

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.

From state-of-the-art dishwashers, ovens and refrigerators in restaurants and hotels, to automobile components inside vehicles all over the world ... the products we manufacture and the solutions we design are all around us. The buildings where we live and work are built with ITW construction and welding products, and our test & measurement solutions help to ensure the quality and safety of millions of products.

ITW's approximately 45,000 dedicated colleagues around the world thrive in the company's decentralized and entrepreneurial culture. Our leaders have deep expertise in the ITW Business Model and leverage it to deliver superior performance and value to our customers. In 2021, the company achieved revenues of $14.5 billion, with roughly half coming from outside North America.

ITW's Sustainability strategy is built around four key elements: Our Governance & Ethics, Our People, Our Communities, and Our Environment. As part of our vision to be one of the world's best-performing, highest-quality and most-respected industrial companies, we will continue to support our communities and our employees to make a difference in the world around us.

Across all our decentralized businesses, we continually measure, manage and work to reduce the environmental footprint of our operations and products. We also partner with key suppliers to ensure that, together, we have a positive impact on our environment and use our resources responsibly.

With support from ITW's senior management, each division is directly responsible for implementing the most impactful environmental performance improvement opportunities for its unique operations. Our three-pronged approach to continuous improvement includes:

- Auditing our facilities for EHS compliance;
- Transparent reporting using the guidance of third-party frameworks and surveys including SASB and TCFD; and
- Implementing policies that guide our progress, each ITW division is responsible for recognizing the potential impacts of our operations employee has a responsibility to preserve and protect the environment.

W0.2

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

<table>
<thead>
<tr>
<th></th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting year</td>
<td>January 1 2021</td>
<td>December 31 2021</td>
</tr>
</tbody>
</table>
Select the countries/areas in which you operate.

Argentina
Australia
Belgium
Brazil
Bulgaria
Canada
Chile
China
Colombia
Costa Rica
Croatia
Czechia
Denmark
Finland
France
Germany
Hong Kong SAR, China
Hungary
India
Ireland
Italy
Japan
Malaysia
Mexico
Netherlands
New Zealand
Philippines
Poland
Portugal
Republic of Korea
Russian Federation
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Taiwan, China
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America

Select the currency used for all financial information disclosed throughout your response.
USD

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

Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?
No

Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

<table>
<thead>
<tr>
<th>Indicate whether you are able to provide a unique identifier for your organization.</th>
<th>Provide your unique identifier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, an ISIN code</td>
<td>4523081093</td>
</tr>
</tbody>
</table>
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>Importance Rating</th>
<th>Direct Use Importance Rating</th>
<th>Indirect Use Importance Rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important</td>
<td>Important</td>
<td>The majority of ITW's operations are not water intensive and our supply chain and operations are diverse, minimizing the risks associated with having sufficient amounts of good quality freshwater available for use. Although the risk is low, it is important for us to have good quality freshwater for our direct operations. Freshwater is used in some of our products, processes including quenching, rinsing, cooling of equipment, product testing and cleaning of equipment, parts and facilities. For suppliers it is important for the same reasons as for our operations. It is important for our customers as well, water quality affects the performance of some of our products, for example warewashers used in commercial kitchens. As ITW grows, in the future it is likely that businesses added to the portfolio will fit into the existing segments, having similar products and operations. For this reason, we do not anticipate any future changes in the importance of freshwater availability or quality in our direct operations and the remainder of our value chain.</td>
<td></td>
</tr>
<tr>
<td>Not very important</td>
<td>Not monitored</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 rest of our value chain. As ITW grows, in the future it is likely that businesses added to the portfolio will fit into the existing segments, having similar products and operations. For this reason, we do not anticipate any future changes in the importance of recycled, brackish and/or produced water in our direct operations or the remainder of our value chain.</td>
<td></td>
</tr>
</tbody>
</table>

W1.2

(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>Water withdrawals – volumes by source</td>
<td>1-25</td>
</tr>
<tr>
<td>Entrained water associated with your metals &amp; mining sector activities - total volumes [only metals and mining sector]</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>Water withdrawals quality</td>
<td>1-25</td>
</tr>
<tr>
<td>Water discharges – total volumes</td>
<td>Not monitored</td>
</tr>
<tr>
<td>Water discharges – volumes by destination</td>
<td>Not monitored</td>
</tr>
<tr>
<td>Water discharges – volumes by treatment method</td>
<td>1-25</td>
</tr>
<tr>
<td>Water discharge quality – by standard effluent parameters</td>
<td>1-25</td>
</tr>
<tr>
<td>Water discharge quality – temperature</td>
<td>Not monitored</td>
</tr>
<tr>
<td>Water consumption – total volume</td>
<td>Not monitored</td>
</tr>
<tr>
<td>Water recycled/reused</td>
<td>100%</td>
</tr>
<tr>
<td>The provision of fully-functioning, safely managed WASH services to all workers</td>
<td>100%</td>
</tr>
</tbody>
</table>

W1.2b

(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>2467.7</td>
<td>Higher</td>
</tr>
<tr>
<td>Total discharges</td>
<td>0</td>
<td>Higher</td>
</tr>
<tr>
<td>Total consumption</td>
<td>0</td>
<td>Higher</td>
</tr>
</tbody>
</table>

*Production was higher in 2021 compared to 2020. Water withdrawal increased by approximately 19%, we also had an increase in operating revenue.*

*We do not track water discharge at the corporate level. We assume there is a direct correlation between withdrawal, and discharge, thus both would have been higher in 2021 as compared to 2020.*

*We do not track water discharge at the corporate level and cannot calculate consumption. We assume that there is a direct correlation between withdrawal and discharge, thus both would have been higher in 2021 as compared to 2021. Given there was an increase in production, there would be a corresponding increase in consumption.*
W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

<table>
<thead>
<tr>
<th>Withdrawals are from areas with water stress</th>
<th>% withdrawn from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1-10</td>
<td>Lower</td>
<td>WR6 Aqueduct</td>
<td>We withdraw water from areas where the baseline water stress (BWS) is either rated extremely high, high, or medium - high per the WRI Aqueduct Water Risk Atlas. We also include groundwater table decline (GTD) in our analysis, we have locations where this is rated as high to medium. Approximately 8% of the water withdrawn included in this portion of the reporting boundary (the top 80% water withdrawing ITW owned/manufacturing sites) is from areas where a combination of the two of concern. This is slightly lower than last year's withdrawals. Although overall water withdrawal decreased, these particular sites increased water withdrawal as they recovered from the lower production levels experienced during the pandemic.</td>
</tr>
</tbody>
</table>

W1.2h

(W1.2h) Provide total water withdrawal data by source.

<table>
<thead>
<tr>
<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>468</td>
<td>Lower</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>&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>&lt;Not Applicable&gt;</td>
<td>Lower</td>
<td>The renewable ground water withdrawals are approximately 3% lower than last year.</td>
</tr>
<tr>
<td>Groundwater – non-renewable</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>&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>2000</td>
<td>Lower</td>
<td>The quantity of water from municipal supply is approximately 4% less than last year’s value. Water intensity (with respect to operating revenue) is 17% lower than last year. Operating revenue increased by 15% while the quantity of water withdrawn decreased.</td>
</tr>
</tbody>
</table>

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

<table>
<thead>
<tr>
<th>Relevance of treatment level to discharge</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary treatment</td>
<td>Relevant but volume unknown</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Secondary treatment</td>
<td>Relevant but volume unknown</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Primary treatment only</td>
<td>Relevant but volume unknown</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Discharge to the natural environment without treatment</td>
<td>Relevant but volume unknown</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Discharge to a third party without treatment</td>
<td>Relevant but volume unknown</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W1.3

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

<table>
<thead>
<tr>
<th>Revenue (US$ million)</th>
<th>Total water withdrawal volume (megaliters)</th>
<th>Total water withdrawal efficiency</th>
<th>Anticipated forward trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>11445536</td>
<td>2467.7</td>
<td>9567827.91101025</td>
<td>We anticipate that water withdrawal efficiency will improve over time; we will withdraw less water per US dollar of operating revenue. Many of our facilities are working to improve their water conservation efforts.</td>
</tr>
</tbody>
</table>

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our customers or other value chain partners
W1.4c

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

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

W2. Business impacts

W2.1

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

W2.2

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

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a
(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

- Value chain stage
  - 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
  - WRI Aqueduct

- Contextual issues considered
  - Water availability at a basin/catchment level
  - Water quality at a basin/catchment level
  - Water regulatory frameworks
  - Access to fully-functioning, safely managed WASH services for all employees

- Stakeholders considered
  - Customers
  - Employees
  - Local communities
  - Regulators
  - Water utilities at a local level

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

(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

### Direct operations

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

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

### Regulatory Risks than can impact direct operations

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

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

### Other stages of the value chain

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

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

**W4. Risks and opportunities**
W4.1

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

No

W4.1a

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

We would consider a substantive impact to exist only where any of our businesses are required to change their operations, sources of supply or customer base due to matters considered significant by a particular business 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</td>
<td>The existing water risks to ITW 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. The existing water risks do not pose a substantive financial or strategic impact to ITW, because of how the company is structured, diverse operating segments in diverse locations. We do not feel the risk is high enough to require a change in operations, sources of supply or customer base.</td>
</tr>
</tbody>
</table>

W4.2c

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

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

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

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

**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?
- Yes, we have a documented water policy that is publicly available

**W6.1a**

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

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide</td>
<td>Commitments beyond regulatory compliance</td>
<td>ITW collects data on the water withdrawn and recycled from facilities over which we have operational control. Our businesses monitor this information, in addition to other water related information that is relevant to their operations.</td>
</tr>
<tr>
<td></td>
<td>Commitment to water-related innovation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other, please specify (Commitment to monitor, conserve and work with</td>
<td></td>
</tr>
<tr>
<td></td>
<td>customers to develop innovative solutions to environmentally responsible</td>
<td></td>
</tr>
<tr>
<td></td>
<td>products)</td>
<td></td>
</tr>
</tbody>
</table>

**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>Chief Executive Officer (CEO)</td>
<td>The CEO serves as the Chairman of the Board of Directors. In addition to the responsibilities of the Board, the CEO has highest level of authority and responsibility in the company for climate change and all activities that contribute to it. The CEO discusses and guides strategy periodically and provides oversight of the Company, which includes ITW's strategic priorities, policies and goals related to environmental, social, supply chain and governance matters, including water. The CEO manages information on climate-related issues and makes decisions based on it; for example, the Sustainability Strategy, which includes environmental impact management and climate-change. In May 2022 a new Enterprise Risk Management Review Schedule was approved by the Board and Environmental Stewardship will now be reviewed twice a year, starting with 2023. The CEO will now report to the Board on climate-related issues at least twice a year, increasing from once a year.</td>
</tr>
<tr>
<td>Other, please specify (Independent Lead Director)</td>
<td>The Board, led by an independent Lead Director, 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 is directly involved in the oversight of the Company's sustainability efforts. Each year, and throughout the year as necessary, the Board receives reports of ITW's sustainability related activities and progress towards the goals, including those relating to climate change. The Board ensures that the Company's efforts are approached in a manner that is consistent with its core values and best serve the interests of the Company and all ITW stakeholders.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Frequency that water-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled - some meetings</td>
<td>Monitoring implementation and performance</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 acquisitions and divestitures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overseeing major capital expenditures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding annual budgets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding business plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding major plans of action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding risk management policies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding corporate responsibility strategy</td>
<td></td>
</tr>
</tbody>
</table>

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

<table>
<thead>
<tr>
<th>Board member(s) have competence on water-related issues</th>
<th>Criteria used to assess competence of board member(s) on water-related issues</th>
<th>Primary reason for no board-level competence on water-related issues</th>
<th>Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not assessed</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W6.3
Provide incentives for management of water-related issues

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

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

No, and we do not plan to introduce them in the next two years

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

No

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

Business strategy

CDP
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 business objectives</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>5-10 years</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. For 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, for many of our businesses this is not a critical issue. Our business objectives are 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>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Yes, water-related issues are integrated</th>
<th>Strategy for achieving long-term objectives</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>5-10 years</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. For example, our Warewash division has a strategic priority to reduce water consumption in the equipment they produce, and this is a strategic imperative that drives certain product design priorities. ITW does not typically have manufacturing processes that are water intensive, so for many of our businesses, this is not a critical issue.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Yes, water-related issues are integrated</th>
<th>Financial planning</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>5-10 years</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

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) 184
- Anticipated forward trend for CAPEX (+/- % change) 50
- Water-related OPEX (+/- % change) 3
- Anticipated forward trend for OPEX (+/- % change) 3

Please explain

The water-related CAPEX is significantly greater than the previous year. We invested in a new water treatment plant and installed a water recycling system in two facilities in areas of high water related stress, one in India and the other in China. The water-related OPEX also increased this year, this is due to an increase in production, which required more water. The production was lower in 2020 due to the Covid-19 Pandemic. The anticipated forward trends for both CAPEX and OPEX are estimates based on the actual changes over the past five years. The average change in OPEX over the past five years is a 3% increase. The CAPEX values vary significantly from year to year, it is dependent on the needs of the business and it is difficult to make an accurate estimate for the future. Over the past five years the average increase in CAPEX is approximately 50%.

W7.3

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

<table>
<thead>
<tr>
<th>Use of scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, but we anticipate doing so within the next two years</td>
<td>We are currently working to develop our transition plan and scenario analysis will follow. We will start with a qualitative analysis.</td>
</tr>
</tbody>
</table>

W7.4

Does your company use an internal price on water?

Row 1

- Does your company use an internal price on water? No, and we do not anticipate doing so within the next two years

Please explain

We recognize that the true value of water is not reflected in its cost. While water is integrated within our overall business consideration, it does not have a material financial effect on a significant number of our businesses. Placing an internal price on water is not a high priority for ITW at this time and it is not likely that it will be in the next two years.

W7.5
(W7.5) Do you classify any of your current products and/or services as low water impact?

<table>
<thead>
<tr>
<th>Products and/or services classified as low water impact</th>
<th>Definition used to classify low water impact</th>
<th>Primary reason for not classifying any of your current products and/or services as low water impact</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>We use US Environmental Protection Agency and Department of Energy’s Energy Star program's guideline for water consumption during use for warewashers.</td>
<td>&lt;Not Applicable&gt;</td>
<td>The ITW Food Equipment Group manufactures several Energy Star certified commercial warewashers. To earn the Energy Star certification the models must meet a maximum water consumption requirement during the final rinse and use less energy while idling between wash cycles. The water consumption thresholds range from 0.54 to 1.19 gallons per rack for non-flight type and 2.975 and 4.96 for single and multiple tank flight type respectively. According the energystar.gov Energy Star certified commercial dish (ware) washers are 40 percent more water efficient than standard models.</td>
</tr>
</tbody>
</table>

W8. Targets

W8.1

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

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

W8.1c

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

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Important but not an immediate business priority</td>
<td>While water is integrated into our overall business consideration, we do not have a target, because ITW businesses are not water intensive. However, all ITW businesses are encouraged to conserve resources and this includes reducing water consumption and increase recycling where feasible. We will continue to monitor our water withdrawals and sources to ensure that we are managing our use responsibly.</td>
</tr>
</tbody>
</table>

W9. Verification

W9.1

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

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

W10. Sign off

W-FI

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

W10.1

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

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Vice President of Sourcing and EH&amp;S</td>
<td>Other, please specify (The Vice President of Sourcing and EH&amp;S reports to the Vice Chairman of the Board and serves as an officer of the company.)</td>
</tr>
</tbody>
</table>

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

No

SW. Supply chain module

SW0.1

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

<table>
<thead>
<tr>
<th>Annual revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1445000000</td>
</tr>
</tbody>
</table>

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

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

SW2.1

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

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

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

<table>
<thead>
<tr>
<th>Product name</th>
<th>Water intensity value</th>
<th>Numerator: Water aspect</th>
<th>Denominator</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Industrial Products: Metal fastener units</td>
<td>0.0014</td>
<td>Water consumed</td>
<td>Number of pieces manufactured</td>
<td>Customer: Ford Water intensity value was calculated by taking the gallons of water consumed per metal fastener (0.0014 gal/pieces).</td>
</tr>
</tbody>
</table>

<table>
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<td>0.0014</td>
<td>Water consumed</td>
<td>Number of pieces manufactured</td>
<td></td>
</tr>
</tbody>
</table>
Comment
Customer: GM Water intensity value was calculated by taking the gallons of water consumed per metal fastener (0.0014 gal/pieces).

Product name
ITW Global Tire Repair: Tire sealant

Water intensity value
0.0019

Numerator: Water aspect
Water consumed

Denominator
m³ produced

Comment
Customer: Ford The water is used in production and operations.

Product name
ITW India Pvt: Plastic injection molded components

Water intensity value
0.0002

Numerator: Water aspect
Water consumed

Denominator
Revenue

Comment
Customer: Ford. The water intensity has been calculated by taking the annual complete plant process water consumption and annual revenue into consideration (0.00017 cubic meters/$). Design and manufacture of plastic injection molded components and sub-assemblies for interior and exterior trims and fasteners.

Product name
ITW Deltar Fasteners: Plastic fasteners

Water intensity value
0.0003

Numerator: Water aspect
Water consumed

Denominator
Number of pieces manufactured

Comment
Customer: Ford. Water intensity value was calculated by taking the gallons of water consumed per plastic fastener (0.00026 gal/pieces).

Product name
ITW Deltar Fasteners: Plastic fasteners

Water intensity value
0.0003

Numerator: Water aspect
Water consumed

Denominator
Number of pieces manufactured

Comment
Customer: GM. Water intensity value was calculated by taking the gallons of water consumed per plastic fastener (0.00026 gal/pieces).