

W0. Introduction

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W0.1

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**(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

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

	Start date	End date
Reporting year	January 1 2021	December 31 2021

W0.3

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**(W0.3) 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

**W0.4**

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

USD

**W0.5**

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

Companies, entities or groups over which operational control is exercised

**W0.6**

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

No

**W0.7**

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	4523081093

## 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.

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

### W1.2

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

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	We collect and monitor the quantity of water withdrawn by facilities for which we have operational control. This includes water from municipal supply and onsite wells.
Water withdrawals – volumes by source	1-25	Of the facilities for which we monitor water withdrawal, we look at the sources of the greatest withdrawals, keeping consistent with our 80/20 operating philosophy. The sources reviewed can vary annually based on the total quantity of water withdrawn by all of the facilities we track.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	1-25	Water withdrawal quality is measured and monitored at the facility level, not enterprise wide. Onsite water monitoring is the most effective way to ensure the quality is kept at the optimal level for the specific need. Not all of ITW's processes depend on water and where the quality is not critical, it is not closely monitored.
Water discharges – total volumes	Not monitored	Water discharge volume is measured and monitored at the facility level, where it is required, not enterprise wide.
Water discharges – volumes by destination	Not monitored	Water discharge by destination is not measured or monitored across the enterprise.
Water discharges – volumes by treatment method	1-25	Water discharge volume by treatment method is not measured or monitored across the enterprise, only at the facility level, and only where it is required.
Water discharge quality – by standard effluent parameters	1-25	Water discharge quality by standard effluent parameters is not monitored at the enterprise level. It is measured by the facilities that are required to do so.
Water discharge quality – temperature	Not monitored	If monitored, water discharge temperature would be monitored by the facilities and not tracked at the enterprise wide.
Water consumption – total volume	Not monitored	Total water consumption volume is not monitored at the corporate level, because we do not track discharge.
Water recycled/reused	100%	We collect and monitor the quantity of water recycled/reused by facilities for which we have operational control.
The provision of fully-functioning, safely managed WASH services to all workers	100%	As stated in the ITW Human Rights Policy, ITW is committed to human rights in the workplace, which includes a safe working environment. Access to water and sanitation is part of a safe working environment. Link to the human rights policy: <a href="https://s25.q4cdn.com/220651370/files/doc_governance/Human-Rights-Policy.pdf">https://s25.q4cdn.com/220651370/files/doc_governance/Human-Rights-Policy.pdf</a>

### 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?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	2467.7	Higher	Production was higher in 2021 compared to 2020. Water withdrawal increased by approximately 19%, we also had an increase in operating revenue.
Total discharges	0	Higher	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.
Total consumption	0	Higher	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.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	Lower	WRI Aqueduct	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 is 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.

## W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	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.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	This is not an applicable source.
Groundwater – renewable	Relevant	468	Lower	The renewable ground water withdrawals are approximately 3% lower than last year.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	This is not an applicable source.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	This is not an applicable source.
Third party sources	Relevant	2000	Lower	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.

## W1.2j

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

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water discharge treatment levels are not tracked at the corporate level.
Secondary treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water discharge treatment levels are not tracked at the corporate level.
Primary treatment only	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water discharge treatment levels are not tracked at the corporate level.
Discharge to the natural environment without treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water discharge treatment levels are not tracked at the corporate level.
Discharge to a third party without treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water discharge treatment levels are not tracked at the corporate level.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water discharge treatment levels are not tracked at the corporate level.

## W1.3

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

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	1445536 1936	2467.7	5857827.91101025	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.

## 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

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### (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

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### W2.1

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#### (W2.1) Has your organization experienced any detrimental water-related impacts?

No

### W2.2

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#### (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

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### W3.3

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#### (W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

### W3.3a

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**(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

**Tools and methods used**

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.

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**W3.3b**

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**(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 that 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**

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#### W4.1

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**(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

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**(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

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**(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?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	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.

#### W4.2c

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**(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?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	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.

#### W4.3

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**(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

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**(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.

**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.**

	Scope	Content	Please explain
Row 1	Company-wide	Commitments beyond regulatory compliance Commitment to water-related innovation Other, please specify (Commitment to monitor, conserve and work with customers to develop innovative solutions to environmentally responsible products)	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.

**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.**

Position of individual	Please explain
Chief Executive Officer (CEO)	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 2022. The CEO will now report to the Board on climate-related issues at least twice a year; increasing from once a year.
Other, please specify (Independent Lead Director)	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.
Board-level committee	The annual and throughout the year as necessary, review of environmental, safety and health matters that may have a material impact on the Company's financial statements or compliance policies is the responsibility of the Audit Committee of the Board. To date, ITW has not experienced a material climate change or water related impact.

**W6.2b**

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy	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.

**W6.2d**

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

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	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
Row 1	Not assessed	<Not Applicable>	<Not Applicable>	<Not Applicable>

**W6.3**

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

**Name of the position(s) and/or committee(s)**

Other, please specify (Vice President/General Manager)

**Responsibility**

Assessing water-related risks and opportunities  
Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Not reported to board

**Please explain**

Climate and water-related risks and opportunities are assessed and managed at the business level. This includes region specific requirements and issues.

**Name of the position(s) and/or committee(s)**

Other, please specify (Director Environmental, Health, Safety and Sustainability (EHSS))

**Responsibility**

Other, please specify (Provides oversight)

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

Oversees the execution of ongoing environmental and regulatory compliance initiatives, including climate change and water. Annually provides analysis and data for report to the Board on environmental matters.

**Name of the position(s) and/or committee(s)**

Other, please specify (VP Strategic and Sourcing & EH&S)

**Responsibility**

Assessing water-related risks and opportunities  
Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

Annually provides analysis and data for report to the Board on Environmental Social Governance matters generally, including climate change and water. Water-related issues, if material, would be reported to the board. Water issues have not been material to the Company.

W6.4

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

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

W6.5

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

No

W6.6

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

No, and we have no plans to do so

W7. Business strategy

W7.1

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

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

**W7.2**

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

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

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**

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	We are currently working to develop our transition plan and scenario analysis will follow. We will start with a qualitative analysis.

**W7.4**

**(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?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	We use US Environmental Protection Agency and Department of Energy's Energy Star program's guideline for water consumption during use for warewashers.	<Not Applicable>	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 to the energystar.gov Energy Star certified commercial dish (ware) washers are 40 percent more water efficient than standard models.

**W8. Targets**

**W8.1**

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

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Our company sets no targets or goals	<Not Applicable>	<Not Applicable>

**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?**

	Primary reason	Please explain
Row 1	Important but not an immediate business priority	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.

**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.**

	Job title	Corresponding job category
Row 1	Vice President of Sourcing and EH&S	Other, please specify (The Vice President of Sourcing and EH&S reports to the Vice Chairman of the Board and serves as an officer of the company.)

**W10.2**

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

No

SW. Supply chain module

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SW0.1

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

	Annual revenue
Row 1	14455000000

SW1.1

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(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?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

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.

**Product name**

California Industrial Products: Metal fastener units

**Water intensity value**

0.0014

**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 metal fastener (0.0014 gal/pieces).

---

**Product name**

California Industrial Products: Metal fastener units

**Water intensity value**

0.0014

**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 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 (0.00017cubic 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).

**Submit your response**

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

English

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

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

**Please confirm below**

I have read and accept the applicable Terms