Illinois Tool Works Inc. - Water Security 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Founded in 1912, ITW (NYSE: ITW) is a global industrial company built around a differentiated and proprietary business model. The company's seven industry leading segments leverage the ITW Business Model to generate solid growth with best-in-class margins and returns in markets where highly innovative, customer-focused solutions are required.

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

ITW's approximately 46,000 dedicated colleagues around the world thrive in the company's decentralized and entrepreneurial culture. Our leaders have deep expertise in the ITW Business Model and leverage it to deliver superior performance and value to our customers. In 2022, the company achieved revenues of $15.9 billion, with roughly half coming from outside North America.

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

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

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

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

W0.2

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

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

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

W0.4

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

USD

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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

No

W0.7

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

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

W1. Current state

W1.1

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

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

W1.2

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

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	76-99	Quarterly	Water withdrawals are measured using on-site water meters.	We measure and monitor the quantity of water withdrawn by facilities for which we have operational control, this does not include leased warehouses and service centers. The withdrawals include water from municipal supply and onsite wells.
Water withdrawals – volumes by source	1-25	Quarterly	Water withdrawals are measured using on-site water meters.	Of the facilities for which we monitor water withdrawal, we examine the sources of the greatest withdrawals, keeping consistent with our 80/20 operating philosophy. The sources reviewed can vary annually based on the total quantity of water withdrawn by all of the facilities we track.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not monitored	<Not Applicable>	<Not Applicable>	Water withdrawal quality is measured and monitored at the facility level, not enterprise wide. Onsite water monitoring is the most effective way to ensure the quality is kept at the optimal level for the specific need. Not all of ITW's processes depend on water and where the quality is not critical; it is not closely monitored in these facilities.
Water discharges – total volumes	Not monitored	<Not Applicable>	<Not Applicable>	Water discharge volume is measured and monitored at the facility level, where it is required, not enterprise-wide.
Water discharges – volumes by destination	Not monitored	<Not Applicable>	<Not Applicable>	Water discharge volumes by destination is not measured or monitored across the enterprise.
Water discharges – volumes by treatment method	Not monitored	<Not Applicable>	<Not Applicable>	Water discharge volume by treatment method is not measured or monitored across the enterprise, only at the facility level, and only where treatment is required.
Water discharge quality – by standard effluent parameters	Not monitored	<Not Applicable>	<Not Applicable>	Water discharge quality by standard effluent parameters is not monitored at the enterprise level. It is measured by the facilities that are required to do so.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not monitored	<Not Applicable>	<Not Applicable>	Water discharge quality by emissions to water is not monitored at the enterprise level. It is measured by the facilities that are required to do so.
Water discharge quality – temperature	Not monitored	<Not Applicable>	<Not Applicable>	If monitored, water discharge temperature would be monitored by the facilities and not tracked enterprise wide.
Water consumption – total volume	Not monitored	<Not Applicable>	<Not Applicable>	Total water consumption volume is not monitored at the corporate level, because we do not track discharge.
Water recycled/reused	76-99	Quarterly	Water recycling/reuse is measured using on-site water meters.	We collect and monitor the quantity of water recycled/reused by facilities for which we have operational control.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Quarterly	Each quarter ITW facilities are required to submit health and safety metrics to their divisional leadership teams, WASH services are required for safety and sanitation. Each year select ITW sites are included in third-party environmental, health and safety audits.	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: https://s25.q4cdn.com/220651370/files/doc_governance/2023/2023-Human-Rights-and-Modern-Slavery-Statement-6-21-23.pdf

W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	2557	About the same	Unknown	Higher	Unknown	There was a 0.7% decrease in water withdrawal in 2022 when compared to 2021. There was an increase in production during this same time period. It is assumed that water conservation efforts, for example, improved maintenance in our facilities, contributed to the water withdrawal being about the same as the previous year.
Total discharges	0	About the same	Unknown	About the same	Unknown	We do not track water discharge at the corporate level. We assume there is a direct correlation between withdrawal, and discharge, thus both would be about the same in 2022 as compared to 2021.
Total consumption	0	About the same	Unknown	About the same	Unknown	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 about the same in 2022 as compared to 2021, making consumption about the same.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	1-10	About the same	Increase/decrease in efficiency	About the same	Increase/decrease in efficiency	WRI Aqueduct	We withdraw water from areas where the baseline water stress (BWS) is either rated extremely high, high, or medium - high per the WRI Aqueduct Water Risk Atlas. We also include baseline water depletion (BWD) in our analysis; we have locations where this is rated as extremely high to medium. Approximately 7% 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 about the same as last year's withdrawals but slightly lower.

W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	There are two known facilities that collect and use rainwater. One has converted its basement into a water reservoir for collecting rainwater, the other collects runoff from the parking lot to be re-used.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	This is not an applicable source.
Groundwater – renewable	Relevant	266	Lower	Increase/decrease in efficiency	Renewable ground water withdrawals are approximately 10% of the total water withdrawal and the 2022 value is 43% lower than last year.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	This is not an applicable source.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	This is not an applicable source.
Third party sources	Relevant	2291	Higher	Increase/decrease in business activity	The quantity of water from municipal supply is 90% of the total water withdrawal, it is approximately 9% higher than last year's value. Water intensity (with respect to operating revenue) is 6% lower than last year, this is an improvement in efficiency. Operating revenue increased by 10% while the quantity of water withdrawn increased by 9%.

W1.3

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

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	15932457325.94	2557	6230917.99997654	We anticipate the total water withdrawal to decrease as it has over the past five years.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	Yes	<Not Applicable>

W1.4a

(W1.4a) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Annex XVII of EU REACH Regulation	Less than 10%	The percentage of revenue is based on chemical products sold in the EU; it does not include equipment that contains restricted substances.
Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)	Less than 10%	The percentage of revenue is based on chemical products sold in the EU; it does not include equipment that contains restricted substances.
Annex XIV of UK REACH Regulation	Less than 10%	The percentage of revenue is based on chemical products sold in the UK; it does not include equipment that contains restricted substances.
Candidate List of Substances of Very High Concern (UK Regulation)	Less than 10%	The percentage of revenue is based on chemical products sold in the UK; it does not include equipment that contains restricted substances.
Federal Water Pollution Control Act / Clean Water Act (United States Regulation)	Don't know	We do not track products sold with substances that are listed pursuant to the Federal Water Pollution Control Act/Clean Water Act.
Official Mexican Standards (NOMs) / National Inventory of Chemical Substances	Don't know	We do not track products sold with substances that are listed pursuant to Official Mexican Standards/National Inventory of Chemical Substances.
List of substances (Canadian Environmental Protection Act)	Don't know	We do not track products sold with substances that are listed pursuant to Canadian Environmental Protection Act.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	No	Important but not an immediate business priority	We have not prioritized supplier engagement around water, because our products are not water intensive.
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder
Customers

Type of engagement
Innovation & collaboration

Details of engagement
Collaborate with stakeholders on innovations to reduce water impacts in products and services

Rationale for your engagement
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. This is how we create new products.

Impact of the engagement and measures of success
We produce water efficient commercial kitchen equipment including ware washers and vent hoods that recirculate water. The ENERGY STAR program (US EPA) recognizes products that are energy and water efficient. In 2022, the number of ENERGY STAR-qualified Hobart dishwashing equipment models increased by 15%.

W2. Business impacts

W2.1

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

No

W2.2

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

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	According to the permit terms.	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category
Inorganic pollutants

Description of water pollutant and potential impacts
Metals which could have ecological impacts on the drinking water supply.

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods
Procedure(s) under development/ R&D

Please explain
We attempt to eliminate discharges to the maximum extent possible and where we cannot eliminate all discharges, we comply with discharge permit terms including pretreatment, leak detection, as well as other best management practices, such as waste reduction or inspections. The majority of our sites are zero-discharge.

Water pollutant category
Oil

Description of water pollutant and potential impacts
Oils and lubricants which could have ecological impacts on the drinking water supply.

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods
Procedure(s) under development/ R&D

Please explain
We attempt to eliminate discharges to the maximum extent possible and where we cannot eliminate all discharges, we comply with discharge permit terms including pretreatment, leak detection, as well as other best management practices, such as waste reduction or inspections. The majority of our sites are zero-discharge.

Water pollutant category

Nitrates

Description of water pollutant and potential impacts
Nitrates which could have ecological impacts on the drinking water supply.

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods
Procedure(s) under development/ R&D

Please explain
We attempt to eliminate discharges to the maximum extent possible and where we cannot eliminate all discharges, we comply with discharge permit terms including pretreatment, leak detection, as well as other best management practices, such as waste reduction or inspections. The majority of our sites are zero-discharge.

Water pollutant category
Phosphates

Description of water pollutant and potential impacts
Phosphates which could have ecological impacts on the drinking water supply.

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods
Procedure(s) under development/ R&D

Please explain
We attempt to eliminate discharges to the maximum extent possible and where we cannot eliminate all discharges, we comply with discharge permit terms including pretreatment, leak detection, as well as other best management practices, such as waste reduction or inspections. The majority of our sites are zero-discharge.

Water pollutant category
Other nutrients and oxygen demanding pollutants

Description of water pollutant and potential impacts
Other nutrients and oxygen demanding pollutants which could have ecological impacts on the drinking water supply.

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods
Procedure(s) under development/ R&D

Please explain
We attempt to eliminate discharges to the maximum extent possible and where we cannot eliminate all discharges, we comply with discharge permit terms including pretreatment, leak detection, as well as other best management practices, such as waste reduction or inspections. The majority of our sites are zero-discharge.

Water pollutant category
Pesticides

Description of water pollutant and potential impacts
Pesticides which could have ecological impacts on the drinking water supply.

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods
Procedure(s) under development/ R&D

Please explain
We attempt to eliminate discharges to the maximum extent possible and where we cannot eliminate all discharges, we comply with discharge permit terms including pretreatment, leak detection, as well as other best management practices, such as waste reduction or inspections. The majority of our sites are zero-discharge.

Water pollutant category
Other synthetic organic compounds

Description of water pollutant and potential impacts
Other synthetic organic compounds which could have ecological impacts on the drinking water supply.

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Upgrading of process equipment/methods
Procedure(s) under development/ R&D

Please explain
We attempt to eliminate discharges to the maximum extent possible and where we cannot eliminate all discharges, we comply with discharge permit terms including pretreatment, leak detection, as well as other best management practices, such as waste reduction or inspections. The majority of our sites are zero-discharge.

W3.3

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

W3.3a

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

Value chain stage
Direct operations

Coverage
Partial

Risk assessment procedure
Water risks are assessed as a standalone issue

Frequency of assessment
Annually

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

Type of tools and methods used
Tools on the market

Tools and methods used
WRI Aqueduct

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

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

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

W3.3b

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

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	We approach water risk this way because the majority of our products are not water intensive.	We consider water availability because we need water to operate our facilities and if there is no water available in a region it limits the number of people available to staff the facilities. Although our products are not water intensive, we are mindful of what we are withdrawing and discharging. Water quality is important for consumption and use in our equipment. Improving water quality is a business cost. We consider regulations for water just as others that impact our ability and costs to operate. WASH services are essential for worker health and safety, a priority for ITW.	Customers are considered, because we create products that meet their needs. Water efficiency is important for many of our customers, especially in the food service industry. Employee health and safety is a priority of ITW, we ensure there is water available in our facilities for consumption and sanitation. Local communities are considered when we examine water stress, ITW supports local communities. Regulations impact our ability to operate, we consider regulators in the analysis. The majority of the water we withdraw is supplied by local water utilities, we rely on their provision, we consider them in our assessment.	Direct operations-Water risk assessment is undertaken independently of other risk assessments, covering direct operations of some facilities. ITW's 80/20 bus. mgt. process is used to determine the facilities included in the annual risk assessment, those consuming 80% of the total water that is withdrawn by ITW. No risk assessment process standards are used. WRI Aqueduct is used to assess the water risks of the "80" facilities: key indicators are used: baseline water stress, baseline water depletion, inter annual water variability and reputation risk. Facilities are ranked based on the severity of each risk. Each year management receives a report of the analysis. Regulatory Risks that can impact direct operations are brought to the attn. of the ITW EHSS Department, as well as regulatory changes that may have a significant impact on the company. The Department then alerts the affected businesses which, either prepare to comply with the regulations or if they determine the pending regulation is not in the best interest of their stakeholders, they work with industry groups to recommend changes to the regulations. 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 risks are managed by ITW divisions.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?
No

W4.1a

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

We would consider a substantive impact to exist only where any of our businesses are required to change their operations, sources of supply or customer base which affect ITW's revenue by more than 1% for more than 90 days.

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?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	The existing water risks to ITW include operations in regions where combined baseline water stress and depletion range from low to extremely high, inter-annual availability includes flood and drought, and regulatory and reputational risk is mostly low to low-medium. The existing water risks do not pose a substantive financial or strategic impact to ITW, because of how the company is structured, diverse operating segments in diverse locations. We do not feel the risk is high enough to require a change in operations, sources of supply or customer base.

W4.2c

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

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	We do not consider ITW to be exposed to water risks in the value chain (beyond direct operations) with the potential to have substantive financial or strategic impact, based on: ITW's low number of water intensive products and processes, ITW's diverse operations (seven operating segments) and end markets.

W4.3

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

W4.3a

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

Type of opportunity
Products and services

Primary water-related opportunity
Increased sales of existing products/services

Company-specific description & strategy to realize opportunity
The Food Equipment segment manufactures warewash equipment for commercial kitchens that provides optimal cleaning with minimal water use and some have the ability to clean and sanitize without the use of chemical detergents. Another development from this segment is the ventless warewasher that recycles water vapor instead of releasing it. The water vapor is condensed and used in the cleaning cycle, reducing the need for additional water. Sales are mainly in the Americas, Europe and Asia.

Estimated timeframe for realization
Current - up to 1 year

Magnitude of potential financial impact
Low-medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
This is proprietary information to ITW and while this product is financially positive to our portfolio, we do not share this information publicly.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

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

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Other, please specify (Commitment to monitor water use)	ITW collects data on the water withdrawn and recycled from facilities over which we have operational control. Our businesses monitor this information, in addition to other water related information that is relevant to their operations.

W6.2

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

Yes

W6.2a

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

Position of individual or committee	Responsibilities for water-related issues
Chief Executive Officer (CEO)	The CEO serves as the Chairman of the Board of Directors. In addition to the responsibilities of the Board, the CEO has highest level of authority and responsibility in the company for climate change and all activities that contribute to it. The CEO discusses and guides strategy periodically and provides oversight of the Company, which includes ITW's strategic priorities, policies and goals related to environmental, social, supply chain and governance matters, including water. The CEO manages information on climate-related issues and makes decisions based on it; for example, the Sustainability Strategy, which includes environmental impact management and climate-change. In May 2022 a new Enterprise Risk Management Review Schedule was approved by the Board and Environmental Stewardship is now reviewed twice a year, starting with 2022. The CEO now reports to the Board on climate-related issues at least twice a year; increasing from once a year.
Other, please specify (Independent Lead Director)	The Board, led by an independent Lead Director, is responsible for overall risk oversight of the Company, which includes ITW's strategic priorities, policies and goals related to environmental, social, supply chain and governance matters. ITW's Board is directly involved in the oversight of the Company's sustainability efforts. Each year, and throughout the year as necessary, the Board receives reports of ITW's sustainability related activities and progress towards the goals, including those relating to climate change. The Board ensures that the Company's efforts are approached in a manner that is consistent with its core values and best serve the interests of the Company and all ITW stakeholders.
Board-level committee	The annual, and throughout the year as necessary, review of environmental, safety and health matters that may have a material impact on the Company's financial statements or compliance policies is the responsibility of the Audit Committee of the Board. To date, ITW has not experienced a material climate change or water related impact.

W6.2b

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy	The Board is responsible for overall risk oversight of the Company, which includes ITW's strategic priorities as well as policies and goals related to environmental matters, including climate change and water. ITW's Board receives periodic updates regarding the Company's CSR strategy, initiatives and progress.

W6.2d

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

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Not assessed	<Not Applicable>	<Not Applicable>	<Not Applicable>

W6.3

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

Name of the position(s) and/or committee(s)
Other, please specify (Vice President/General Manager)

Water-related responsibilities of this position
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

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

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

Name of the position(s) and/or committee(s)
Other, please specify (Director Environmental, Health, Safety and Sustainability (EHSS))

Water-related responsibilities of this position
Other, please specify (Provides oversight)

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

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

Name of the position(s) and/or committee(s)
Other, please specify (VP Strategic and Sourcing & EH&S)

Water-related responsibilities of this position
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

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

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

W6.4

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

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

W6.5

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

No

W6.6

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

No, and we have no plans to do so

W7. Business strategy

W7.1

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

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

W7.2

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

Row 1

Water-related CAPEX (+/- % change)

-15

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

68

Water-related OPEX (+/- % change)

10

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

1

Please explain

The water-related CAPEX is lower than the previous year. We invested in improving plumbing equipment and maintenance. The water-related OPEX increased this year, this is due to an increase in production, which required more water. The anticipated forward trends for both CAPEX and OPEX are estimates based on the actual changes over the past five years. The average change in OPEX over the past five years is a 1% increase. The CAPEX values vary significantly from year to year, it is dependent on the needs of the business and it is difficult to make an accurate estimate for the future. Over the past five years the average increase in CAPEX is approximately 68%.

W7.3

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

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

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

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

W7.5

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

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	We use US Environmental Protection Agency and Department of Energy's Energy Star program's guideline for water consumption during use for warewashers.	<Not Applicable>	The ITW Food Equipment Group manufactures several Energy Star certified commercial warewashers. To earn the Energy Star certification the models must meet a maximum water consumption requirement during the final rinse and use less energy while idling between wash cycles. The water consumption thresholds range from 0.54 to 1.19 gallons per rack for non-flight type and 2.975 and 4.96 for single and multiple tank flight type respectively. According the energystar.gov Energy Star certified commercial dish (ware) washers are 40 percent more water efficient than standard models.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

No, and we do not plan to within the next two years

W8.1c

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

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

W9. Verification

W9.1

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

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

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Not mapped – but we plan to within the next two years	<Not Applicable>	We can map the "80" suppliers in the next two years.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Direct operations	We assess certain resins that we use for manufacturing for example acetal resin for formaldehyde emissions.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations	Regulatory	Regulatory requirements related to single use plastic and circular economy have a direct impact on several ITW businesses. Without meeting the requirements, we will lose an opportunity for sales and reduce out market share.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Other	Other, please specify (100% recyclable, biodegradable or compostable by 2025)	ITW Hi-Cone, a division of ITW has a goal to use 100% recyclable, biodegradable or compostable plastics for all of their products by 2025

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	We do not produce plastic polymers.
Production of durable plastic components	Yes	We manufacture interior and exterior automotive components from durable plastics.
Production / commercialization of durable plastic goods (including mixed materials)	Yes	We manufacture interior and exterior automotive components and assemblies from durable plastics and other materials.
Production / commercialization of plastic packaging	Yes	We manufacture plastic ring carriers and zippers for plastic bags
Production of goods packaged in plastics	Yes	We use plastic packaging to ship some of our products in plastic containers and bags.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	We do not provide commercial services or goods that use plastic packaging.

W10.7

(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

Row 1

Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)
81647

Raw material content percentages available to report
% post-industrial recycled content

% virgin fossil-based content
<Not Applicable>

% virgin renewable content
<Not Applicable>

% post-industrial recycled content
8

% post-consumer recycled content
<Not Applicable>

Please explain
We use post industrial recycled content in the plastic durable goods we manufacture.

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	31751	% virgin fossil-based content % post-consumer recycled content	86	<Not Applicable>	<Not Applicable>	14	We manufacture plastic ring carriers and zippers for plastic bags.
Plastic packaging used	0	None	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	We are not currently able to quantify the amount of plastic packaging we use.

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	% technically recyclable	<Not Applicable>	100	<Not Applicable>	Ring carriers are 100% recyclable where facilities exist. They can also be returned to ITW for recycling.
Plastic packaging used	None	<Not Applicable>	<Not Applicable>	<Not Applicable>	We are not able to provide information on the plastic packaging we use at this time.

W11. 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.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Vice President of Sourcing and EH&S	Other, please specify (The Vice President of Sourcing and EH&S reports to the Vice Chairman)

SW. Supply chain module

SW0.1

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

	Annual revenue
Row 1	15900000000

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?

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

SW2.1

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

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?
No

SW3.1

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

Product name
Lys Fusion Poland: Goods for Ford

Water intensity value
723.4

Numerator: Water aspect
Water withdrawn

Denominator
m3 produced.

Comment
Customer: Ford
According to monitoring total water consumption in 2022.

Product name
ITW Global Tire Repair: Tire sealant

Water intensity value
0.0004

Numerator: Water aspect
Water withdrawn

Denominator
m3 produced

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

Product name
ITW India Pvt: Plastic injection molded components

Water intensity value
0.0002

Numerator: Water aspect
Water withdrawn

Denominator
Revenue

Comment
Customer: Ford.
The water intensity has been calculated by taking the annual complete plant process water consumption and annual revenue into consideration (0.00020 cubic meters/$).
Design and manufacture of plastic injection molded components and sub-assemblies for interior and exterior trims and fasteners.

Product name
ITW Deltar Fasteners: Plastic fasteners

Water intensity value
0.0002

Numerator: Water aspect
Water withdrawn

Denominator
Number of pieces manufactured

Comment
Customer: Ford.
Water intensity value was calculated by taking the gallons of water consumed per plastic fastener (0.00015 gal/pieces).

Product name
ITW Deltar Fasteners: Plastic fasteners

Water intensity value
0.0002

Numerator: Water aspect
Water consumed

Denominator
Number of pieces manufactured

Comment

Customer: GM.
Water intensity value was calculated by taking the gallons of water consumed per plastic fastener (0.00015 gal/pieces).

Product name
Fixfast Sweden - Molndal - Injection molded plastic parts.

Water intensity value
0.7984

Numerator: Water aspect
Water withdrawn

Denominator
Used raw material.

Comment
Customer: Ford
Not a specific product reported. This is total water consumption (m3) divided with total amount of used raw material (ton).

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

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

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.
No

Please confirm below
I have read and accept the applicable Terms