Please share your ISIN in the table below.

<table>
<thead>
<tr>
<th>ISIN country code</th>
<th>ISIN numeric identifier (including single check digit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 US</td>
<td>4523081093</td>
</tr>
</tbody>
</table>

SW1.1

Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?
No facilities were reported in W5.1

SW1.2

Are you able to provide geolocation data for your facilities?

<table>
<thead>
<tr>
<th>Are you able to provide geolocation data for your facilities?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 No, this is confidential data</td>
<td></td>
</tr>
</tbody>
</table>

SW2.1

Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

Requesting member
Anheuser Busch InBev

Category of project
New product or service

Type of project
New product or service that has a lower upstream water impacts

Motivation
Actions that would reduce our own supply chain emissions (scope 3)

Estimated timeframe for achieving project
Up to 1 year

Details of project
This project is proposed by Hi-Cone. Converting all products to be made with 50% PCR (post-consumer recycled) resin

Projected outcome
Global yearly savings of 84,480,000 Liters water, based on using 25 million pounds globally of PCR instead of virgin material

SW2.2

Have any water projects been implemented due to CDP supply chain member engagement?
Yes

SW2.2a
(SW2.2a) Please select the requesting CDP supply chain member(s) that have driven collaborative water projects.

**Requesting member**  Ford Motor Company  
**Category of project**  Change to provision of goods and services  
**Type of project**  Reduced water-related impacts  
**Description of project**  This project is proposed by China Body Components. Cooling water recycling. It is estimated that recycling the cooling water will reduce water withdrawal by approximately 2,629 m³ each year; improving the water intensity of the products we supply Ford.  
**Progress**  Estimated timeframe: 2-3 years

**Requesting member**  General Motors Company  
**Category of project**  Change to provision of goods and services  
**Type of project**  Reduced water-related impacts  
**Description of project**  This project is proposed by China Body Components. Cooling water recycling. It is estimated that recycling the cooling water will reduce water withdrawal by approximately 2,629 m³ each year; improving the water intensity of the products we supply GM.  
**Progress**  Estimated timeframe: 2-3 years

**Requesting member**  Volkswagen AG  
**Category of project**  Change to provision of goods and services  
**Type of project**  Reduced water-related impacts  
**Description of project**  This project is proposed by China Body Components. Cooling water recycling. It is estimated that recycling the cooling water will reduce water withdrawal by approximately 2,629 m³ each year; improving the water intensity of the products we supply Volkswagen.  
**Progress**  Estimated timeframe: 2-3 years

SW3.1

(SW3.1) Provide any available water intensity values for your organization’s products or services.

**Product name**  Hi-Cone - Multipack plastic ring carrier  
**Water intensity value**  0.1203  
**Numerator: Water aspect**  Water withdrawn  
**Denominator**  Pounds of material  
**Comment**  Customer: AB InBev The water intensity is measured in gallons of water withdrawn per pound of material produced in the US and Europe.

**Product name**  Fuel Components Czech - Plastic component  
**Water intensity value**  0.0002  
**Numerator: Water aspect**  Water withdrawn  
**Denominator**  Number of components manufactured  
**Comment**  Customer: BMW The water intensity is measured in m³ of water withdrawn per unit of production. Water used for cooling.
Pronovia S.R.O. - Plastic component
Water intensity value
0.0019
Numerator: Water aspect
Water withdrawn
Denominator
Number of components manufactured
Comment
Customer: BMW The water intensity is measured in m3 of water withdrawn per unit of production. Water used for cooling.

ITW Appliance LLC - Component
Water intensity value
0.0158
Numerator: Water aspect
Water withdrawn
Denominator
Number of components manufactured
Comment
Customer: Electrolux The water intensity is measured in gallons of water withdrawn per unit of production.

ITW Appliance S.R.L. - Component
Water intensity value
0.4931
Numerator: Water aspect
Water withdrawn
Denominator
Number of components manufactured
Comment
Customer: Electrolux The water intensity is measured in gallons of water withdrawn per unit of production.

ITW Appliance D.O.O. - Component
Water intensity value
0.0001
Numerator: Water aspect
Water withdrawn
Denominator
Number of components manufactured
Comment
Customer: Electrolux The water intensity is measured in gallons of water withdrawn per unit of production.

California Industrial Products - Metal fastener units
Water intensity value
0.0015
Numerator: Water aspect
Water withdrawn
Denominator
Number of units manufactured
Comment
Customer: Ford The water intensity is measured in gallons of water withdrawn per unit of production.

ITW Deltar Fasteners - Plastic fasteners/molded parts
Water intensity value
0.0002
Numerator: Water aspect
Water consumed
Denominator
Number of units manufactured
Comment
Customer: Ford The water intensity shown is the average water intensity of the components for all ITW Deltar Fasteners locations, measured in CCF of water consumed.
per unit of production. Water is used to cool down manufacturing equipment and molds, not used in the direct process of manufacturing parts.

### Product name
ITW Delfast India - Plastic fastener

**Water intensity value**
0.0615

**Numerator: Water aspect**
Please select

**Denominator**
Number of units manufactured

**Comment**
Customer: Ford The water intensity shown is the average water intensity of the components for all ITW Delfast India locations, measured in m3 of water per unit of production. Direct water is used for processing only.

### Product name
Fuel Components Czech - Plastic component

**Water intensity value**
0.0003

**Numerator: Water aspect**
Water withdrawn

**Denominator**
Number of units manufactured

**Comment**
The water intensity is measured in m3 of water withdrawn per unit of production. Water used for cooling.

### Product name
California Industrial Products - Metal fastener units

**Water intensity value**
0.0015

**Numerator: Water aspect**
Water withdrawn

**Denominator**
Number of units manufactured

**Comment**
Customer: GM The water intensity is measured in gallons of water withdrawn per unit of production.

### Product name
ITW Deltar Fasteners - Plastic fasteners/molded parts

**Water intensity value**
0.0004

**Numerator: Water aspect**
Water withdrawn

**Denominator**
Number of units manufactured

**Comment**
Customer: GM The water intensity shown is the average water intensity of the components for all ITW Deltar Fasteners locations, measured in CCF of water consumed per unit of production. Water is used to cool down manufacturing equipment and molds, not used in the direct process of manufacturing parts.

### Product name
Avery Weigh-Tronix LLC - Components

**Water intensity value**
0.0036

**Numerator: Water aspect**
Water withdrawn

**Denominator**
Number of units manufactured

**Comment**
Customer: Toyota The water intensity is measured in m3 of water withdrawn per unit of production.

### Product name
Fuel Components Czech - Plastic component

**Water intensity value**
0.0002

**Numerator: Water aspect**
Water withdrawn
<table>
<thead>
<tr>
<th>Denominator</th>
<th>Number of units manufactured</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comment</strong></td>
<td><strong>Customer: VW</strong> The water intensity is measured in m3 of water withdrawn per unit of production. Water used for cooling.</td>
</tr>
</tbody>
</table>

### Submit your response

**In which language are you submitting your response?**

- English

**Please confirm how your response should be handled by CDP**

<table>
<thead>
<tr>
<th>I am submitting my response</th>
<th>I am submitting to</th>
<th>Public or Non-Public Submission</th>
<th>Are you ready to submit the additional Supply Chain Questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am submitting my response</td>
<td>Investors</td>
<td>Public</td>
<td>Yes, submit Supply Chain Questions now</td>
</tr>
</tbody>
</table>

**Please confirm below**

- I have read and accept the applicable Terms