



2025

Sustainability Report

Never **stronger**. Never **better positioned** for the future.

About ITW

Founded in 1912, Illinois Tool Works Inc. (NYSE: ITW) is a Fortune 300 global multi-industry manufacturing leader with revenue of \$16 billion in 2025. The company's seven industry-leading segments leverage the unique ITW Business Model to drive solid growth with best-in-class margins and returns in markets where highly innovative, customer-focused solutions are required. ITW's approximately 43,000 dedicated colleagues around the world thrive in the company's decentralized and entrepreneurial culture. To learn more, please visit www.itw.com

About This Report

The ITW 2025 Sustainability Report covers the period from January 1, 2025 to December 31, 2025, except where otherwise noted. This report was developed in alignment with the Sustainability Accounting Standards Board (SASB) standards for the Industrial Machinery and Goods industry. This report also aligns with the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations.

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Executive Message

ITW and Sustainability

Sustainability is a long-standing ITW priority, deeply rooted in our core values and governed by disciplined practices. We are inspired to make a meaningful difference for the environment, our people and our communities.

Aligned with the Next Phase of our Enterprise Strategy, our approach to sustainability is holistic and integral to our goal of being one of the world's best-performing, highest-quality industrial companies.

Our strategy rests on four pillars: Governance & Ethics, Environment, People and Communities.

Our Demonstrated Commitment to Ethical Conduct

Integrity and the highest ethical standards set the foundation for how we operate our businesses every day and guide every ITW employee's actions. On that foundation, our decentralized, entrepreneurial culture is the key to how we operationalize this strategy. By leveraging the ITW Business Model, we empower our divisions with the frameworks and ownership necessary to deliver on our "Do What We Say" commitments.

Reducing Our Environmental Impact Across Our Operations

Driven by our continuous improvement mindset, we are making measurable progress toward our environmental goals. In 2022, we set an ambitious target: a 50% absolute reduction in Scope 1 and Scope 2 GHG emissions by 2030 (relative to a 2021 baseline). Through effective division-led initiatives, we have made significant strides toward this data-driven goal, achieving a 45% reduction through the end of 2025.

At ITW, innovation is a primary driver of both growth and sustainability. Through our Customer-Back Innovation process, we develop solutions for our customers' most critical challenges – including the reduction of environmental impacts. These "clean-technology" solutions now account for nearly 32% of ITW's revenue, up from 22% in 2017.

Respecting and Protecting ITW Colleagues Everywhere

ITW's long-term performance hinges on attracting and retaining exceptional talent. We are at our best when unique perspectives are actively sought and shared. Our colleagues agree: in a recent survey, 84% recommended ITW as a great place to work.

Our commitment to diversity and inclusion is anchored in a compelling business case. We believe an inclusive culture enables our journey towards full potential; as a result, we continue to broaden our access to all talent pools to ensure we hire and retain the best talent.

Finally, we are strongest when we work together to protect our people. This year marks the 10th anniversary of our Enterprise Safety Strategy, and we have delivered a 55% reduction in total accidents since its launch. Our success is built on a simple yet rigorous framework: committed leadership with 100% employee engagement, and continuous risk reduction. We remain steadfast in our core safety philosophy: at ITW, every accident is preventable; our shared goal is zero.

Our Culture of Giving Back to Our Communities

We remain deeply committed to the communities where our colleagues live and work. Beyond amplifying employee charitable giving, ITW strategically invests in causes and organizations in our communities that align with our mission.

In closing, we thank our 43,000 ITW colleagues for their dedication and our stakeholders for their continued partnership. Your ideas and support are the catalysts for our progress as we continue our sustainability journey.



Michael M. Larsen

Senior Vice President and Chief Financial Officer

March 2026



Our Core Values

Integrity

We operate with complete integrity and the highest ethical standards in all our interactions and dealings with our ITW colleagues, customers, suppliers and stakeholders. No compromises, no short cuts and no exceptions.

Respect

We treat everyone as we expect to be treated and value the diversity of perspectives, backgrounds and experiences of all of our ITW colleagues.

Trust

We trust that all ITW colleagues will operate with their best efforts and in the best interests of the company at all times.

Shared Risk

We recognize that continuously evolving and innovating are essential to ITW's ability to remain a strong, successful and growing company. As such, we embrace thoughtful experimentation and manage risk by involving all stakeholders in key decisions.

Simplicity

We keep things simple by focusing on the essential core of any business opportunity, challenge, issue or problem. 80/20 is not just something we do, it's how we think – it is our core philosophy and drives simplification at ITW.

2025 Sustainability Highlights

Reducing Our Environmental Footprint



~45%

absolute reduction of Scope 1 and Scope 2 (market-based) GHG emissions through 2025, compared with a 2021 baseline year

Renewable electricity constituted

~77%

of our total electricity spend

40%

reduction in energy intensity since 2021

Innovating & Operating Responsibly



\$5 billion

of Clean-Tech products sold, **~32%** of ITW's 2025 revenue

95%

of our U.S. preferred carriers were SmartWay carriers and **94%** of our European carriers participated in Lean & Green or similar programs

~90%+

of the total third-party spend across our supply chain was supported by a "buy local, sell local" sourcing strategy

9%

increase in patent filings, with **~21,800** total pending and granted patents protecting our customer solutions

Respecting & Protecting Our Colleagues



55%

reduction in total accidents since the launch of our Enterprise Safety Strategy in 2016

42

out of 88 divisions with zero lost time incidents

84%

recommended ITW as a great place to work, based on results from our biennial survey

6,000+

global colleagues actively engage in Employee Resource Groups

Investing in Our Communities



\$20.3 million

in total philanthropic giving in 2025

1,920+

Chicago-area students served by the ITW David Speer Academy since opening its doors in 2014; **98%** of 2025 graduates accepted into college

13,900+

hours of volunteer service recorded

Our Governance & Ethics



IN THIS SECTION Corporate Governance | Ethics & Compliance

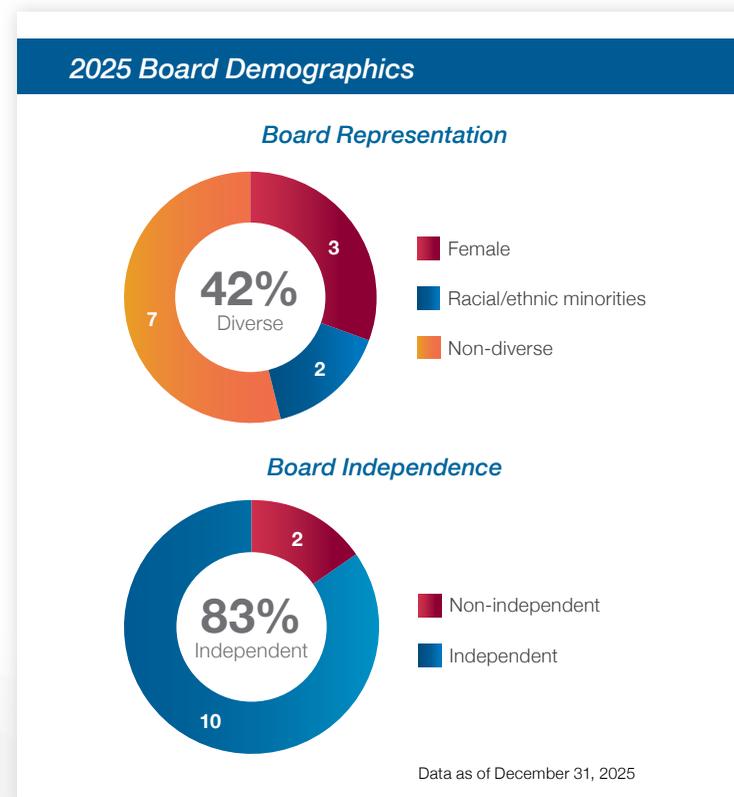
Corporate Governance

ITW's commitment to strong corporate governance, ethical conduct and compliance is rooted in our [Core Values](#) and sets the foundation for how we operate our business every day. This governance framework enables disciplined decision-making and business resilience and supports ITW in pursuing its long-term objectives and long-term value creation for stakeholders.

Board Composition and Independence

ITW's [Board of Directors](#) (the "Board") is responsible for providing oversight and strategic guidance to management in support of the long-term interests of our shareholders. The Board is led by a Non-Executive Chairman and an Independent Lead Director and is composed primarily of independent directors as defined under the New York Stock Exchange listing standards, supporting objective oversight. Members of the Audit, Corporate Governance and Nominating, and Compensation Committees meet the same applicable independence requirements. The Corporate Governance and Nominating Committee is responsible for reviewing Board composition and recommending director nominees. In doing so, the Corporate Governance and Nominating Committee considers a range of factors, including experience, skills, independence and diversity of backgrounds and perspectives, to ensure the Board maintains the competence necessary to oversee the company's strategy and long-term value creation. The Board believes these factors enhance the effectiveness of Board deliberation and decision-making.

Additional information regarding the Board's composition, committee responsibilities and ITW's governance practices is available in the company's [2026 Proxy Statement](#).



Board Oversight of Sustainability and Related Topics

The Board oversees sustainability-related matters as part of its oversight of the company's long-term strategy and enterprise risk management framework. The Board plays an active role in overseeing the company's sustainability strategy, including environmental, social and governance matters.

The Board annually reviews and approves the company's sustainability strategy and receives periodic updates from management regarding sustainability initiatives, risks, reporting and other related priorities.

Sustainability-related risks are considered within the company's enterprise risk management framework. The Board reviews significant risks facing the company and discusses risk mitigation strategies with management.

Certain aspects of sustainability oversight are allocated to the Board's committees in accordance with their respective charters.

- The Audit Committee oversees compliance-related matters, including environmental, health and safety and cybersecurity matters, and receives periodic reports from management.
- The Compensation Committee oversees executive compensation and succession planning and reviews human capital management initiatives.

Oversight responsibilities are allocated among the Board and its committees as set forth in the company's Governance Guidelines and committee Charters.

Ethics & Compliance

Our Policies Reinforce Our Commitment to Ethical Conduct

Rooted in our Core Values, we set high ethical standards for our company and partners to deliver best-in-class performance and create value for our stakeholders. We regularly review and update, as appropriate, our policies, procedures and controls to reinforce ethical conduct and responsible business practices across our global operations.

Ethics and Compliance Training

Ethics and compliance training is an important part of our commitment to operating in accordance with the highest level of ethical conduct. ITW does not tolerate ethical violations, and all colleagues and members of the Board are expected to comply with applicable policies and standards of conduct. ITW colleagues and members of the Board receive ethics and compliance training and complete an annual certification of compliance with our Code of Conduct. Ethics and compliance training courses are available in 16 languages.

Compliance training topics include, but are not limited to:

- Anti-bribery and corruption
- Competition
- Conflicts of interest
- Cybersecurity
- Data privacy
- Harassment in the workplace
- Human trafficking
- Trade compliance

Our compliance team manages several other training modules for our colleagues around the world. These training courses are customized based on each ITW colleague's role and geographic location. ITW colleagues also receive regular supplemental training on legal and compliance topics specific to their roles.

Reporting Ethics Concerns

All ITW colleagues are encouraged to share any ethics or compliance concerns through multiple reporting channels, including local management, the Legal Department, Internal Audit or the ITW Confidential Helpline. ITW partners with an external third-party supplier that provides a web- and telephone-based confidential reporting system in all countries in which ITW does business. Web-based reporting is offered in 16 languages, and telephone-based reporting is offered in more than 200 languages. The Confidential Helpline is also available to suppliers and other external stakeholders. ITW has a no-retaliation policy for good-faith reporting. Reports are investigated promptly and appropriately, and regular updates are provided to the Audit Committee of the Board.

Political Activities

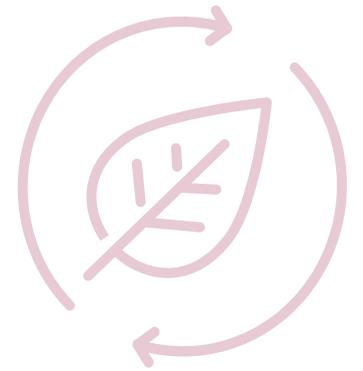
As outlined in ITW's [Government Affairs Policy](#), we prohibit the use of company assets or funds for political purposes, including contributions to political organizations or candidates. Although ITW engages in limited lobbying activities, those activities are conducted and disclosed in compliance with applicable laws.



Cybersecurity

ITW's cross-functional cybersecurity team oversees the company's cybersecurity risks and management program and reviews key risks, threat trends and mitigation efforts. The company has built a fit-for-purpose cyber framework that is based on the National Institute of Standards and Technology Cybersecurity Framework and is required to be followed by all ITW divisions. The increased investment ITW has made in cybersecurity and robust colleague training recognizes that this risk continues to evolve, and we are taking appropriate actions to mitigate it. As of December 31, 2025, ITW has had no material cybersecurity incidents.

Read more about ITW's policies on our [website](#).



Our Environment

IN THIS SECTION Environmental Responsibility | Clean-Tech Solutions | Responsible Sourcing

Environmental Responsibility

ITW is well-positioned for the future – and we are working to make that future better by taking actions to reduce our environmental impact. Our fact-based approach is built on continuous improvement and consistent with our “Do What We Say” culture.

Reducing Greenhouse Gas Emissions

We are committed to reducing our company-wide greenhouse gas (GHG) emissions to help manage climate-related risks and support our long-term business resilience. In 2025, ITW’s divisions continued to make considerable progress toward our absolute goal of reducing Scope 1 and Scope 2 (market-based) GHG emissions by 50% by 2030.¹

Achieving Our GHG Emissions Reduction Target

ITW has a track record of achieving Scope 1 and Scope 2 GHG emissions goals through ongoing investment in resources and technology. As shown below, our strategy for our 2030 target aligns with known strategies for GHG emissions reduction.

ITW’s segment and division leaders are responsible for implementing emissions reduction initiatives, consistent with our decentralized, entrepreneurial culture. Their in-depth knowledge of their respective businesses is vital as they evaluate opportunities to reduce environmental impacts and support ITW’s target.

Each division is responsible for developing a data-driven strategy and action plan for its location. Division leaders are guided by an overarching framework and receive support from our strategic sourcing and global sustainability functions.

Divisional strategies and data collection processes are implemented into ITW’s long-range planning, demonstrating the importance of environmental responsibility to the enterprise.

ITW’s GHG Emissions Reduction Target and Progress

Target:

50%

absolute reduction of Scope 1 and Scope 2 (market-based) GHG emissions by 2030.¹

Progress:

~45%

absolute reduction of Scope 1 and Scope 2 (market-based) GHG emissions through 2025.¹

¹ Compared with a 2021 baseline year

“80”
priority initiatives

Maximize purchase of green/clean energy

- In 2025, renewable electricity constituted approximately 77% of our electricity spend.

Drive continued energy reductions in our operations

- Our division-led Energy Reduction Teams are executing fit-for-purpose plans.
- Our divisions also continuously evaluate opportunities to invest in energy efficiency initiatives and projects.

“20”
other initiatives

Pursue viable solar projects

- In 2025, we completed a solar installation at our Hi-Cone facility in Charleston, Illinois, with an additional eight projects in due diligence.

Convert fleet to electric vehicles

- As vehicles age out of our fleet, we evaluate potential electric vehicle replacement options.

Evaluating Our Scope 3 GHG Emissions

ITW continues to evaluate Scope 3 emissions reduction strategies over time. We are investing in resources that provide greater visibility into our value chain and strengthen our data collection processes. This enables us to identify our most significant categories of Scope 3 emissions, engage key suppliers and customers and evaluate reduction opportunities.

Based on our current assessment, our largest Scope 3 emissions categories are Category 1: Purchased Goods & Services and Category 11: Use of Sold Products. To learn how we work with customers to reduce our Scope 3 emissions, see [Clean-Tech Solutions](#).

Our Approach to Environmental Management

ITW's Director of Environmental, Health, Safety & Sustainability has day-to-day responsibility for overseeing the application of ongoing environmental, safety and other regulatory compliance initiatives.

Within our decentralized structure, divisions use ITW's sustainability framework to develop and implement a fit-for-purpose environmental management methodology that is appropriate for its business and compliant with all applicable regulatory obligations.

All divisions are expected to comply with ITW's [Environmental & Sustainability Policy](#). This document outlines our commitments to the following priorities:

- Improving our environmental performance on an ongoing basis
- Working with suppliers who operate with a similar dedication to global environmental sustainability
- Partnering with our customers in innovating solutions that address their need for environmentally responsible products

We conduct annual environmental, health and safety (EHS) compliance audits to help ensure ITW manufacturing facilities meet regulatory requirements, adhere to company policies and implement best practices. A proprietary risk-based site selection process determines audit frequency at these facilities. We partner with globally recognized environmental consulting firms to conduct these audits. Our businesses then systematically address potential issues identified.



In 2025, the Hi-Cone team celebrated the completion of a solar installation at its facility in Charleston, Illinois.

2025 Environmental Performance				
	2021 (baseline)	2023	2024	2025
■ Indirect/Scope 2 (market-based) emissions (metric tons CO ₂ e) ²	417,773	349,214	286,861	285,187
■ Direct/Scope 1 emissions (metric tons CO ₂ e) ¹	466,962	442,567	452,410	437,204
Total market-based emissions (metric tons CO₂e)³	763,799	553,239	448,638	421,628
Total location-based emissions (metric tons CO₂e)	884,735	791,781	739,271	722,391

¹ Emissions from the combustion of natural gas, heating/fuel oil, diesel, gasoline, propane, biogas, wood and liquefied natural gas, the use of foam blowing agents, refrigerants and direct use of CO₂. CO₂e includes CO₂, CH₄ and N₂O, with the exception of CH₄ and N₂O from wood burning and biogas.

² Emissions from purchased heat, steam and electricity use (market-based); CO₂e includes CO₂, CH₄ and N₂O.

³ 2023 and 2024 market-based emissions reflect an audited 5% tolerance in our data.

See the [Appendix](#) of this report for more 2025 environmental performance data.

Read more about our environmental efforts on ITW.com:

- [Delivering Clean Energy and Emissions Reductions](#)
- [Collaboration Fuels Energy Reductions](#)

Clean-Tech Solutions

ITW upholds our position of strength by meeting today's needs and innovating for the future. By engineering cleaner, more efficient solutions, we help our customers achieve their sustainability goals.

Driven by Customer-Back Innovation

Innovations are most impactful when they address the specific needs and concerns of our customers. This concept, which we call Customer-Back Innovation, is a key component of the ITW Business Model and fuels high-quality growth. ITW's long history of innovation is demonstrated by our broad portfolio of approximately 21,800 granted and pending patents. In 2025 alone, we increased our new patent filings by 9% as we work to protect our customer solutions.

The idea that customers' needs change significantly over time is at the core of Customer-Back Innovation. Therefore, in addition to launching new products, we also make ongoing improvements to address new imperatives that emerge. Increasingly, customers are interested in Clean-Tech solutions – products that support environmental efficiency and help customers reduce the impacts of their operations and products. The need for more sustainable solutions is a key growth

opportunity for ITW, and we are proud to report nearly one-third of our revenue is from Clean-Tech products. Based on these customer needs, our Clean-Tech solutions have focused on the following:

- Designing products that support more sustainable technologies, such as electric vehicles, wind turbines and building materials
- Serial innovation to continually reduce the resources our products require to operate or manufacture
- Incorporating recycled material or more sustainably sourced material into manufactured products
- Developing technologies to test the durability and sustainability of materials and products to better inform customer decisions and development



ITW's Clean-Tech Portfolio

In 2025, ITW sold more than

\$5 billion

of Clean-Tech products.

Our Clean-Tech portfolio now accounts for

~32%

of ITW's revenue, a significant increase from 22% in 2017.

Clean-Tech Solutions Across Our Segments

All seven ITW operating segments contribute to our Clean-Tech product portfolio. The table below illustrates examples of specific customer pain points or themes and the innovations that solve them.

Read more about our Clean-Tech efforts on ITW.com:

- [Innovating the Welding Industry From the Customer Back](#)



Automotive OEM



Food Equipment



Test & Measurement and Electronics



Welding



Polymers & Fluids



Construction Products



Specialty Products

Customer Needs

Greater vehicle efficiency
Increasingly integrated smart and electronic systems on electrified vehicles

Reduce energy use and water consumption for commercial kitchen equipment

Ability to measure durability, in turn reducing waste to landfill
Products in support of testing materials used in sustainable technologies

Lighter weight and more efficiently powered equipment

Reduce impact of products on the environment
Products in support of newer sustainable technologies

More effective and efficient power source options
More sustainable materials

More efficient power sources in products
Decrease use of virgin plastic content

ITW Clean-Tech Solutions

Innovative fasteners for aerodynamic panels and battery components
High-performance integrated electric charge ports, door handles, thermal management and other components

Commercial dishwashers engineered to reduce water usage by more than 60%, with increasing energy efficiency as a result of 20 years of serial innovation as new technologies and capabilities are discovered

Test equipment to gauge durability of products and quality of sustainable material use
Equipment for testing components and adhesives used in wind energy

Offering battery-powered welding equipment, resulting in more energy-efficient operation for maintenance and repair projects

Cementitious materials for off-shore wind turbine installation
Adhesives used in electric vehicle battery assembly

Cordless tools that require less material, less energy to operate and offer enhanced safety
Increased use of steel from recycled sources in fastener products

Ground power unit for aircraft redesigned to use battery power as opposed to conventional diesel fuel
RingCycles™ beverage ring carriers, containing more than 50% post-consumer recycled content

Responsible Sourcing

ITW's strength in delivering for our customers is due to our supplier relationships. We expect them to operate responsibly and adhere to our standards for environmental and social responsibility.

Ensuring Accountability Across Our Supply Chain

ITW policies outline our expectations for our partners. These documents ensure responsibility across our value chain, beginning with our products' impact and continuing throughout our global supplier network.

- [Supplier Code of Conduct](#) and [Supplier Expectations](#) help our suppliers align with our ethical standards. The Supplier Code of Conduct applies all relevant aspects of ITW's Code of Conduct to our suppliers and is consistent with the United Nations Global Compact.
- [Responsible Materials Policy](#) codifies our commitment to responsible sourcing of all materials and is intended to support compliance with applicable legal requirements regarding legislated materials.
- [Human Rights and Modern Slavery Statement](#) describes our activities to promote respect for human rights and eliminate forced labor and human trafficking from our business and supply chains.
- ITW's [Standard Supplier Terms and Conditions](#) further reinforce our expectations from suppliers.

We review and update our policies periodically. Our Core Values, together with the policies referenced within this section, provide the overarching compliance framework relating to human rights and decent working conditions across our global enterprise.

Managing Our Supply Chain Efficiently and Responsibly

ITW seeks to ensure resilience and continuity within our supply chain. To achieve this, we have initiatives and considerations to assist in the selection of suppliers.

Assessing Our Suppliers

Supplier Due Diligence

We evaluate suppliers' long-term viability and ability to support our business sustainably, and we qualify and audit suppliers on a variety of factors, including:

- Safety and environmental measures
- Financial data
- Leadership stability
- Operational metrics

Third-Party Risk Identification and Analysis

As part of our supplier due diligence process, we use various licensed platforms to monitor suppliers':

- Commitments to fair labor practices
- Worker health and safety
- Environmental sustainability in compliance with current regulations
- Financial, legal, ESG and sanctions-related risk

In 2025, we leveraged a third-party platform to screen ITW suppliers for ethical, social and environmental risks.

Sustainable and Efficient Supply Chains

Through a range of data points and planning tools, we assess our supply chain networks to ensure:

- Efficient logistics routes
- Optimized distribution and storage patterns
- Packaging waste mitigation
- Carbon emissions and environmental impact awareness

Other Responsible Sourcing Initiatives

Local Suppliers

The long-standing relationships ITW has with local suppliers enable us to support the communities in which we operate efficiently while minimizing our carbon footprint. In 2025, more than 90% of the total third-party spend across our supply chain was supported by a "buy local, sell local" sourcing strategy.

Sustainable Partners

We leverage the following programs to identify more environmentally sustainable and efficient logistics partners:

- U.S. Environmental Protection Agency's SmartWay
- Lean & Green Europe

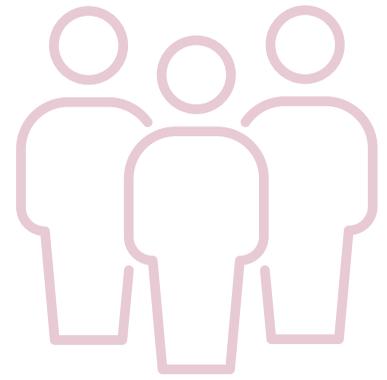
In 2025, 95% of our U.S. preferred carriers were SmartWay carriers, and 94% of our European preferred carriers participated in at least one sustainability initiative (including programs such as Lean & Green, ObjectivCO₂, EcoStars or EcoVadis) or pursued their own internal measures to reduce their carbon footprint.

Sustainable Materials

Sourcing environmentally friendly and socially responsible materials for our products is an ongoing priority. Strategic focus areas across our segments include:

- Resins produced with higher recycled content and lower GHG emissions in our Automotive OEM and Specialty Products segments.
- Steel produced in Electric Arc Furnace (EAF) steel mills when viable, producing the cleanest recycled steel on the market.
- Reduced packaging that maintains protection during product transport.
- Opportunities to help customers incorporate recycled materials into their manufacturing processes.

Our People



IN THIS SECTION Employee Safety | Workplace Culture & Talent Development | Valuing the ITW Employee Experience | Compensation & Benefits

Employee Safety

We are strongest when we work together to protect our people. Our Enterprise Safety Strategy, based on the philosophy that all accidents are preventable, guides us as we foster a proactive safety culture for approximately 43,000 ITW colleagues worldwide.

ITW's Enterprise Safety Strategy

Our [Enterprise Safety Strategy](#) and [Safety Policy](#) are based on the following core principles:

- Goal of zero accidents
- Shared ownership for safety (business and individual)
- Proactive approach focused on accident prevention
- Continuous improvement philosophy
- Compliance with applicable national, regional and local health and safety laws and regulations

The Enterprise Safety Strategy framework for our divisional safety management programs is built on two pillars:

- **Committed Leadership & 100% Employee Engagement:** We maintain a strong focus on continuous improvement, communicating progress and celebrating success. Our expectations for safety include everyone, starting with top leadership, and they are exemplified by our Safety Leaders Network, a group of colleagues that meets and corresponds regularly to share results and best practices.

- **Continuous Risk Reduction:** Each division has implemented processes to identify and eliminate hazards, including risk assessments, close call reporting, best-practice sharing and implementing corrective actions. In addition, each division strives to meet or exceed all applicable regulatory obligations and uses data to track and drive safety performance improvements.

Safety Programs and Resources

We empower our divisions to use the most relevant continuous improvement programs and educational resources to promote safety. This includes programs such as ergonomics assessments and safety observation management software. We also utilize an enterprise-wide safety training platform and a safety information management system (SIMS) to streamline reporting of observations and incidents, determine root causes and deploy corrective actions.

In 2025, our remote service businesses conducted Service Safety Culture Summits to foster best-practice sharing. Targeted safety blitzes were executed in our higher incident manufacturing locations to better identify unsafe behaviors and conditions. Safety communications and interactions were also increased at the segment, division and location levels.

Celebrating an Enterprise Safety Milestone

In 2026, we will celebrate the 10th year of our Enterprise Safety Strategy, which has reduced total accidents by

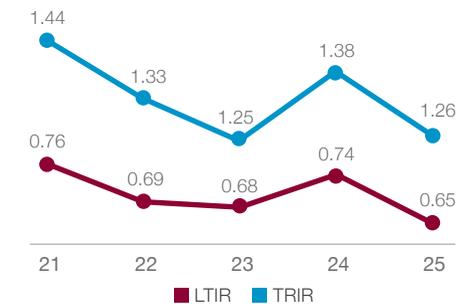
55% since its launch.

2025 Global Safety Performance and Data

In 2025, our enterprise total recordable incident rate (TRIR)¹ and lost time incident rate (LTIR) decreased year over year by 9% and 12%, respectively.

Additional ITW safety performance data can be found in the [Appendix](#).

Enterprise Lost Time and Total Recordable Incident Rates



¹ TRIR and LTIR are based on incidents per 100 full-time employees.

Read more about our employee safety efforts on ITW.com:

- [Safety and Ergonomic Enhancements Drive Continuous Improvement](#)
- [Building a Strong Safety Culture Across ITW](#)

Workplace Culture & Talent Development

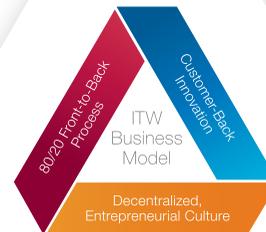
ITW's goal to be one of the best performing, highest-quality and most respected industrial companies in the world is enabled by the hard work and dedication of our colleagues around the globe.

Committed to Being a Great Employer

Grounded in four, data-driven Core Commitments, we aim to ensure all colleagues – regardless of segment, division, geography or title – experience what differentiates ITW as a great employer.

A Focus on What Matters Most

The ITW Business Model is our defining competitive advantage, helping our businesses and colleagues minimize cost, complexity and distractions in order to innovate unique solutions.



Empowered Entrepreneurship

Our people are empowered to think and act like business owners: leading through influence, sharing risk in decision making, innovating valued solutions and driving results.



Opportunities to Ignite Your Full Potential

Our people are the powerful force behind our success – that's why we invest our time and resources into helping them grow their skills and interests. Our decentralized and diversified businesses make it possible to stay curious and learn new responsibilities.

Purpose Beyond Products

Our products and supporting services are only the beginning of what we deliver to the world. We are also committed to making a positive impact on our people, customers, suppliers, environment and the communities where we live and work.



Developing Great ITW Leaders

Our continued ability to attract, develop and retain talent at all levels and build a sustainable pipeline of Great ITW Leaders is vital to our long-term success. The Great ITW Leader Framework defines leadership capabilities and attributes to help colleagues reach their full potential as leaders. Great ITW Leaders are expected to make great strategic choices to drive above-market organic growth, be an expert in the practice of Customer-Back Innovation and the ITW Business Model, deliver great results, be great talent managers and lead through ITW's Culture and Core Values.



Great ITW Leaders with expertise in the ITW Business Model are critical to translating the business model's power into full potential performance. Because this expertise develops over time spent with the company, we focus on developing and promoting our own talent to support sustained, long-term business success.

ITW Professional Development Opportunities

Our strategic talent attraction and development efforts support the growth of our company and colleagues through unique and relevant development opportunities at each career stage. Examples include:

- **Internships and educational cooperatives** give early-in-career talent a real-world experience to help them prepare for long-term career success with ITW. In 2025, ITW welcomed 190 interns working in 17 U.S. states, with the majority in engineering and operations roles.
- Through our global **Developing Leader Coaching Initiative**, Great ITW Talent is nominated to receive individual and group virtual coaching and applied learning experiences. In 2025, 83 colleagues representing 16 countries completed 556 total coaching hours.
- New **Vice President and General Managers (VP/GMs)** complete a development program led by members of ITW's Executive Leadership Team. Our goal is to fill 80% of VP/GM roles with internal talent, and our three-year average placement rate exceeds this goal.

Feedback From Our 2025 U.S. Intern Class*

99%

would recommend ITW and said their internship met or exceeded expectations

100%

agreed that their experience in the workplace was positive, inclusive and welcoming

* Based on feedback provided in an anonymous survey, with a 94% response rate.

Read more about our talent development efforts on ITW.com:

- [Launching a Proactive ITW Career](#)
- [Empowered Entrepreneurship](#)
- [Igniting Your Full Potential](#)

The Great ITW Leader Pipeline



Valuing the ITW Employee Experience

We are at our best when we bring together unique perspectives, experiences and ideas. By accessing the broadest talent pools and ensuring the best talent is hired and retained, ITW can realize its full potential. Rooted in ITW’s Core Values of Respect and Integrity, the company is committed to equal employment opportunity, fair treatment and creating inclusive workplaces where all ITW colleagues can perform to their full potential.

Leading Through Our Core Values

ITW is dedicated to attracting the best talent for our global teams, valuing the perspectives of every colleague and reflecting the communities where we live and work across all the countries in which we operate.

Diversity of background, experience, thought and perspective is critical to the continued evolution and advancement of our powerful and proprietary ITW Business Model and is a key driver for Customer-Back Innovation. We leverage our enterprise Diversity & Inclusion Framework to build inclusive workplaces that provide our people with opportunities to maximize their individual potential.

The ITW Diversity & Inclusion Council, comprised of executive leaders, leads our efforts to develop and implement division-led plans that will support our attraction, development and retention of Great ITW Talent.



ITW Diversity & Inclusion Framework



The Next Phase of ITW’s Diversity & Inclusion Strategy

Aligned with the Next Phase of our Enterprise Strategy, the Next Phase of our Diversity & Inclusion Strategy focuses on five key actions that will help us reach full potential business performance.

In 2025, ITW reaffirmed our long-standing commitment to diversity and inclusion, while continuing to strengthen our managers’ capabilities with a focus on fair, merit-based talent decisions and inclusive leadership.

Five Key Actions

- 1 Our leaders recruit the best talent from a broad applicant and candidate pool.
- 2 Our leaders develop Great ITW Talent and make decisions supported by objective criteria.
- 3 Our leaders visibly support and engage with Employee Resource Groups.
- 4 Our leaders model inclusive behaviors.
- 5 Our employees are comfortable expressing their ideas and feel their opinion is valued.

Developing and Enhancing Manager Capabilities

In 2025, we expanded our Inclusive Leader for the Frontline training, which helps managers build respectful and supportive work environments for frontline team members of all backgrounds. Of the participants surveyed, 98% reported that the training improved their ability to resolve workplace challenges. The training has been deployed to approximately 30% of ITW divisions, with continued expansion anticipated across the U.S. and additional regions in 2026.

Listening and Responding to Feedback

To support our Core Commitment of providing colleagues with “Opportunities to Ignite Full Potential,” ITW divisions create opportunities for team members to share feedback and perspectives on their employee experience. These listening efforts may take many forms, including employee engagement surveys, focus groups, skip-level discussions and town halls. Decisions around how and when these listening activities take place are made at the division level, allowing leaders to respond to local needs and priorities. Our colleagues’ feedback is essential to ensuring we are attracting, developing, deploying and retaining Great ITW Leaders and Great ITW Talent.

Fostering Engagement Through ITW’s Global Employee Resource Groups

Our Employee Resource Groups (ERGs) bring together ITW colleagues around the globe with opportunities to learn, connect and grow professionally in support of our Enterprise Strategy. Their work is focused on helping us attract Great ITW Talent, providing development opportunities, including building employee skills around the ITW Business Model, and further strengthening our colleagues’ ITW Employee Experience.

ERGs by the Numbers

8

Employee Resource Groups

100+

employee-led events around the world

6,000+

global colleagues actively engage in ERGs

ITW’s Employee Resource Groups



Compensation & Benefits

As a global employer, we are committed to providing market-competitive compensation and benefits to attract and retain great talent across our global divisions. We maintain fair labor and equitable pay practices and ensure a work environment that reflects our ITW Culture and Core Values everywhere we operate.

We monitor and proactively address pay equity on a regular basis to ensure fair and objective compensation decisions. We provide our global businesses with compensation tools and resources to help measure, achieve and sustain our merit-based compensation system. In the U.S., our proactive programs enable us to maintain equitable base pay without regard to gender and race. Specific compensation and benefits vary worldwide and are based on regional practices. Read more about our market-competitive compensation and benefits on our [website](#) and view ITW’s latest EEO-1 data [here](#).

Read more about our employee experience efforts on ITW.com:

- [Cultivating a Winning Mindset for International Women’s Day](#)
- [Purpose Beyond Products](#)
- [Championing Wellness, One Step at a Time](#)

Our Communities



IN THIS SECTION Philanthropy & Community Involvement

Philanthropy & Community Involvement

Rooted in our commitment to have “Purpose Beyond Products,” ITW is building a stronger future for our company and the communities where our colleagues live and work. Our decentralized, entrepreneurial culture enables us to empower our people to act locally while ensuring meaningful impact throughout our footprint.

Fostering a Culture of Giving

ITW colleagues are vital to our philanthropic efforts, and we encourage them to sustain their communities through their direct involvement and support. For example, in the U.S. and Canada, colleagues can participate in:

- 3x match for qualified charitable colleague giving
- \$15/service hour match for qualified colleague volunteering opportunities
- Annual scholarships awarded to dependents of ITW colleagues pursuing a post-secondary education

ITW's Philanthropic Giving and Volunteerism

\$20.3 million

in total 2025 philanthropic giving

13,900+

hours of volunteer service recorded



Investing in Our Communities

We strategically invest in education and workforce development through key partnerships in our communities. We also have a number of signature programs that serve as cornerstones of our philanthropy.

ITW David Speer Academy

Named in memory of ITW's former Chairman and CEO, the ITW David Speer Academy provides world-class STEAM (science, technology, engineering, arts and mathematics) education to students in grades 9 through 12. Since opening its doors in 2014, the school has served more than 1,920 Chicago-area students, many of whom are from historically underserved communities.

ITW commits to providing students with meaningful and unique experiences, including tours of ITW businesses to highlight STEAM and manufacturing career opportunities as well as the Summer of a Lifetime program to immerse students in university settings and senior internships. Following graduation, ITW has also supported the continued career growth of students through college internships.



Support for Local Communities

For more than 75 years, ITW has made a positive impact in our communities through a partnership with United Way. Each year, we also invite colleagues to support United Way through our North American annual employee giving campaign, which offers a corporate match. Over the last five years, our campaigns have raised an average of approximately \$5.7 million.

ITW David Speer Academy by the Numbers

98%

of 2025 graduates accepted into college

On Average,

78%

of students who attend college are first in their family to do so



Read more about ITW community involvement initiatives on ITW.com:

- [Feeding Futures with the Boys and Girls Clubs of America](#)
- [Philanthropy & Community Involvement](#)

Appendix

IN THIS SECTION Sustainability Data Summary | SASB Index | TCFD Index

Sustainability Data Summary

METRIC	2021 (baseline)	2023	2024	2025
Environment				
Total location-based emissions (metric tons CO₂e)¹	884,735	791,781	739,271	722,391
Direct/Scope 1 emissions (metric tons CO ₂ e) ²	417,773	349,214	286,861	285,187
Indirect/Scope 2 location-based emissions (metric tons CO ₂ e) ³	466,962	442,567	452,410	437,204
Total market-based emissions (metric tons CO₂e)⁴	763,799	553,239	448,638	421,628
Indirect/Scope 2 market-based emissions (metric tons CO ₂ e)	346,026	204,025	161,777	136,441
Emissions intensity including renewables (metric tons CO ₂ e/million\$ operating revenue) ⁵	53	34	28	26
Biogenic CO ₂ (metric tons CO ₂) ⁶	29,170	494	309	200
Total energy (MWh)⁷	2,588,298	1,816,169	1,724,891	1,724,629
Direct energy (MWh) ⁷	1,476,537	722,243	703,233	690,614
Indirect energy (MWh)	1,111,761	1,093,926	1,021,658	1,034,015
Energy intensity (MWh/million\$ operating revenue) ⁵	179	112	108	107
Total water withdrawn (thousand U.S. gallons)	680,455	611,308	614,421	612,466
Water withdrawal – purchased (thousand U.S. gallons)	556,931	557,758	563,222	560,504
Water withdrawal – non-purchased (thousand U.S. gallons)	123,524	53,550	51,198	51,962
Water intensity (U.S. gallons/thousand\$ operating revenue) ⁵	47	38	39	38
Total solid waste (U.S. tons)	31,668	30,704	30,260	29,931
Hazardous & special industrial waste (U.S. tons)	6,158	7,225	6,429	6,259
Non-hazardous waste (U.S. tons)	25,510	23,479	23,831	23,672
Total liquid hazardous and special industrial waste (thousand U.S. gallons)	1,244	1,534	1,419	1,316
Total recycled material (U.S. tons)	64,755	87,497	81,447	82,328
Government environmental inspections (# of inspections)	220	178	188	192
Government environmental inspections' resulting fines (\$U.S.)	\$10,096	\$2,010	\$15,987	\$1,703
ISO 14001 environmental management certifications (# of sites)	128	130	130	131
ISO 9001 quality management certifications (# of sites)	214	224	228	234
Form A or R reports filed (# of facilities) ⁸	56	52	52	52

The reporting period for ITW's environmental, health and safety data is January 1, 2025–December 31, 2025. The reporting boundary includes companies over which ITW has operational control. We use the following emission factors: UK-BEIS, published June 2025; National Greenhouse Accounts Factors: 2025, published September 2025; International Energy Association, September 2025 release; eGrid January 2024 release; IPCC Factors: 2020, published August 2021; EPA Emission Factors 2025, released January 2025. We also use GHG Protocol Emissions Factors in our calculations.

¹ Total Energy, Emissions were recalculated for the following reasons: addition of leased locations, additional refrigerant and updated emissions factors.

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

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

⁴ Market-based emissions reflect an audited 5% tolerance in our data.

⁵ Total operating revenue was used in the calculation of intensity indicators.

⁶ Biogenic CO₂ significantly decreased in 2023 due to a change in our business that led to a large reduction in the use of wood as an energy source.

⁷ Includes electricity, purchased heat, natural gas, heating/fuel oil, diesel, gasoline, propane, wood, biogas and liquefied natural gas.

⁸ In compliance with SARA Title III Section 313 regulations in the U.S.

Sustainability Data Summary *continued*

METRIC	2023	2024	2025
Clean-Tech Products			
Clean-Tech products sold (% of revenue)	31%	32%	32%
Clean-Tech products sold (in billions)	\$5.0	\$5.1	\$5.0
Safety			
Lost time accidents (# of accidents)	304	322	277
Medical treatment incidents (# of incidents)	559	604	541
Lost time incident rate (incidents per 100 employees)	0.68	0.74	0.65
Total recordable incident rate (incidents per 100 employees)	1.25	1.38	1.26
Fatalities (#)	1	0	0
Government safety inspections (# of inspections)	238	280	226
Government safety inspections ¹ resulting fines (\$U.S.)	\$42,263	\$47,117	\$41,762
ISO 45001 safety management system certifications (# of sites)	68	70	70
Representation			
Global women leaders (%) ^{1,2}	29%	28%	30%
U.S. racially/ethnically diverse leaders (%) ^{1,2}	20%	21%	20%
Board gender/racial/ethnic diversity	42%	42%	42%
Board gender diversity	25%	25%	25%
Board racial/ethnic diversity	17%	17%	17%
Community Impact			
Total philanthropic giving (in millions)	\$22.1	\$22.5	\$20.3

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

² View ITW's latest EEO-1 data on our [website](#).

Sustainability Accounting Standards Board Disclosures

This index references the ITW information in this report pertaining to standards applicable to companies classified by the Sustainability Accounting Standards Board (SASB) in the Industrial Machinery and Goods industry under SASB's Sustainable Industry Classification System®.

SASB Topic	SASB Accounting Metric	SASB Code	ITW Disclosure
Energy Management	Total energy consumed	RT-IG-130a.1	1,724,629 MWh
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	RT-IG-320a.1	1) 1.26 2) 0 per 100 employees 3) ITW tracks safety metrics as defined by our Enterprise Safety Strategy. Near misses are managed at the local level.
Fuel Economy & Emissions in Use-Phase	Analysis ongoing of applicability to ITW products. We believe the majority of the products we design and manufacture do not consume large amounts of energy in their use-phase.		
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	Responsible Sourcing: Page 10
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	Clean-Tech Solutions: Pages 8-9
Accounting Metrics	Number of employees	RT-IG-000.B	The company employed approximately 43,000 people as of December 31, 2025.

Task Force on Climate-related Financial Disclosures

This index references the ITW information in this report pertaining to the Task Force on Climate-related Financial Disclosures (TCFD) recommended disclosure pillars.

TCFD Pillar	TCFD Disclosure	ITW Disclosure
Governance	Describe the board's oversight of climate-related risks and opportunities.	Board Oversight of Sustainability and Related Topics: Page 4 CDP Corporate Questionnaires : C1
	Describe management's role in assessing and managing climate-related risks and opportunities.	Board Oversight of Sustainability and Related Topics: Page 4 CDP Corporate Questionnaires : C1
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Based on an assessment of ITW's current operations, ITW believes that it currently does not face substantive climate-related transitional or physical risks as defined by TCFD. However, climate change is highly complex and not linear, with many uncertainties, and there is no assurance that our operations will not be impacted substantively by climate change-related risks in the future. ITW considers a substantive impact to exist only where our businesses are required to change operations, sources of supply or customer base as a result of climate-related matters considered significant by a particular operating segment or ITW overall. Transitional Risks: To date, the introduction of climate change-related regulations has not had a substantive impact on our operations. New regulations typically impact our cost of energy or our ability to use certain materials to manufacture our products. To mitigate the small risks presented in this area, ITW businesses have implemented energy conservation projects and rely on our Customer-Back Innovation process to replace materials while creating environmentally friendly solutions based on our customers' needs. Physical Risks: We currently believe physical risks to our facilities are not substantive. A majority of our U.S. properties had no natural catastrophe exposures in 2025 as assessed by our insurance partners. Some of our facilities, however, are located in areas around the world where there is risk of flood, wind and hurricanes, earthquakes and fire. To mitigate our physical risk, ITW's businesses have emergency response plans, partnering in certain cases with insurance providers to track and alert our facilities about incoming hazards and address these hazards as necessary. Clean-Tech Solutions: Pages 8-9 CDP Corporate Questionnaires : C2
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Clean-Tech Solutions: Pages 8-9 CDP Corporate Questionnaires : C2, C3
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP Corporate Questionnaires : C3

Task Force on Climate-related Financial Disclosures *continued*

TCFD Pillar	TCFD Disclosure	ITW Disclosure
Risk Management	Describe the organization’s processes for identifying and assessing climate-related risks.	CDP Corporate Questionnaires: C2
	Describe the organization’s processes for managing climate-related risks.	Our Approach to Environmental Management: Page 7 CDP Corporate Questionnaires: C2
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	CDP Corporate Questionnaires: C2
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	We track our impact on the environment in a number of areas, and we use this data to work toward continuous improvement. Metrics used and disclosed in this report are: <ul style="list-style-type: none"> • Total Energy • Energy Intensity • Total Emissions • Emissions Intensity • Total Water Withdrawn • Water Intensity • Clean-Tech Products
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Sustainability Data Summary: Page 18
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Reducing Greenhouse Gas Emissions: Page 6

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “believe,” “expect,” “plan,” “will,” “intend,” “may,” “strategy,” “target,” “goals,” “aim,” “strive,” “anticipate,” “project,” “committed” and other similar words, including, without limitation, statements regarding the company’s sustainability strategy, talent management strategy, safety initiatives, financial and performance targets, product development and environmental goals (including GHG emissions reduction goals). These statements are subject to certain risks, uncertainties and other factors, which could cause actual results to differ materially from those anticipated. Such risks include those contained in ITW’s Annual Report on Form 10-K for the year ended December 31, 2025, and other documents ITW files with the Securities and Exchange Commission. These risks are not all-inclusive and given these and other possible risks and uncertainties investors should not place undue reliance on forward-looking statements as a prediction of actual results. Any forward-looking statements made by ITW speak only as of the date on which they are made. ITW is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, subsequent events or otherwise.

Questions About the Report

In the spirit of continuous improvement, we welcome feedback regarding our sustainability initiatives and reporting. Questions or comments about this report or future reports may be directed to sustainability@itw.com.



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