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 48,000 dedicated colleagues around the world thrive in our decentralized, entrepreneurial culture. In 2018, the company achieved revenues of $14.8 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 2018</td>
<td>December 31 2018</td>
</tr>
</tbody>
</table>
(W0.3) Select the countries/regions 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
- Slovenia
- South Africa
- Spain
- Sweden
- Switzerland
- Taiwan, Greater China
- Thailand
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United States of America

(W0.4)

(W0.4) Select the currency used for all financial information disclosed throughout your response.
- USD

(W0.5)

(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></th>
<th>Direct use importance rating</th>
<th>Indirect use importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient amounts of</td>
<td>Important</td>
<td>Important</td>
<td>Sufficient amounts of good quality freshwater available for use across ITW's operations and value chain is vital. 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 warewashers used in commercial kitchens.</td>
</tr>
<tr>
<td>good quality freshwater available for use</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td>Not very important</td>
<td></td>
<td>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 value chain.</td>
</tr>
<tr>
<td>Sufficient amounts of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>recycled, brackish and/or produced water available for use</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawals – total volumes</td>
<td>76-99</td>
</tr>
<tr>
<td></td>
<td>The quantity of water from municipal supply and non-purchased water from operations over which ITW has operational control is collected at the corporate level each quarter. This water withdrawal is measured and monitored at the facilities and individual businesses. Water from businesses operating in leased non-manufacturing facilities are excluded. ITW applies its 80/20 business management process to aspects of its business operations, including resource monitoring and management. These facilities do not have significant water withdrawals.</td>
</tr>
<tr>
<td>Water withdrawals – volumes from water stressed areas</td>
<td>76-99</td>
</tr>
<tr>
<td></td>
<td>The quantity of water from municipal supply and non-purchased water from operations over which ITW has operational control is collected at the corporate level each quarter. This includes the volume of water from stressed areas.</td>
</tr>
<tr>
<td>Water withdrawals – volumes by source</td>
<td>76-99</td>
</tr>
<tr>
<td></td>
<td>Being consistent with the 80/20 business management process, the water withdrawal volume by source is monitored for the facilities that consume 80% of the reported water withdrawals annually. This represents approximately 10% of ITW facilities. Focusing on this small percentage of facilities allows ITW to concentrate attention on a manageable group of facilities to make significant improvements in water management when it is necessary to do so.</td>
</tr>
<tr>
<td>Entrained water associated with your metals &amp; mining sector activities - total volumes [only metals and mining sectors]</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td></td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Produced water associated with your oil &amp; gas sector activities - total volumes [only oil and gas sector]</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td></td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Water withdrawals quality</td>
<td>Not monitored</td>
</tr>
<tr>
<td></td>
<td>Water withdrawal quality is measured and monitored locally as necessary by facilities. This data is not collected at the corporate level.</td>
</tr>
<tr>
<td>Water discharges – total volumes</td>
<td>Not monitored</td>
</tr>
<tr>
<td></td>
<td>Water discharge volumes are monitored at the local level. This data is not collected at a corporate level.</td>
</tr>
<tr>
<td>Water discharges – volumes by destination</td>
<td>Not monitored</td>
</tr>
<tr>
<td></td>
<td>Water discharge volumes by destination are monitored locally. This data is not collected at a corporate level.</td>
</tr>
<tr>
<td>Water discharges – volumes by treatment method</td>
<td>Not monitored</td>
</tr>
<tr>
<td></td>
<td>Water discharge volumes by treatment method are monitored locally as necessary. This data is not collected at the corporate level.</td>
</tr>
<tr>
<td>Water discharge quality -- by standard effluent parameters</td>
<td>Not monitored</td>
</tr>
<tr>
<td></td>
<td>Water discharge standard effluent parameters are neither regularly measured nor monitored at the corporate level; it is the responsibility of each facility to monitor this water aspect.</td>
</tr>
<tr>
<td>Water discharge quality -- temperature</td>
<td>Not monitored</td>
</tr>
<tr>
<td></td>
<td>Water discharge temperature is neither regularly measured nor monitored at the corporate level; it is the responsibility of each facility to monitor this water aspect.</td>
</tr>
<tr>
<td>Water consumption – total volume</td>
<td>Not monitored</td>
</tr>
<tr>
<td></td>
<td>Water consumption total volume is neither regularly measured nor monitored at the corporate level; it is the responsibility of each facility to monitor this water aspect.</td>
</tr>
<tr>
<td>Water recycled/reused</td>
<td>76-99</td>
</tr>
<tr>
<td></td>
<td>The quantity of water recycled/reused by operations over which ITW has operational control is collected at the corporate level each quarter. Only a small portion of the total number of sites included in the measurement actually recycle/reuse water. This water is used mainly for cooling facilities and equipment.</td>
</tr>
<tr>
<td>The provision of fully-functioning, safely managed WASH services to all workers</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>All ITW facilities have access to water for sanitation, hygiene and operations.</td>
</tr>
</tbody>
</table>
(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

<table>
<thead>
<tr>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total withdrawals</td>
<td>3089</td>
<td>Higher</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The total withdrawal is 2% higher than last year. Water intensity (with respect to operating revenue) is 4% lower than last year.</td>
</tr>
<tr>
<td>Total discharges</td>
<td>Please select</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total discharge is not monitored at the corporate level.</td>
</tr>
<tr>
<td>Total consumption</td>
<td>Please select</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total water consumption cannot be calculated without the total discharge. Total discharge is not monitored at the corporate level.</td>
</tr>
</tbody>
</table>

W1.2d

(W1.2d) Provide the proportion of your total withdrawals sourced from water stressed areas.

<table>
<thead>
<tr>
<th>% withdrawn from stressed areas</th>
<th>Comparison with previous reporting year</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>39</td>
<td>Higher</td>
<td>WRI Aqueduct This is the percentage of the total water withdrawn from areas where either both the current baseline water stress or current groundwater stress is rated as either extremely high or high. It is higher than last year's value because of increased production. Water intensity (with respect to operating revenue) is 4% lower than last year.</td>
</tr>
</tbody>
</table>

W1.2h

(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, water from wetlands, rivers, and lakes</td>
<td>Relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>There are two known facilities that collect and use rainwater. One has converted its basement into a water reservoir for collecting rainwater, the 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</td>
<td>523</td>
<td>Please select</td>
<td>The renewable ground water withdrawals are approximately 6% higher than last year.</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</td>
<td>2566</td>
<td>Please select</td>
<td>The quantity of water from municipal supply is nearly the same as last year's value, there is 1% increase in withdrawal. Water intensity (with respect to operating revenue) is 4% lower than last year.</td>
</tr>
</tbody>
</table>

W1.2j
**W1.2** What proportion of your total water use do you recycle or reuse?

<table>
<thead>
<tr>
<th>Row</th>
<th>% recycled and reused</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11-25</td>
<td>About the same</td>
<td>CDP’s method for calculating the % recycled and reused was used to calculate the percent of water recycled and reused for this year and the previous 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?

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.

**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
(W3.3a) 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 withdraw 80% of ITW's total water withdrawal each year. It provides river basin level information for multi-decade periods. We examine Baseline Water Stress, Groundwater Stress as key indicators for physical risks, we also review the Upstream Storage. 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
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

W3.3b

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

<table>
<thead>
<tr>
<th>Contextual Issue</th>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water availability at a basin/catchment level</td>
<td>Relevant, always included</td>
<td>It is important that there is sufficient water available for ITW operations.</td>
</tr>
<tr>
<td>Water quality at a basin/catchment level</td>
<td>Relevant, always included</td>
<td>Some facilities analyze water quality on a daily basis and make adjustments to production as needed.</td>
</tr>
<tr>
<td>Stakeholder conflicts concerning water resources at a basin/catchment level</td>
<td>Relevant, sometimes included</td>
<td>Facilities operating in areas where drought is an issue have occasionally met with stakeholders, local municipalities, to discuss water use in the area. Local stakeholder engagement and conflict resolution is managed at the division or business level.</td>
</tr>
<tr>
<td>Implications of water on your key commodities/raw materials</td>
<td>Not relevant, explanation provided</td>
<td>Our key commodities/raw materials are not directly dependent on water.</td>
</tr>
<tr>
<td>Water-related regulatory frameworks</td>
<td>Relevant, always included</td>
<td>Each year the risk level of future potential regulatory changes is reviewed for the facilities withdrawing 80% of the total water consumed by ITW, not all facilities.</td>
</tr>
<tr>
<td>Status of ecosystems and habitats</td>
<td>Not considered</td>
<td>ITW has not evaluated the status of the ecosystems and habitats in its operating regions.</td>
</tr>
<tr>
<td>Access to fully-functioning, safely managed WASH services for all employees</td>
<td>Not considered</td>
<td>It is assumed that all ITW facilities allow employees access to WASH services.</td>
</tr>
<tr>
<td>Other contextual issues, please specify</td>
<td>Not considered</td>
<td>No other contextual issues are evaluated.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Relevance &amp; Inclusion</th>
<th>Please Explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Relevant, sometimes included</td>
<td>Water risk is assessed for customers who have invited ITW to complete the CDP Supply Chain Water questionnaire. This only includes the facilities of the divisions that earn 80% of the ITW's total revenue from the specific customers. It is also considered during customer-back innovation when customers identify water use as a key concern.</td>
</tr>
<tr>
<td>Employees</td>
<td>Relevant, always included</td>
<td>ITW's employees are directly impacted by ITW's ability to operate, they are also members of the communities in which we operate. The annual risk assessment includes access to water, this is a key factor. At the facility level, the employees guide any water conservation efforts.</td>
</tr>
<tr>
<td>Investors</td>
<td>Relevant, always included</td>
<td>ITW investors are concerned about the water related risks and are a driving force behind the analysis of water risks.</td>
</tr>
<tr>
<td>Local communities</td>
<td>Relevant, always included</td>
<td>The annual assessment includes access to water; this directly impacts the local communities.</td>
</tr>
<tr>
<td>NGOs</td>
<td>Not considered</td>
<td>NGO's are not directly considered in ITW's water risk assessments.</td>
</tr>
<tr>
<td>Other water users at a basin/catchment level</td>
<td>Relevant, always included</td>
<td>Other water users are factored in with the analysis of annual renewable water supply per person.</td>
</tr>
<tr>
<td>Regulators</td>
<td>Relevant, always included</td>
<td>The assessment includes regulatory risk levels.</td>
</tr>
<tr>
<td>River basin management authorities</td>
<td>Not considered</td>
<td>River basin management authorities are not factored into the water risk assessment.</td>
</tr>
<tr>
<td>Statutory special interest groups at a local level</td>
<td>Not considered</td>
<td>Statutory special interest groups are not factored into the water risk assessment at the corporate level. This is best managed at the divisional level.</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Relevant, not included</td>
<td>Currently ITW's suppliers comply with the ITW Supplier Code of Conduct and Supplier Expectation, which require them to reduce their environmental impacts, including water. We do not include them in the water risk assessment. In the future it is possible that suppliers will be directly considered in ITW's water risk assessments.</td>
</tr>
<tr>
<td>Water utilities at a local level</td>
<td>Not considered</td>
<td>Water utilities at a local level are not factored into the water risk assessment at the corporate level. This is best managed at the divisional level.</td>
</tr>
<tr>
<td>Other stakeholder, please specify</td>
<td>Not considered</td>
<td>No other water stakeholders are evaluated at the corporate level for this purpose.</td>
</tr>
</tbody>
</table>

W3.3d

(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.

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 withdraw 80% of the total water that is withdrawn by ITW. No risk assessment process standards are used.

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 risk to exist only where any of our businesses changed their operations, sources of supply or customer base due to water-related matters and such change in any one of our seven business segments 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>Due to the definition of substantive, the existing water risks do not pose a substantive impact to ITW. 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. Again, these risks are not substantive to ITW.</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>Risks exist, but no substantive impact anticipated</td>
<td>Existing water risks in the supply chain do not pose a substantive impact to ITW. Suppliers are typically located near ITW businesses; the water risks would be similar. The 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.</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.

**Type of opportunity**
Products and services

**Primary water-related opportunity**
Increased sales of existing products/services

**Company-specific description & strategy to realize opportunity**
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.

**Estimated timeframe for realization**
Current - up to 1 year

**Magnitude of potential financial impact**
Low-medium

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact**
This is proprietary information to ITW and while this product is financially positive to our portfolio, we do not share this information publicly.

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**W6. Governance**

**W6.1**

(W6.1) Does your organization have a water policy?
No

**W6.2**

(W6.2) Is there board level oversight of water-related issues within your organization?
Yes

**W6.2a**
(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 Co. and its stakeholders. The Board 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 reg. compliance initiatives. Mgt. &amp; 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. The Board is chaired by the CEO/Chairman.</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 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 and reg. compliance initiatives. 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. The Board is chaired by the CEO/Chairman.</td>
</tr>
</tbody>
</table>

W6.2b

(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 divestiture</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 policy</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/GM)

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 Envt, Health, Safety & Sus.)

Responsibility
Other, please specify (Provides oversite)

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 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 ESG 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.

W6.5

(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

(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

(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. 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 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>

W7.2

(W7.2) 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?

Row 1

Water-related CAPEX (+/- % change)
86

Anticipated forward trend for CAPEX (+/- % change)
100

Water-related OPEX (+/- % change)
0.4

Anticipated forward trend for OPEX (+/- % change)
10

Please explain
Water-related CAPEX fluctuates from year to year. We anticipate the forward trend will be positive as the average change has been for the past five years. It is difficult to anticipate the value of this trend, because the year-over-year changes have been inconsistent. Total water OPEX is not collected at the corporate level. Total purchased water cost is collected at the corporate level. This is the change shown as the water-related OPEX. This value does not include permit renewals, water quality testing or well maintenance. Those figures are managed by the divisions. Based on historical information, we anticipate that water costs will increase as time progresses.

W7.3

(W7.3) 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?

No, and we do not anticipate doing so within the next two years

ITW is a highly-decentralized company and, therefore, believes that sustainability goals and initiatives at ITW, such as an internal price on water, are most effectively established and managed “bottom-up” at each of our divisions rather than “top down” from the corporate center. Our corporate social responsibility initiatives are designed to maintain a careful balance between our commitment to the environment and the flexibility required by our Company’s structure.

Describe your approach to setting and monitoring water-related targets and/or goals.

Our company sets no targets or goals

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

ITW is a highly-decentralized company and, therefore, believes that sustainability goals and initiatives at ITW are most effectively established and managed “bottom-up” at each of our divisions rather than “top down” from the corporate center. Our corporate social responsibility initiatives are designed to maintain a careful balance between our commitment to the environment and the flexibility required by our Company’s structure.

Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?

No
(W9.1b) Why has your organization not identified any linkages or tradeoffs between water and other environmental issues?

<table>
<thead>
<tr>
<th>Row</th>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Not considered, and we have no plans to do so</td>
<td>ITW is a highly-decentralized company and, therefore, believes that linkages and/or tradeoffs between water and other environmental issues are most effectively established and managed “bottom-up” at each of our divisions rather than “top down” from the corporate center. Our corporate social responsibility initiatives are designed to maintain a careful balance between our commitment to the environment and the flexibility required by our Company’s structure.</td>
</tr>
</tbody>
</table>

W10. Verification

W10.1

(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?

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

W11. 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.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

<table>
<thead>
<tr>
<th>Row</th>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vice President, Global Strategic Sourcing &amp; Environmental Health &amp; Safety</td>
<td>Other, please specify (VP of Sourcing &amp; EHSS)</td>
</tr>
</tbody>
</table>

W11.2

(W11.2) 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>Row 1</th>
<th>Annual revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14800000000</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

(SW0.2a) Please share your ISIN in the table below.

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

SW1.1

(SW1.1) Have you identified if any of your facilities reported in W5.1 could have an impact on a requesting CDP supply chain member?
No facilities were reported in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your site facilities?
No, this is confidential data

SW2.1
Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

**Requesting member**
Ford Motor Company

**Category of project**
Other

**Type of project**
Other, please specify (Reduced water-related impacts)

**Motivation**
To reduce the amount of water withdrawn from the water basin.

**Estimated timeframe for achieving project**
2 to 3 years

**Details of project**
Cooling water recycling

**Projected outcome**
This project is proposed by China Body Components. It is estimated that recycling the cooling water will reduce water withdrawal by approximately 4,800 m³ each year; improving the water intensity of the products we supply Ford.

---

**Requesting member**
General Motors Company

**Category of project**
Other

**Type of project**
Other, please specify (Reduced water-related impacts)

**Motivation**
To reduce the amount of water withdrawn from the water basin.

**Estimated timeframe for achieving project**
2 to 3 years

**Details of project**
Cooling water recycling

**Projected outcome**
This project is proposed by China Body Components. It is estimated that recycling the cooling water will reduce water withdrawal by approximately 4,800 m³ each year; improving the water intensity of the products we supply General Motors Company.

---

**(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?**
No

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

**Product name**
Plastic and metal components

**Water intensity value**
0.0009

**Numerator: Water aspect**
Water withdrawn

*measured in m3*

**Denominator: Unit of production**
Number of components manufactured per requesting customer

**Comment**
The water intensity shown is the average water intensity of the components for all of the requesting customers, measured in m3 of water per unit of production. We manufacture plastic injection molded and fabricated metal components for these customers. The manufacturing equipment uses closed loop water cooling systems, in which the water is circulated throughout the process.

---

**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>Public or Non-Public Submission</th>
<th>I am submitting to</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>Public</td>
<td>Investors</td>
<td>Yes, submit Supply Chain Questions now</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customers</td>
<td></td>
</tr>
</tbody>
</table>

**Please confirm below**
I have read and accept the applicable Terms