



At ITW, we are on a shared journey for the betterment of our people, our communities and the environment.

# Our Shared Journey

## Our Corporate Social Responsibility Strategy

Last year, ITW updated and announced a holistic CSR vision and strategic framework. Consistent with our core values and decentralized, entrepreneurial culture, our CSR strategy represents our enterprise's shared commitment but it is operationalized at the divisional level.

Our CSR strategy is built around four key elements:



Our Governance & Ethics



Our Communities



Our People



Our Environment



## Our Governance & Ethics

Supported by unwavering management commitment and engaged Board oversight, we operate our business with a demonstrated commitment to the highest level of ethical conduct, everywhere in the company every day. This commitment is reinforced by strong policies and practices related to fair, ethical and honest business dealings, robust governance, and compliance with applicable laws, while demonstrating respect for human rights at ITW and throughout our supply chain.

View our policies governing ethical conduct and responsible behavior [here](#).

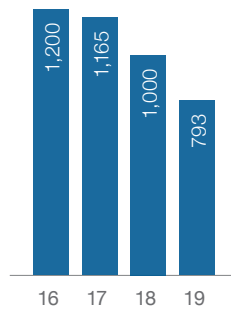


## Our People

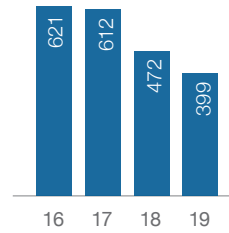
### Employee Safety

2019 marked our fourth year executing the Enterprise Safety Strategy across all ITW divisions, and we are pleased to report that we achieved a **15 percent reduction in lost time accidents** in our facilities year over year. This improvement demonstrates clear progress as we enhance our culture of safety and continue on a journey to zero accidents. Our total recordable incident rate (TRIR) and lost time incident rate (LTIR) decreased 16 percent and 10 percent year over year, respectively. For 2019, our TRIR was 1.7 incidents per 100 employees, and our LTIR was 0.9 incidents per 100 employees.

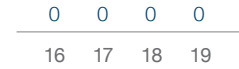
**Medical Treatment Incidents**  
(Number of incidents)



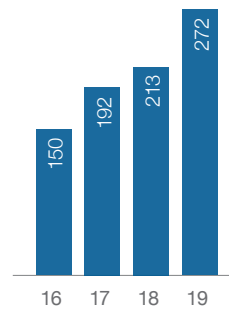
**Lost Time Accidents**  
(Number of accidents)



**Fatalities\***  
(Number of fatalities)



**Government Safety Inspections**  
(Number of inspections)



**Government Safety Inspections' Resulting Fines**  
(Fines in U.S. dollars)



\* Aligned with the Industrial Machinery and Goods Sustainability Accounting Standard under SASB's Sustainable Industry Classification System®

### Diversity & Inclusion

#### Driving Progress through Colleague Feedback

For the last three years, ITW has joined more than 600 companies in participating in *McKinsey & Company's Women in the Workplace Study* – the largest comprehensive study of the state of women in corporate America. As part of this study, ITW also surveys its employees. In 2019, ITW distributed the survey to over 5,200 U.S. women and men professional colleagues to better understand their ITW workplace experiences. Of the ITW colleagues surveyed, 82 percent recommended ITW as a great place to work, and 78 percent were happy with their jobs. The results and feedback from the survey are being used to develop action plans and further progress our D&I efforts.

#### DIVERSITY & INCLUSION GOALS\*

Global Women Leaders

30%

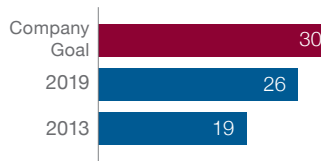
U.S. Ethnically Diverse Leaders

20%

#### DIVERSITY & INCLUSION DATA\*

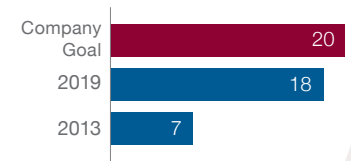
Global Women Leaders

(Percent)



U.S. Ethnically Diverse Leaders

(Percent)



\* Top 1,000 senior leaders across ITW



## Our Communities

### Philanthropy and Community Involvement

#### Our Culture of Giving

##### Our Colleagues

True to our decentralized culture, our colleagues are empowered and encouraged to support the organizations that mean the most to them. Key examples include:

- \$3 for \$1 corporate match for qualified charity giving by our colleagues in the U.S. and Canada
- A volunteer match program that provides a \$10 corporate donation for every volunteer hour submitted by our colleagues in the U.S. and Canada
- Every dollar given to the United Way as part of our annual campaign is matched by ITW for the amplifying of our colleagues' gifts. In 2019, over 73 percent of our colleagues contributed to the annual United Way campaign, resulting in a total of \$6.5 million invested back into the communities where our ITW colleagues work and live.

#### Annual Day of Service

In 2019, more than 450 ITW colleagues, interns, retirees and community partners participated in ITW's Annual Day of Service. Over 3,920 hours of meaningful volunteer service were performed for dozens of partner charities.

#### ITW Enterprise

In addition, the ITW enterprise gives to important causes in our communities through multi-year pledges, annual and employee matching grants, scholarships and in-kind donations. In 2019 alone, ITW gave \$21.1 million to these causes.

### Support for Education

Our longstanding commitment to education is demonstrated through the support we provide for STEM-related (science, technology, engineering and mathematics) programming in schools and organizations.

#### ITW David Speer Academy

Over the last six years, ITW has proudly sponsored the ITW David Speer Academy in memory of former Chairman and CEO David Speer, who passed away in 2012. The Chicago

high school focuses on offering a world-class STEM education to over 1,000 students in grades 9 through 12.

ITW's impact extends far beyond our ongoing financial support. Our colleagues are actively involved in the school's programs and regularly engage with its many talented students. We also collaborate and partner with other organizations to offer the students unique opportunities that enrich their overall learning experience



#### ITW David Speer Academy by the Numbers

**99.7%**  
graduation rate

among the class of 2019, the largest graduating class in the history of the Noble Network of Charter Schools

**100%**  
of 2019 graduates

are pursuing education beyond high school

**\$49**  
million

in scholarships awarded to the class of 2019 from various institutions/organizations



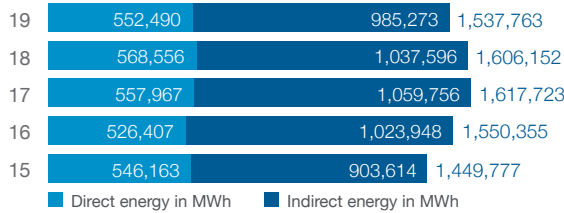
# Our Environment

## Environmental Responsibility

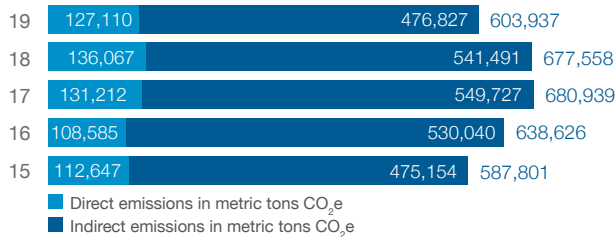
We track our impact on the environment in several areas, and we use this data to drive continuous improvement. Our data is reviewed and verified by a recognized third party to validate our disclosures. With respect to our GHG emissions target, we are

pleased to have achieved an 18 percent GHG emissions intensity reduction in 2019 versus our 2017 baseline year, based on our third-party verified data.

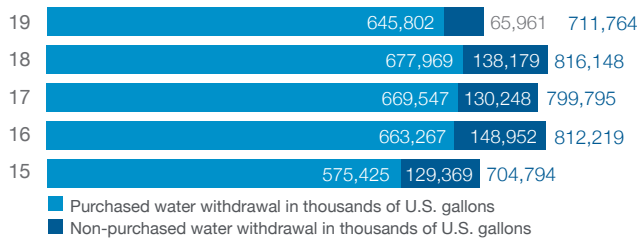
### Total Energy<sup>1,4</sup>



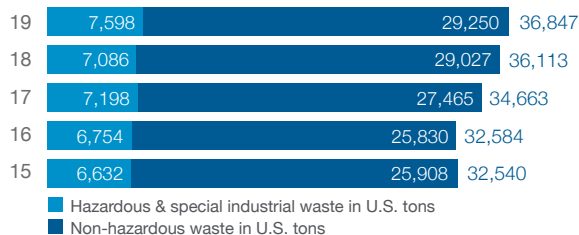
### Total Emissions<sup>2,4</sup>



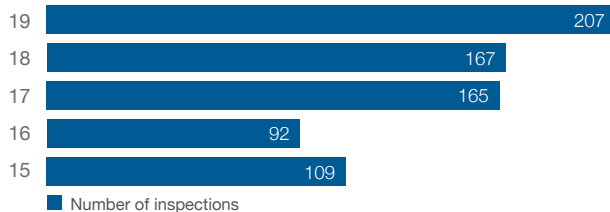
### Total Water Withdrawn



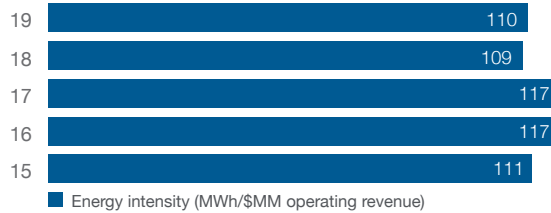
### Total Solid Waste



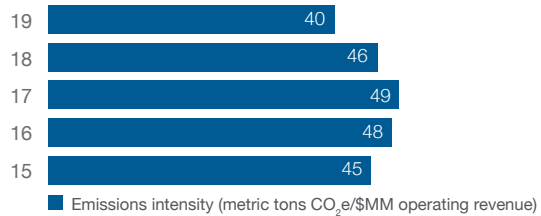
### Government Environmental Inspections



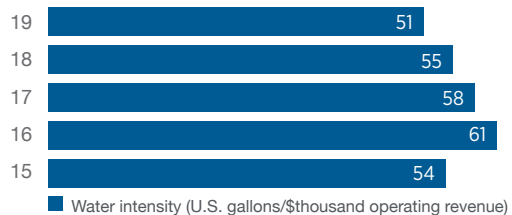
### Energy Intensity<sup>3,4</sup>



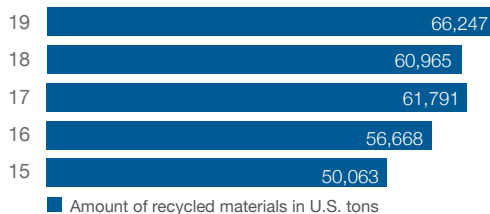
### Emissions Intensity<sup>3,4</sup>



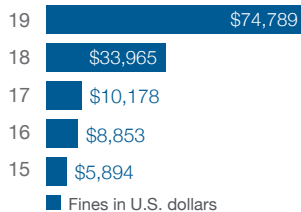
### Water Intensity<sup>3</sup>



### Total Recycled Material



### Government Environmental Inspections' Resulting Fines



<sup>1</sup> Includes electricity, natural gas, heating/fuel oil, diesel, gasoline, propane and liquefied natural gas.

<sup>2</sup> Emissions from electricity use (location based), the combustion of natural gas, heating/fuel oil, diesel, gasoline, propane and liquefied natural gas and foam blowing agents.

<sup>3</sup> Only operating revenue from participating divisions was included in the calculation of intensity indicators.

<sup>4</sup> 2015-2018, including the baseline year, Energy and Total Emissions recalculated for the following reasons: updated GWP to IPCC AR 5; updated eGrid electricity emissions factors to eGrid2018, released January 28, 2020; expanded the fuels included in the report; corrections to reported figures.

The reporting period for ITW's environmental, health and safety data is January 1 – December 31, 2019. The reporting boundary includes companies over which ITW has operational control.