(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 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. ITW's approximately 43,000 dedicated colleagues around the world thrive in the company’s decentralized, entrepreneurial culture. In 2020, the company achieved revenues of $12.6 billion, with roughly half coming from outside North America.

ITW's Corporate Social Responsibility (CSR) 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) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January 1 2020</td>
<td>December 31 2020</td>
</tr>
</tbody>
</table>
(W0.3) Select the countries/areas for which you will be supplying data.

Argentina
Australia
Belgium
Brazil
Bulgaria
Canada
Chile
China
China, Hong Kong Special Administrative Region
Colombia
Costa Rica
Croatia
Czechia
Denmark
Finland
France
Germany
Hungary
India
Ireland
Italy
Japan
Malaysia
Mexico
Netherlands
New Zealand
Philippines
Poland
Portugal
Republic of Korea
Russian Federation
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Taiwan, Greater 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

W1. Current state

W1.1
(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th>Direct use importance rating</th>
<th>Indirect use importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient amounts of good quality freshwater available for use</td>
<td>Important</td>
<td>The majority of ITW's operations are not water intensive and our supply chain and operations are diverse, minimizing the risks associated with having sufficient amounts of good quality freshwater available for use. Although the risk is low, it is important for us to have good quality freshwater for our direct operations. Freshwater is used in some of our products, processes including quenching, rinsing, cooling of equipment, product testing and cleaning of equipment, parts and facilities. For suppliers it is important for the same reasons as for our operations. It is important for our customers as well; water quality affects the performance of some of our products, for example warewashers used in commercial kitchens. As ITW grows, in the future it is likely that businesses added to the portfolio will fit into the existing segments, having similar products and operations. For this reason, we do not anticipate any future changes in the importance of freshwater availability or quality in our direct operations and the remainder of our value chain.</td>
</tr>
<tr>
<td>Sufficient amounts of recycled, brackish and/or produced water available for use</td>
<td>Neutral</td>
<td>Many of our operations recycle water for use in processes and cooling of facilities. However, this is reported by a relatively low number of facilities compared to those that withdraw fresh water. With the exception of water treatment equipment, our water reliant products use freshwater. We are not aware of any concerns related to recycled, brackish and/or produced water in the rest of our value chain. As ITW grows, in the future it is likely that businesses added to the portfolio will fit into the existing segments, having similar products and operations. For this reason, we do not anticipate any future changes in the importance of recycled, brackish and/or produced water in our direct operations or the remainder of our value chain.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawals – total volumes</td>
<td>100% 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.</td>
</tr>
<tr>
<td>Water withdrawals – volumes by source</td>
<td>1-25 Off 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.</td>
</tr>
<tr>
<td>Entrained water associated with your metals &amp; mining sector activities - total volumes (only metals and mining sector)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Produced water associated with your oil &amp; gas sector activities - total volumes (only oil and gas sector)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Water withdrawals quality</td>
<td>Not monitored</td>
</tr>
<tr>
<td>Water discharges – total volumes</td>
<td>Not monitored Water discharge is measured and monitored at the facility level, where it is required, not enterprise wide.</td>
</tr>
<tr>
<td>Water discharges – volumes by destination</td>
<td>Not monitored Water discharge by destination is not measured or monitored across the enterprise.</td>
</tr>
<tr>
<td>Water discharges – volumes by treatment method</td>
<td>Not monitored 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.</td>
</tr>
<tr>
<td>Water discharge quality – by standard effluent parameters</td>
<td>Not monitored 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.</td>
</tr>
<tr>
<td>Water discharge quality – temperature</td>
<td>Not monitored If monitored, water discharge temperature would be monitored by the facilities and not tracked at the enterprise wide.</td>
</tr>
<tr>
<td>Water consumption – total volume</td>
<td>Not monitored Total water consumption volume is not monitored at the corporate level, because we do not track discharge.</td>
</tr>
<tr>
<td>Water recycled/reused</td>
<td>100% We collect and monitor the quantity of water recycled/reused by facilities for which we have operational control.</td>
</tr>
<tr>
<td>The provision of fully-functioning, safely managed WASH services to all workers</td>
<td>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></td>
</tr>
</tbody>
</table>

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

<table>
<thead>
<tr>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total withdrawals</td>
<td>2080</td>
<td>Lower Production was lower in 2020 compared to 2019. Water withdrawal is down 15%, we also had a decrease in operating revenue.</td>
</tr>
<tr>
<td>Total discharges</td>
<td>0</td>
<td>Lower 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 lower in 2020 as compared to 2019.</td>
</tr>
<tr>
<td>Total consumption</td>
<td>0</td>
<td>Lower 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 lower in 2020 as compared to 2019.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Withdrawals are from areas with water stress</th>
<th>% withdrawn from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes</td>
<td>Higher</td>
<td>WRI Aqueduct</td>
<td>We withdraw water from areas where the baseline water stress (BWS) is either rated extremely high, high, or medium - high per the WRI Aqueduct Water Risk Atlas v3.0. We also include groundwater table decline (GTD) in our analysis; we have locations where this is rated as high to medium. 9% 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 lower than last year's withdrawals, because overall we reduced the amount of water used due to the pandemic.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Source Description</th>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water, including rainwater, water from wetlands, rivers, and lakes</td>
<td>Relevant but volume unknown</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>There are two known facilities that collect and use rainwater. One has converted its basement into a water reservoir for collecting rainwater, the other collects runoff from the parking lot to be re-used.</td>
</tr>
<tr>
<td>Brackish surface water/Seawater</td>
<td>Not relevant</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>This is not an applicable source.</td>
</tr>
<tr>
<td>Groundwater – renewable</td>
<td>Relevant</td>
<td>484</td>
<td>Lower</td>
<td>The renewable ground water withdrawals are approximately 9% lower than last year.</td>
</tr>
<tr>
<td>Groundwater – non-renewable</td>
<td>Not relevant</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>This is not an applicable source.</td>
</tr>
<tr>
<td>Produced/Entrained water</td>
<td>Not relevant</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>This is not an applicable source.</td>
</tr>
<tr>
<td>Third party sources</td>
<td>Relevant</td>
<td>2080</td>
<td>Lower</td>
<td>The quantity of water from municipal supply is less than last year's value, there is 15% decrease in withdrawal. Water intensity (with respect to operating revenue) is 8% higher than last year. The amount of decrease in operating revenue was lower than that of the water withdrawal.</td>
</tr>
</tbody>
</table>

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

Yes, our customers or other value chain partners

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

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

W2. Business impacts

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

No

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3
W3.3a

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

Direct operations

Coverage
Partial

Risk assessment procedure
Water risks are assessed as a standalone issue

Frequency of assessment
Annually

How far into the future are risks considered?
3 to 6 years

Type of tools and methods used
Tools on the market

Tools and methods used
WRI Aqueduct

Comment
WRI Aqueduct is used to assess water risks for facilities that 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.

Supply chain

Coverage
None

Risk assessment procedure
<Not Applicable>

Frequency of assessment
<Not Applicable>

How far into the future are risks considered?
<Not Applicable>

Type of tools and methods used
<Not Applicable>

Tools and methods used
<Not Applicable>

Comment
ITW does not perform water related risk analysis on its suppliers. However, ITW's suppliers agree to the ITW Supplier Code of Conduct and ITW Supplier Expectations which require them to comply with environmental laws and reduce their environmental impacts, including those on water.

Other stages of the value chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as a standalone issue

Frequency of assessment
Annually

How far into the future are risks considered?
3 to 6 years

Type of tools and methods used
Tools on the market

Tools and methods used
WRI Aqueduct

Comment
WRI Aqueduct is used to assess water risks for facilities that account for 80% of ITW's total water withdrawal each year. It provides information that can be used to gauge the risks that impact our investors, communities and provides insight into regulatory risks we may face.
**W3.3b** Which of the following contextual issues are considered in your organization's water-related risk assessments?

<table>
<thead>
<tr>
<th>Contextual Issue</th>
<th>Relevance &amp; Inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to fully-functioning, safely managed WASH services for all employees.</td>
<td>Not considered</td>
<td>It is assumed that all ITW facilities allow employees access to WASH services consistent with our Human Rights Policy.</td>
</tr>
<tr>
<td>Other contextual issues, please specify</td>
<td>Not considered</td>
<td>No other contextual issues are evaluated.</td>
</tr>
<tr>
<td>Status of ecosystems and habitats.</td>
<td>Not considered</td>
<td>ITW has not evaluated the status of the ecosystems and habitats in its operating regions. Individual facilities have implemented projects to support their local ecosystems and habitats. This is best managed at the local level.</td>
</tr>
<tr>
<td>Water-related regulatory frameworks.</td>
<td>Not relevant, explanation provided</td>
<td>Each year the risk level of future potential regulatory changes is reviewed for the facilities which account for 80% of the total water consumed by ITW, not all facilities.</td>
</tr>
<tr>
<td>Implications of water on your key commodities/raw materials.</td>
<td>Not relevant, explanation provided</td>
<td>Our key commodities/raw materials are not directly dependent on water.</td>
</tr>
<tr>
<td>Water availability at a basin/catchment level.</td>
<td>Relevant, sometimes included</td>
<td>It is important that there is sufficient water available for ITW operations.</td>
</tr>
<tr>
<td>Water quality at a basin/catchment level.</td>
<td>Relevant, sometimes included</td>
<td>Some facilities analyze water quality on a daily basis and make adjustments to production as needed.</td>
</tr>
<tr>
<td>Stakeholder conflicts concerning water resources at a basin/catchment level.</td>
<td>Relevant, sometimes included</td>
<td>Facilities operating in areas where drought is an issue have occasionally met with stakeholders, local municipalities, to discuss water use in the area. Local stakeholder engagement and conflict resolution is managed at the division or business level.</td>
</tr>
<tr>
<td>Implications of water on your key commodities/raw materials.</td>
<td>Not relevant, explanation provided</td>
<td>Our key commodities/raw materials are not directly dependent on water.</td>
</tr>
<tr>
<td>Water utilities at a local level.</td>
<td>Not considered</td>
<td>Water utilities at a local level are not factored into the water risk assessment at the corporate level. This stakeholder is best considered as part of the division or facility level risk assessment.</td>
</tr>
<tr>
<td>Other stakeholders, please specify</td>
<td>Not considered</td>
<td>No other water stakeholders are evaluated at the corporate level for this purpose.</td>
</tr>
<tr>
<td>Local communities.</td>
<td>Relevant, sometimes included</td>
<td>ITW recognizes the importance of supporting the communities in which we operate. The annual assessment includes access to water; this directly impacts the local communities.</td>
</tr>
<tr>
<td>Other water users at a basin/catchment level.</td>
<td>Not relevant, explanation provided</td>
<td>Past analysis included annual renewable water supply per person. We have chosen to focus more on BWS, BWD and regulatory risk.</td>
</tr>
<tr>
<td>Regularities</td>
<td>Relevant, sometimes included</td>
<td>The assessment includes regulatory risk levels, not necessarily regulators. Regulations impact where we locate facilities, how we are able to operate and the costs of operations.</td>
</tr>
<tr>
<td>River basin management authorities.</td>
<td>Not considered</td>
<td>River basin management authorities are not factored into the water risk assessment. This stakeholder is best considered as part of the division or facility level risk assessment.</td>
</tr>
<tr>
<td>Statutory special interest groups at a local level.</td>
<td>Not considered</td>
<td>Statutory special interest groups are not factored into the water risk assessment at the corporate level. This is best managed at the division level.</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Relevant, not included</td>
<td>Currently, ITW's suppliers comply with the ITW Supplier Code of Conduct and Supplier Expectation, which require them to reduce their environmental impacts, including water. We do not include them in the water risk assessment. In the future it is possible that suppliers will be directly considered in ITW's water risk assessments.</td>
</tr>
<tr>
<td>Water utilities at a local level.</td>
<td>Not considered</td>
<td>Water utilities at a local level are not factored into the water risk assessment at the corporate level. This stakeholder is best considered as part of the division or facility level risk assessment.</td>
</tr>
<tr>
<td>Other stakeholders, please specify</td>
<td>Not considered</td>
<td>No other water stakeholders are evaluated at the corporate level for this purpose.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Relevance &amp; Inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Relevant, sometimes included</td>
<td>Water risk is assessed for customers who have invited ITW to complete the CDP Supply Chain Water questionnaire. This only includes the facilities of the divisions that account for 80% of the ITW's total revenue from those customers. ITW businesses that make water dependent products look more closely at the water-related risks of their customers; these risks influence their business strategies and product design. Cleaning products and commercial kitchen equipment which use water are examples of products that are water dependent. When applying customer-back innovation to develop new products, our customer's water risks are considered. We create products that help our customers mitigate their water risks.</td>
</tr>
<tr>
<td>Employees</td>
<td>Relevant, sometimes included</td>
<td>The annual risk assessment includes access to water, this is a key factor. We consider our employees during our water risk-assessment, because they are members of the communities in which we operate and are directly impacted by not only ITW's ability to operate, but need water for their own consumption. We also rely on employees to guide any water conservation efforts at the facility level.</td>
</tr>
<tr>
<td>Investors</td>
<td>Relevant, sometimes included</td>
<td>ITW investors are concerned about the water related risks and are a driving force behind the analysis of water risks.</td>
</tr>
<tr>
<td>Local communities</td>
<td>Relevant, sometimes included</td>
<td>ITW recognizes the importance of supporting the communities in which we operate. The annual assessment includes access to water; this directly impacts the local communities.</td>
</tr>
<tr>
<td>NGOs</td>
<td>Not relevant, included</td>
<td>NGO's are not directly considered in ITW's water risk assessments. We consider our &quot;80&quot; stakeholders in our risk assessment.</td>
</tr>
<tr>
<td>Other water users at a basin/catchment level</td>
<td>Not relevant, explanation provided</td>
<td>Past analysis included annual renewable water supply per person. We have chosen to focus more on BWS, BWD and regulatory risk.</td>
</tr>
<tr>
<td>River basin management authorities</td>
<td>Not considered</td>
<td>River basin management authorities are not factored into the water risk assessment. This stakeholder is best considered as part of the division or facility level risk assessment.</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Relevant, not included</td>
<td>Currently, ITW's suppliers comply with the ITW Supplier Code of Conduct and Supplier Expectation, which require them to reduce their environmental impacts, including water. We do not include them in the water risk assessment. In the future it is possible that suppliers will be directly considered in ITW's water risk assessments.</td>
</tr>
</tbody>
</table>
(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

**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. It Department then alerts the affected businesses which, either prepare to comply with the regulations or if they determine the pending regulation is not in the best interest of their stakeholders, they work with industry groups to recommend changes to the regulations.

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

**Other stages of the value chain**

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

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

**W4. Risks and opportunities**

**W4.1**

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

No

**W4.1a**

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

We would consider a substantive impact to exist only where any of our businesses changed their operations, sources of supply or customer base due to matters that would cause a change in any one of our seven business segments that was considered significant by that segment or ITW overall.

**W4.2b**

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

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks exist, but no substantive impact anticipated</td>
<td>The existing water risks do not pose a substantive financial or strategic impact to ITW, because of how we define substantive. The water risks include operations in regions where water conditions range from abundant to extreme scarcity, flood and drought, and operations in areas where there is high competition for available supplies. We do not feel the risk is high enough to require a change in operations, sources of supply or customer base.</td>
</tr>
</tbody>
</table>

**W4.2c**

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

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks exist, but no substantive impact anticipated</td>
<td>We do not consider ITW to be exposed to water risks in the value chain (beyond direct operations) with the potential to have substantive financial or strategic impact. Based on our definition of a substantive risk, a low number of water intensive products and processes, ITW's diverse operations (seven operating segments) and end markets.</td>
</tr>
</tbody>
</table>
W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes, we have identified opportunities, and some/all are being realized

W4.3a

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

<table>
<thead>
<tr>
<th>Type of opportunity</th>
<th>Products and services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary water-related opportunity</td>
<td>Increased sales of existing products/services</td>
</tr>
</tbody>
</table>

**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.

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

W6.2

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

W6.2a
(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

<table>
<thead>
<tr>
<th>Position of individual</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Chair</td>
<td>The Board is responsible for overall risk oversight of the Company, which includes ITW’s strategic priorities, policies and goals related to environmental, social, supply chain and governance matters. ITW’s Board is directly involved in the oversight of the Company’s corporate social responsibility (CSR) efforts. Each year the Board receives reports of ITW’s CSR related activities and progress towards the goals, including those tied to climate change. The Board ensures that the Company’s efforts are approached in a manner that is consistent with its core values and best serve the interests of the Company and all ITW stakeholders.</td>
</tr>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>The CEO serves as the Chairman of the Board of Directors. In addition to the responsibilities of the Board, the CEO has highest level of authority and responsibility in the company for climate change and all activities that contribute to it. The CEO discusses and guides strategy periodically and provides oversight of the Company, which includes ITW’s strategic priorities, policies and goals related to environmental, social, supply chain and governance matters. The CEO manages information on climate-related issues and makes decisions based on it; for example, the Corporate Social Responsibility Strategy, which includes environmental impact management and climate-change. The CEO reports to the Board annually.</td>
</tr>
<tr>
<td>Board-level committee</td>
<td>The annual 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.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Frequency that water-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled - some meetings</td>
<td>Monitoring implementation and performance</td>
<td>The Board is responsible for overall risk oversight of the Company, which includes ITW’s strategic priorities as well as policies and goals related to environmental matters, including climate change and water. ITW's Board receives periodic updates regarding the Company's CSR strategy, initiatives and progress.</td>
</tr>
<tr>
<td></td>
<td>Overseeing acquisitions and divestitures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overseeing major capital expenditures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding annual budgets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding business plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding major plans of action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding risk management policies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding corporate responsibility strategy</td>
<td></td>
</tr>
</tbody>
</table>

W6.3
(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
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Not reported to board

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

Name of the position(s) and/or committee(s)
Other, please specify (Director 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 of Global Sourcing & EHSS)

Responsibility
Assessing water-related risks and opportunities

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

Please explain
Annually provides analysis and data for report to the Board on 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?

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

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
Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

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

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)
-91

Anticipated forward trend for CAPEX (+/- % change)
20

Water-related OPEX (+/- % change)
-5

Anticipated forward trend for OPEX (+/- % change)
1

Please explain
Some ITW businesses have shared they plan to implement water related projects within the next two years, increasing CAPEX. Production rates have lowered over the last three years and with the impact of the Coronavirus Pandemic, production for 2020 was lower, further decreasing the OPEX. If things continue at the same rate, water use will continue to decrease, as will the OPEX.

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

<table>
<thead>
<tr>
<th>Use of climate-related scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, but we anticipate doing so within the next two years</td>
<td>Climate related scenario analysis is not used today as part of our business strategy because, climate change has not been considered a material risk to ITW. We see the value in expanding our approach to assessing the impact of climate change and are open to using climate-related scenario analysis in the near future.</td>
</tr>
</tbody>
</table>

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

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

W8.1c

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

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Judged to be unimportant, explanation provided</td>
</tr>
</tbody>
</table>

While water is integrated into our overall business consideration, it does not have a material effect on the majority of our businesses. Setting a water target is not a high priority for ITW at this time and it is not likely that it will be in the near future. However, all ITW businesses are encouraged to conserve resources and this includes reducing water consumption and increasing recycling where feasible.

W9. Verification

W9.1

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

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

W10. Sign off

W-FI

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

W10.1

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

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Please select</td>
</tr>
</tbody>
</table>

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)].

SW. Supply chain module

SW0.1

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

<table>
<thead>
<tr>
<th>Annual revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
</tr>
<tr>
<td>12574000000</td>
</tr>
</tbody>
</table>

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes
SW0.2a

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

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

SW1.1

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

SW1.2

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

<table>
<thead>
<tr>
<th>Are you able to provide geolocation data for your facilities?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>No, this is confidential data</td>
</tr>
</tbody>
</table>

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

**Requesting member**  
Anheuser Busch InBev

**Category of project**  
New product or service

**Type of project**  
New product or service that has a lower upstream water impacts

**Motivation**  
Customer/Consumer demands

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

**Details of project**  
Hi-Cone: Introduction of RingCycles PCR carrier with water savings due to using recycled content

**Projected outcome**  
All European carriers are now RingCycles, 50% PCR, U.S. to come in 2021; global yearly savings of 84,480,000 Liters water, based on using 25 million pounds globally of PCR instead of virgin material

---

**Requesting member**  
Anheuser Busch InBev

**Category of project**  
Change to provision of goods and services

**Type of project**  
Reduced water-related impacts

**Motivation**  
Customer/Consumer demands

**Estimated timeframe for achieving project**  
Up to 1 year

**Details of project**  
Hi-Cone: Use of 100% renewable electricity in Hi-Cone Spain plant in 2020

**Projected outcome**  
Implemented; manufacturing with renewable electricity uses ~75% less water than power from regional grid

---

**Requesting member**  
Anheuser Busch InBev

**Category of project**  
Change to provision of goods and services

**Type of project**  
Reduced water-related impacts

**Motivation**  
Customer/Consumer demands

**Estimated timeframe for achieving project**  
Up to 1 year

**Details of project**  
Hi-Cone: Use of 50% renewable electricity in Hi-Cone US plants in 2020

**Projected outcome**  
Implemented; manufacturing with renewable electricity uses ~75% less water than power from regional grid

---

**Requesting member**  
Ford Motor Company

**Category of project**  
Relationship water assessment

**Type of project**  
Assessing products or services’ water-related impacts to identify efficiencies

**Motivation**  
Saving in water consumption

**Estimated timeframe for achieving project**  
4 to 5 years

**Details of project**  
LYS Fusion Poland: Stage 1 - we started monitoring water consumption at several points in the plant, e.g. water consumption in cooling fans, etc

**Projected outcome**  
20% reduction in consumption
SW2.2

Have any water projects been implemented due to CDP supply chain member engagement?
No

SW3.1

Provide any available water intensity values for your organization’s products or services.

<table>
<thead>
<tr>
<th>Product name</th>
<th>Water intensity value</th>
<th>Numerator: Water aspect</th>
<th>Denominator</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hi-Cone: Multipack plastic ring carrier</td>
<td>0.032</td>
<td>Water consumed</td>
<td>Pounds of material</td>
<td>Customer: AB InBev The water intensity is measured in gallons of water withdrawn per pound of material produced in Europe.</td>
</tr>
<tr>
<td>California Industrial Products: Metal fastener units</td>
<td>0.0001</td>
<td>Water consumed</td>
<td>Number of pieces manufactured</td>
<td>Customer: Ford The water intensity is measured in m3 of water consumed per unit of production. Water is used for salt tanks for the heat treating area.</td>
</tr>
<tr>
<td>Hi-Cone: Multipack plastic ring carrier</td>
<td>0.1703</td>
<td>Water consumed</td>
<td>Pounds of material</td>
<td>Customer: AB InBev The water intensity is measured in gallons of water withdrawn per pound of material produced in the U.S.</td>
</tr>
<tr>
<td>ITW Global Tire Repair: Tire sealant</td>
<td>0.0001</td>
<td>Water consumed</td>
<td>m3 produced</td>
<td>Customer: Stellantis The water is used in production and operations.</td>
</tr>
</tbody>
</table>
**Product name**
ITW Global Tire Repair: Tire sealant

**Water intensity value**
0.0001

**Numerator: Water aspect**
Water consumed

**Denominator**
m3 produced

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

---

**Submit your response**

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

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

<table>
<thead>
<tr>
<th>I am submitting to</th>
<th>Public or Non-Public Submission</th>
<th>Are you ready to submit the additional Supply Chain questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investors</td>
<td>Public</td>
<td>Yes, I will submit the Supply Chain questions now</td>
</tr>
<tr>
<td>Customers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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