



2024 Sustainability Report

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

About ITW

ITW (NYSE: ITW) is a Fortune 300 global multi-industrial manufacturing leader with revenue of \$15.9 billion in 2024. 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 44,000 dedicated colleagues around the world thrive in the company's decentralized and entrepreneurial culture. www.itw.com

About This Report

The ITW 2024 Sustainability Report covers the period from January 1, 2024, to December 31, 2024, 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.

TABLE OF CONTENTS

ITW & Sustainability	
Executive Message	2
2024 Sustainability Highlights	3
Our Governance & Ethics	4
Corporate Governance	4
Ethics & Compliance	6
Our Environment	7
Environmental Responsibility	7
Clean-Tech Solutions	9
Responsible Sourcing	11
Our People	12
Employee Safety	12
Workplace Culture & Talent Development ...	13
Valuing the ITW Employee Experience	15
Benefits & Compensation	16
Our Communities	17
Philanthropy & Community Involvement	17
Appendix	19
Sustainability Data Summary	19
SASB Index	21
TCFD Index	22

Executive Message

ITW’s commitment to sustainability is deeply rooted in our Core Values and has been a long-standing priority. Our strong governance practices actively guide our sustainability approach, providing the foundation for how we deliver meaningful impact for the environment, our people and our communities.

Aligned with the Next Phase of our Enterprise Strategy, our sustainability strategy is based on a holistic approach that fits our company and is consistent with our goal of being one of the world’s best performing, highest-quality and most respected industrial companies in the eyes of all key stakeholders.

Our sustainability strategy rests on four pillars: Governance & Ethics, Environment, People and Communities. Our decentralized, entrepreneurial culture is the key to how we operationalize this strategy. Through the ITW Business Model, we empower our divisions with clear frameworks and ownership. Our priorities are always data-driven, realistic and aligned with ITW’s “Do What We Say” commitment.

Integrity and the highest ethical standards guide every ITW employee’s actions with colleagues, customers, suppliers and stakeholders globally. We are uncompromising when it comes to ethics: no exceptions, no shortcuts. We recognize that our reputation and

credibility are among our most important assets, and we hold ourselves accountable for ensuring that no behavior jeopardizes them.

Consistent with our “never satisfied” mindset, we are driving continuous improvement in our environmental impact. In 2022, we set an ambitious target: a 50% absolute reduction in Scope 1 and Scope 2 (market-based) greenhouse gas (GHG) emissions by 2030, using 2021 as our baseline. Through highly effective division-led initiatives, we have made considerable progress, with a 40% reduction in GHG emissions through 2024. We are very confident in meeting our 2030 goal.

Through our Customer-Back Innovation process, we develop sustainable solutions that address critical customer challenges. We see sustainability as a key growth driver, and we are proud to report that our “clean technology” portfolio now accounts for nearly 32% of ITW’s revenue, a significant increase from 22% in 2017.

ITW’s differentiated long-term performance hinges on attracting, developing and retaining exceptional ITW leaders and talent.



We believe that ITW is at its best when we bring together unique perspectives, experiences and ideas. And our people agree: in a recent survey, 84% recommended ITW as a great place to work.

Given our leadership-centric business model, strategy and culture, diversity and inclusion at ITW remain anchored in a very compelling business case. We believe that only by having an inclusive culture and creating an environment where diverse opinions and perspectives are actively sought and freely shared can we be the best ITW that we can be. To realize our full potential, we will continue to access all talent pools, ensuring we hire and retain the best available talent.

ITW is deeply committed to the communities where our colleagues live and work. Our decentralized, entrepreneurial culture empowers employees to drive local impact, while contributing to our global community commitment. Beyond amplifying our employees’ charitable giving, ITW strategically invests in education, workforce development and arts and culture through long-standing community partnerships.

In closing, we express our sincere gratitude to our nearly 44,000 ITW colleagues worldwide, whose ideas, actions and commitment drive our sustainability efforts. And we thank you, our valued stakeholders, for your unwavering support of our sustainability journey.

Michael M. Larsen
Senior Vice President and Chief Financial Officer

March 2025

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 shortcuts 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.

2024 Sustainability Highlights

Reducing Our Environmental Footprint



~40%

absolute reduction of Scope 1 and Scope 2 (market-based) GHG emissions through 2024, compared with a 2021 baseline year

Renewable electricity constituted

~66%

of our total spend

~8%

increase in recyclable waste

Innovating & Operating Responsibly



\$5 billion

of clean-tech products sold, **~32%** of ITW's 2024 revenue

92%

of our U.S. preferred carriers were SmartWay carriers, and **81%** of our European carriers were Lean & Green carriers

~85%

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

18%

increase in patent filings, with **~21,000** total pending and granted patents protecting customer solutions

Respecting & Protecting Our Colleagues



Total recordable incident rate (TRIR) and lost time incident rate (LTIR) were down

~40% since 2016

35

divisions with zero lost time incidents

84%

of respondents to our U.S. colleague survey say ITW is a great place to work

1,000+

colleagues participated in training to build inclusive workplaces

Commitment to Our Communities



\$22.5 million

in total philanthropic giving in 2024

1,665+

Chicago-area students served by the ITW David Speer Academy since opening its doors in 2014; **90%** of 2024 graduates accepted into college

16,300+

hours of employee 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. Our focus on these areas helps ensure our business resilience and enables our company to achieve its full potential.

Board of Directors

ITW's [Board of Directors](#) is responsible for providing oversight and strategic guidance to management to support the long-term interests of our stakeholders. Our Board is led by our Non-Executive Chairman and an independent lead director. All directors other than our President and CEO and our Chairman are independent directors as defined by New York Stock Exchange (NYSE) listing standards.

The Board has standing Audit, Compensation, Corporate Governance and Nominating, Executive and Finance Committees. Under the terms of the [respective charters](#), each member of the Audit, Compensation, and Corporate Governance and Nominating Committees must meet applicable NYSE and Securities and Exchange Commission (SEC) independence requirements.

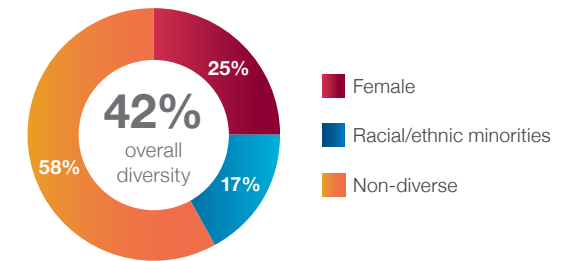
ITW strives to maintain an independent and highly qualified group of directors, with a varied set of skills, backgrounds and perspectives. The composition of highly experienced and engaged independent directors strengthens the Board's oversight of the company and provides a strong, well-rounded foundation for overseeing ITW's long-term success and creating value for our stakeholders.

To ensure Board effectiveness, ITW strives to balance deep knowledge with new perspectives. The Corporate Governance and Nominating Committee periodically reviews the skills and characteristics required

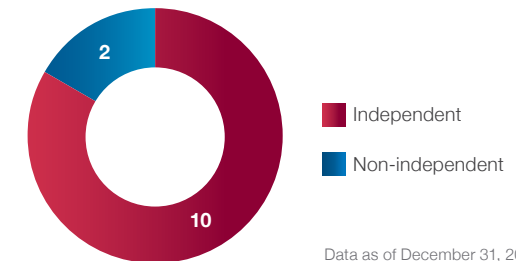
of Board members in the context of the current makeup of the Board and screens and recommends director nominees to the full Board. Furthermore, a director may not stand for re-election after reaching the age of 75 to allow for Board refreshment and ideas from new directors.

Read more about our Board, the responsibilities of our Board Committees and our strong governance profile in our [2025 Proxy Statement](#).

Board Representation



Board Independence



Data as of December 31, 2024.

Board Oversight of Sustainability

ITW's approach to sustainability is key to the company successfully executing our Enterprise Strategy and, as such, the Board has direct oversight of the company's sustainability strategy. Additional responsibilities related to sustainability are carried out by Board committees, company leadership and subject matter experts throughout ITW.

Board of Directors

Overall Sustainability

- Receives periodic updates from management regarding sustainability initiatives and progress, which may include discussions relating to sustainability risks, reporting and other priorities
- Annually reviews and approves ITW's sustainability strategy
- Committees of the Board may review components of the sustainability strategy that fall within their purview

Enterprise Risk Management

- Responsible for overall risk oversight of the company, focusing on the most significant risks facing the company
- Reviews key enterprise risks with management from the company's business segments and/or corporate functions
- Annually, the Board and/or Committees review enterprise risks

Compliance

- Annually reviews and evaluates the company's cybersecurity policies and practices with respect to risk management as well as steps taken by management to monitor and control such risks
- Receives annual comprehensive cybersecurity report from management
- Audit Committee annually reviews compliance risk policies and practices, including certain legal affairs, compliance program and environmental, health and safety matters and related policies, and receives quarterly cybersecurity reports from management

Human Capital

- Oversees development of executive talent and succession planning
- Annually conducts a detailed review of the company's overall human capital strategy, including compensation and benefits, executive succession planning and talent management initiatives
- Regularly consults with CEO and Chief Human Resources Officer on the company's organizational and talent needs, including its enterprise talent and employee experience strategies

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 that help us deliver best-in-class performance and create value for our stakeholders. We regularly review and update, as appropriate, our policies governing ethical conduct and responsible behavior. Our Code of Conduct is reviewed annually and describes the standards of behavior governing all ITW colleagues, directors, businesses and subsidiaries around the globe.

Ethics and Compliance Training

Ethics and compliance training is an important part of our commitment to operate our business with the highest level of ethical conduct. ITW does not tolerate ethical violations, and all colleagues are expected to know and follow the rules. Upon hire and then annually, ITW colleagues receive training and complete annual

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

certification of compliance with our Code of Conduct. Our Board of Directors also receives Code of Conduct training, and directors annually certify compliance with our Code of Conduct. The Code of Conduct and training courses are available in 16 languages.

Our compliance team, with the support of local ITW administrators, manages several other training modules for our colleagues around the world. These trainings are customized based on each ITW colleague's role and geographic location and are provided on a rotational basis. The compliance training schedule and topics are augmented as necessary. ITW employees 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 channels, including to their local management teams, 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 ITW Confidential Helpline is also available to suppliers and other external stakeholders. ITW has a no-retaliation policy for good-faith reporting. All reports are investigated promptly and appropriately, and regular updates are provided to the Audit Committee of the Board of Directors.

Political Activities

As outlined in ITW's [Government Affairs Policy](#), ITW prohibits the use of company assets or funds for political purposes (i.e., contributions to 501(c)(4) organizations for political purposes) and does not have a political action committee. All lobbying costs, including federal, state and trade, are disclosed in our annual lobbying reports filed with the Clerk of the U.S. House of Representatives. In 2024, our total political lobbying spend was \$245,516.

Cybersecurity

ITW's cross-functional cybersecurity team reviews overall risks, discusses mitigation opportunities and engages in scenario planning exercises to further harden ITW's protection against possible cyber incidents. 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 employee training recognizes that this risk continues to evolve, and we are taking appropriate actions to mitigate it. As of December 31, 2024, 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 helping to make that future better by taking actions to protect the natural environment. Our fact-based approach is based on continuous improvement and consistent with our “Do What We Say” culture.

Reducing Greenhouse Gas Emissions

ITW recognizes that we must do our part to address climate change, and that requires us to reduce our greenhouse gas (GHG) emissions company-wide. In 2024, 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.*

Operationalizing 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.



“80”
priority initiatives

<p>Maximize purchase of green/clean energy</p> <ul style="list-style-type: none"> In 2024, renewable electricity constituted approximately 66% of our total spend. 	<p>Drive continued energy reductions in our operations</p> <ul style="list-style-type: none"> 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

<p>Pursue viable solar projects</p> <ul style="list-style-type: none"> In 2024, we completed three solar projects, with 16 projects currently in due diligence. 	<p>Convert fleet to electric vehicles</p> <ul style="list-style-type: none"> As vehicles age out of our fleet, we evaluate potential electric vehicle replacement options.
---	--

ITW's segment and division leaders are responsible for leading implementation of our emissions reduction initiatives, in keeping 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 their respective locations. Division leaders are guided by an overarching framework and receive support from our strategic sourcing and global sustainability functions.

In 2024, divisional strategies and data collection processes were implemented into ITW's long-range planning, demonstrating the importance of environmental responsibility to the enterprise.

Evaluating Our Scope 3 GHG Emissions

ITW continues to evaluate possible reduction strategies for Scope 3 emissions over time. We are investing in resources that offer insights into our value chain and refining 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.

At this point, we believe that our top Scope 3 emissions categories are Category 2: 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](#).

2024 Progress Toward 2030 GHG Target

~40%

absolute reduction of Scope 1 and Scope 2 (market-based) GHG emissions through 2024, compared with a 2021 baseline.

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.


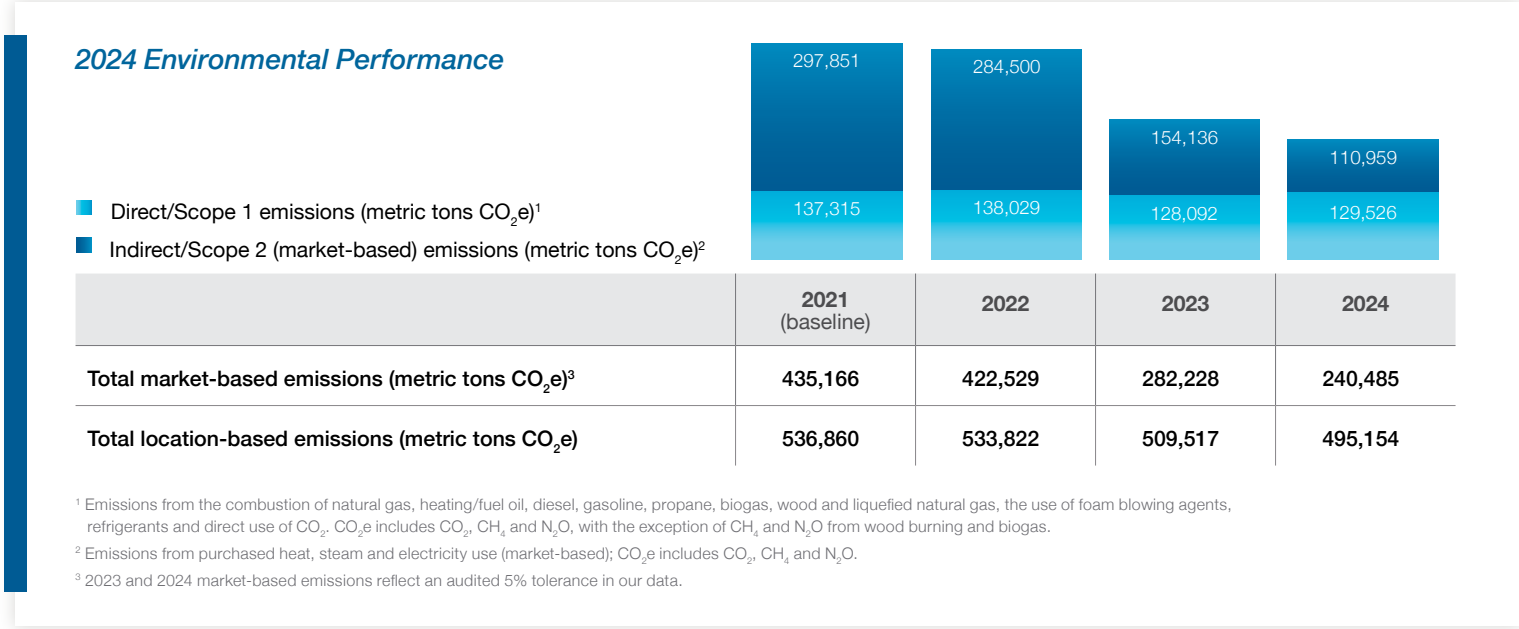
Within our decentralized structure, divisions use ITW's sustainability framework to develop and implement a fit-for-purpose environmental management methodology that is appropriate for its business and compliant with all applicable regulatory obligations.

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. The frequency of audits at these facilities is determined by a proprietary risk-based site selection process. We partner with globally recognized environmental consulting firms to conduct these audits. Our businesses then systematically address potential issues identified in those audits.

See the [Appendix](#) of this report for more 2024 environmental performance data.

Clean-Tech Solutions

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

Driven by Customer-Back Innovation

We believe that 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 21,000 granted and pending patents. In 2024 alone, we increased our new patent filings by 18% as we work to protect our customer solutions.

At the core of Customer-Back Innovation is the belief that customers' needs can change significantly over time. Therefore, in addition to launching new products, we also make serial, long-term improvements that address new imperatives as they 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 energy and 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 2024, ITW sold more than

\$5 billion

of Clean-Tech products.

Our Clean-Tech portfolio now accounts for nearly

32%

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

Clean-Tech Solutions Across Our Segments

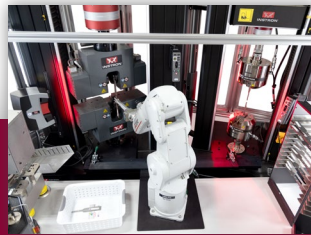
All seven ITW operating segments contribute to our Clean-Tech product portfolio. The table below illustrates examples of specific customer pain points or themes and the innovations that solve them.



Automotive OEM



Food Equipment



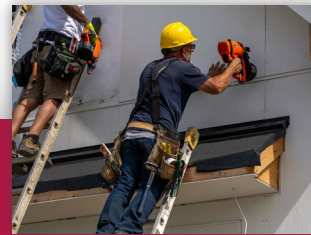
Test & Measurement and Electronics



Welding



Polymers & Fluids



Construction Products



Specialty Products

Customer Needs

Greater fuel and battery efficiency
Engineered solutions to support electrification trend

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

High-performing lightweight fasteners, door handles and other components
Innovative electric vehicle (EV) charging ports, fasteners for battery applications and thermal flow components for propulsion EV

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

Transitioning welding technology from transformer-based to inverter-based design, **reducing material weight by 90%** while resulting in a more energy-efficient operation ([learn more](#))

Developed biodegradable wire rope grease used in offshore and wind power-generating equipment
Adhesives used in EV battery assembly

Cordless tools that require less material, less electricity 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 the relationships we have with our suppliers. We expect them to operate responsibly and adhere to our standards for environmental and social responsibility.

ITW policies outline our expectations for our partners. These documents help 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 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 and sanctions-related risk

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 2024, ~85% 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 2024, 92% of our U.S. preferred carriers were SmartWay carriers, and 81% of our European preferred carriers were Lean & Green carriers.

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
Benefits & Compensation

Employee Safety

We are never stronger than 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 culture of safety for nearly 44,000 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, sharing best practices 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.

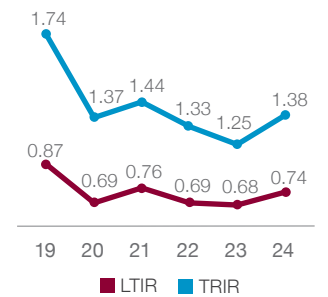
Safety Programs and Resources

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 offer 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.

Our 2024 Global Safety Performance and Data

Our enterprise total recordable incident rate (TRIR) and lost time incident rate (LTIR) are down approximately 20% since 2019 and down approximately 40% since the initiation of our current Enterprise Safety Strategy in 2016. In 2024, our largest segment, Automotive OEM, reduced TRIR by over 20% and LTIR by nearly 10% over that same time period. In 2024, our enterprise TRIR and LTIR increased as safety incidents among our remote service businesses increased compared with 2023. We expect the targeted initiatives we have implemented, combined with executing our Enterprise Safety Strategy, will bring incident rates down in 2025, on our path to zero accidents.

Enterprise Lost Time and Total Recordable Incident Rates



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

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

- [ITW Automotive OEM Segment Sees Safety Improvements](#)
- [Electronic Safety Tag System Delivers Results](#)



Workplace Culture & Talent Development

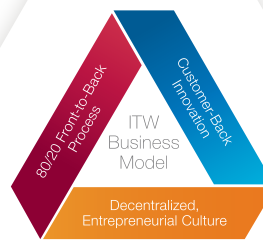
ITW's goal to be one of the best performing, highest-quality and most respected industrial companies in the world is enabled by the hard work and dedication of our colleagues around the globe.

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 who have expertise in the ITW Business Model are the critical factor in translating the performance power of the ITW Business Model into full potential performance. Because this expertise develops over time and through specific experiences, we focus on developing and promoting our own talent to support the Company's sustained business success over the long term.

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 stage of their careers. 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 2024, ITW had 208 U.S. interns working in 17 states, with the majority in engineering and operations roles.
- Through our global **Developing Leader Coaching Initiative**, Great ITW Talent is nominated to receive shared and virtual coaching and applied learning experiences. In 2024, 71 colleagues representing 15 countries completed 514 total coaching hours.
- All 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 the critical role of VP/GM with 80% internal talent, and for the past three years, we have exceeded our goal.



Feedback From Our 2024 U.S. Intern Class*

100% would recommend interning at ITW

99% want to return to ITW and had managers that contributed to an inclusive work environment

* Based on feedback provided in an anonymous survey, with an 89% response rate.



The Great ITW Leader Pipeline



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

- [Fostering Inclusivity, Empowering Career Development](#)
- [Speer Academy Alums Excel as ITW Interns](#)



Valuing the ITW Employee Experience

We believe 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 ITW 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 our Customer-Back Innovation. We leverage our enterprise Diversity & Inclusion Framework to build inclusive workplaces that provide our people the opportunity to feel heard.

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.

Developing and Enhancing Manager Capabilities

In 2024, 1,000+ global managers and supervisors participated in training to equip them with the tools to build inclusive workplaces, including courses on allyship and recruiting Great ITW Talent. Our training resources support our leaders to be great talent managers, build followership and inclusive work teams, and embody ITW’s Culture and Core Values.

In late 2024, we introduced Inclusive Leader for the Frontline, a training that helps managers build respectful and supportive environments for frontline team members of all backgrounds.

ITW Diversity & Inclusion Framework



Results from our U.S. colleague survey highlight the strength of ITW’s Culture:

84% of respondents recommend ITW as a great place to work (9% above external benchmark)

More than **85%** of respondents also reported having managers who model ITW’s Core Values, reflecting our Core Commitment of “Empowered Entrepreneurship”

Listening and Responding to Feedback

To assist in elevating our Core Commitment to provide employees with “Opportunities to Ignite Full Potential,” many of our divisions around the world regularly utilize employee surveys to measure progress and hear directly from our people about their ITW experience. Our colleagues’ feedback is essential to ensuring we are attracting, developing, deploying and retaining Great ITW Leaders and Great ITW Talent.

In the U.S., more than 4,000 professionals participated in a survey about their ITW experience. Question topics ranged from company pride and professional development to colleagues’ sense of belonging and their interactions with their manager.

Results from these surveys and other sources of feedback help us track our progress building inclusive workplaces where all ITW colleagues have an opportunity to reach their full potential.

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.

ITW’s Employee Resource Groups



ERGs by the Numbers

8

Employee Resource Groups

6,300

global colleagues actively engaged

Benefits & Compensation

As a global employer, we are committed to providing market competitive benefits and compensation 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 benefits and compensation vary worldwide and are based on regional practices. Read more about our market-competitive benefits and compensation and view ITW’s latest EEO-1 data on our [website](#).



Read more about our inclusion efforts on ITW.com:

- [Our Newest ERG: The ITW MultiCultural Network](#)
- [Young Professionals Network Expands in Asia](#)
- [Building Personal Connections Through ITW Women’s Network](#)
- [Building a Culture of Belonging for the LGBTQ+ Community](#)



Our Communities



IN THIS SECTION

Philanthropy & Community Involvement

Philanthropy & Community Involvement

ITW is working to secure a better future, both for our company and for the communities where our colleagues live and work. Our decentralized, entrepreneurial culture helps us invest in ways that empower our people to act locally while ensuring meaningful impact throughout our footprint.

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's Philanthropic Giving and Volunteerism

\$22.5 million

in total 2024 philanthropic giving

16,300+

hours of employee volunteer service recorded

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 David Speer Academy

In 2024, the ITW David Speer Academy celebrated 10 years of providing world-class STEM (science, technology, engineering and mathematics) education to students in grades 9 through 12. The high-performing high school is named in memory of our former Chairman and CEO. Since opening its doors a decade ago, the school has served more than 1,665 Chicago-area students.

ITW commits to providing students with meaningful and unique experiences, including tours of ITW businesses to highlight STEM and manufacturing career opportunities, the Summer of a Lifetime program to immerse students in university settings and senior internships. Once they graduate, students are able to return to ITW as college interns to continue their career journey.

Read about two recent interns' experiences on our [website](#).

ITW David Speer Academy by the Numbers

243 graduates in the class of 2024

90% of 2024 graduates accepted into college

On average, **85%** of students who attend college are first in their family to do so



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 encourage ITW colleagues to join us in our support, at which time our North American annual giving campaign provides a corporate match to United Way chapters. Over the last five years, campaigns have raised an average of approximately \$6 million.

Read more about ITW community involvement initiatives on [ITW.com](#):

- [Inspiring Future Trades Professionals](#)
- [Local Impact: ITW India Plants 43,000 Trees](#)
- [YPN Italy Makes Headlines for Clean-Up Event](#)



Appendix

IN THIS SECTION

Sustainability Data Summary

SASB Index

TCFD Index

Sustainability Data Summary

METRIC	2021	2022	2023	2024
Environment				
Total location-based emissions (metric tons CO₂e)¹	536,860	533,822	509,517	495,154
Direct/Scope 1 emissions (metric tons CO ₂ e) ²	137,315	138,029	128,092	129,526
Indirect/Scope 2 location-based emissions(metric tons CO ₂ e) ³	399,545	395,793	381,425	365,628
Total market-based emissions (metric tons CO₂e)⁴	435,166	422,529	282,228	240,485
Indirect/Scope 2 market-based emissions (metric tons CO ₂ e)	297,851	284,500	154,136	110,959
Emissions intensity including renewables (metric tons CO ₂ e/million\$ operating revenue) ⁵	30	27	18	15
Biogenic CO ₂ (metric tons CO ₂) ⁶	29,170	23,412	494	309
Total energy (MWh)¹	1,663,026	1,637,644	1,502,695	1,494,817
Direct energy (MWh) ⁷	697,942	684,271	592,223	595,172
Indirect energy (MWh)	965,084	953,373	910,472	899,646
Energy intensity (MWh/million\$ operating revenue) ⁵	115	103	93	94
Total water withdrawn (thousand U.S. gallons)	680,455	671,911	611,308	614,421
Water withdrawal – purchased (thousand U.S. gallons)	556,931	601,742	557,758	563,222
Water withdrawal – non-purchased (thousand U.S. gallons)	123,524	70,169	53,550	51,198
Water intensity (U.S. gallons/thousand\$ operating revenue) ⁵	47	42	38	39
Total solid waste (U.S. tons)	31,668	29,828	30,704	30,260
Hazardous & special industrial waste (U.S. tons)	6,158	6,310	7,225	6,429
Non-hazardous waste (U.S. tons)	25,510	23,518	23,479	23,831
Total liquid hazardous and special industrial waste (thousand U.S. gallons)	1,244	1,436	1,534	1,419
Total recycled material (U.S. tons)	64,755	70,135	87,497	81,447
Government environmental inspections (# of inspections)	220	185	178	188
Government environmental inspections' resulting fines (\$U.S.)	\$10,096	\$12,288	\$2,010	\$15,987
ISO 14001 environmental management certifications (# of sites)	128	130	130	130
ISO 9001 quality management certifications (# of sites)	214	220	224	228
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, 2024–December 31, 2024. The reporting boundary includes companies over which ITW has operational control. We use the following emission factors: UK-BEIS, published October 2024; National Greenhouse Accounts Factors: 2024, published September 2024; International Energy Association, September 2024 release; eGrid January 2024 release. We also use GHG Protocol Emissions Factors in our calculations.

¹ 2021–2022 Total Energy, Emissions were recalculated for the following reasons: added mobile fuel data.

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	2021	2022	2023	2024
Clean-Tech Products				
Clean-Tech products sold (% of revenue)	29%	30%	31%	32%
Clean-Tech products sold (in billions)	\$4.2	\$4.7	\$5.0	\$5.1
Safety				
Lost time accidents (# of accidents)	330	313	304	322
Medical treatment incidents (# of incidents)	621	601	559	604
Lost time incident rate (incidents per 100 employees)	0.76	0.69	0.68	0.74
Total recordable incident rate (incidents per 100 employees)	1.44	1.33	1.25	1.38
Fatalities (#)	0	0	1	0
Government safety inspections (# of inspections)	295	255	238	280
Government safety inspections' resulting fines (\$U.S.)	\$3,825	\$49,401	\$42,263	\$47,117
ISO 45001 safety management system certifications (# of sites)	59	64	68	70
Representation				
Global women leaders (%) ^{9,10}	28%	28%	29%	28%
U.S. racially/ethnically diverse leaders (%) ^{9,10}	18%	19%	20%	21%
Board overall diversity (%)	40%	45%	42%	42%
Board representation – female (%)	20%	27%	25%	25%
Board representation – racial/ethnic minorities (%)	20%	18%	17%	17%
Community Impact				
Total philanthropic giving (in millions)	\$24.0	\$22.0	\$22.1	\$22.5

⁹ Top 1,000 leaders (i.e., division directors and above) across ITW.

¹⁰ 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®. We utilize the SASB framework to assess the financial materiality of sustainability risks to our company.

SASB Topic	SASB Accounting Metric	SASB Code	ITW Disclosure
Energy Management	Total energy consumed	RT-IG-130a.1	1,494,817 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) 1.38 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 consume energy efficiently 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 11
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1	Clean-Tech Solutions: Page 9
Accounting Metrics	Number of employees	RT-IG-000.B	The company employed approximately 44,000 people as of December 31, 2024.

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: Page 5 2024 CDP Climate Change Report: C1.1, C1.1a, C1.1b
	Describe management's role in assessing and managing climate-related risks and opportunities.	Board Oversight of Sustainability: Page 5 2024 CDP Climate Change Report: C1.2
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>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.</p> <p>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.</p> <p>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 2024 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.</p> <p>Clean-Tech Solutions: Page 9 2024 CDP Climate Change Report: C2.1, C2.1a, C2.1b, C2.2, C2.2a</p>
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Clean-Tech Solutions: Page 9 2024 CDP Climate Change Report: C2.3, C2.3b, C2.4, C2.4a, C3.1, C3.2, C3.3, C3.4
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2024 CDP Climate Change Report: 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.	2024 CDP Climate Change Report: C2.1, C2.1a, C2.1b, C2.2, C2.2a
	Describe the organization’s processes for managing climate-related risks.	Our Approach to Environmental Management: Page 8 2024 CDP Climate Change Report: C2.1, C2.2
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	2024 CDP Climate Change Report: C2.1, C2.2
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.	Total Scope 1 and Scope 2 Emissions: 495,154 metric tons CO ₂ e <ul style="list-style-type: none"> • Scope 1 Emissions: 129,526 metric tons CO₂e • Scope 2 Location-Based Emissions: 365,628 metric tons CO₂e
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Reducing Greenhouse Gas Emissions: Page 7

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, 2024, 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.



155 Harlem Avenue Glenview, Illinois 60025 www.itw.com