

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

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

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

ITW’s approximately 45,000 dedicated colleagues around the world thrive in the company’s decentralized and entrepreneurial culture. Our leaders have deep expertise in the ITW Business Model and leverage it to deliver superior performance and value to our customers. In 2021, the company achieved revenues of \$14.5 billion, with roughly half coming from outside North America.

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

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

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

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

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

Reporting year	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
2021	January 1 2021	December 31 2021	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

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

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) 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

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The CEO serves as the Chairman of the Board of Directors. In addition to the responsibilities of the Board, the CEO has highest level of authority and responsibility in the company for climate change and all activities that contribute to it. The CEO discusses and guides strategy periodically and provides oversight of the Company, which includes ITW's strategic priorities, policies and goals related to environmental, social, supply chain and governance matters. The CEO manages information on climate-related issues and makes decisions based on it; for example, the Sustainability Strategy, which includes environmental impact management and climate-change. In May 2022 a new Enterprise Risk Management Review Schedule was approved by the Board and Environmental Stewardship will now be reviewed twice a year, starting with 2022. The CEO will now report to the Board on climate-related issues at least twice a year; increasing from once a year. In 2021, the CEO made the key climate-related decision to revise ITW's 2030 GHG emissions intensity reduction target for combined Scope 1 and Scope 2 GHG emissions per U.S. dollar of operating revenue from 30 percent to 40 percent below 2017 levels.
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. In 2021 the Board reviewed progress towards the GHG emissions intensity reduction target and revised it to recognize the Company's progress to date and to ensure that the Company is continuing its efforts towards reducing climate change.
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 related impact.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	ITW's 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. ITW's Board reviewed the company's progress towards meeting the GHG emissions intensity reduction target at periodic meetings. The Board also reviewed and approved an updated target announced in 2021. The Board will continue to address ITW's future climate change related goals.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

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

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Vice Chairman)	<Not Applicable>	Other, please specify (Discusses and guides strategy and assesses climate-related risks and opportunities, reports to BOD at least annually and throughout the year as necessary)	<Not Applicable>	Annually
Other, please specify (Vice President of Sourcing and EH&S)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Annually
Other committee, please specify (Sustainability Committee)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Not reported to the board
Energy manager	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	Not reported to the board
Other, please specify (Vice President General Manager)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Not reported to the board
Other, please specify (Director Environmental Health Safety and Sustainability)	<Not Applicable>	Other, please specify (Provides oversight)	<Not Applicable>	Not reported to the board
Other, please specify (General Counsel)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Annually

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

VPGM – Reports to Executive Vice Presidents of each operating segment. The VPGMs are responsible for how division level climate change related risks are assessed and mitigated and opportunities are capitalized on. VPGMs receive a semi-annual report to monitor the progress of their divisions towards the emissions intensity reduction target. They are then able to provide additional support to businesses as needed.

VP of Sourcing and EH&S – Reports to the Vice-Chairman of the Board and is a member of the Sustainability Committee. The VP of Sourcing and EH&S is responsible for ensuring that high level climate change related risks and opportunities impacting ITW are assessed annually. Each year the VP of Sourcing receives a report of ITW’s Clean Tech revenue, GHG emissions and energy consumption. The energy and emissions data are used to guide the energy procurement strategy.

Energy Director – Reports to the VP of Sourcing and EH&S and is responsible for ensuring that ITW has available the tools required to reduce energy consumption and greenhouse gas emissions. The Energy Director works closely with the EH&S department to monitor global energy consumption and cost. The director then works with ITW facilities to implement energy and emissions reduction strategies, which sometimes includes purchasing clean energy and/or renewable energy credits.

Director EH&S – Reports to the VP of Sourcing and EH&S and is responsible for day-to-day environmental-related responsibilities, including overseeing the execution of ongoing environmental, safety and regulatory compliance initiatives, including climate change. Provides oversight for the collection of climate change related data and the production of the Sustainability, CDP and other related stakeholder reports.

Manager, Global Sustainability and Product Stewardship - Reports to the Director EH&S and is a member of the Sustainability Committee, responsible for collecting environmental data from ITW facilities and working with them to ensure they understand their GHG emissions footprint and practical steps they can take to reduce emissions, as well as completing customer environmental scorecards. Provides data used for the Sustainability, CDP and other related stakeholder reports, as well as completing those reports.

General Counsel, Secretary – Reports to the CEO/Chairman of the Board and is a member of the Sustainability Committee, is responsible for ensuring that stakeholders are informed of ITW’s ESG-related strategy and impacts, including climate change.

Sustainability Committee – A multifunctional team which collaborates throughout the year to discuss sustainability and environmental, social, and governance issues at ITW. The environmental component of these discussions focus on energy, GHG emissions, reduction strategies and targets, among other topics. This team is responsible for all ESG reporting.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

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

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	No comment
Medium-term	1	4	No comment
Long-term	4	100	No comment

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We would consider a substantive impact to exist only where any of our businesses are required to change their operations, sources of supply or customer base due to matters considered significant be a particular business segment or ITW overall.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

ITW assessed risks and opportunities in upstream, downstream and direct operations. We use a multi-disciplinary company-wide risk management process for each identified risk that covers short, medium and long-term time horizons. Each year, senior management reviews the long-range plans of our segments/divisions. These plans consider, as appropriate, long-term sustainability implications and the ability to meet customer needs related to sustainability and clean technology. As part of their long-range plans, our businesses focus on long-term sustainability as appropriate to meet customer needs relative to clean technology (clean-tech), including water conservation, renewable energy use and emissions reduction. Legal/compliance is a key business risk to ITW. To identify climate change related regulatory risks, the ITW EHSS Department monitors climate change regulations in the regions where ITW has significant operations. The department looks for regulations that limit the amount of GHG emissions, carbon emissions trading schemes and carbon taxes that could affect ITW. We then assess the potential cost of the risks and determine if they are substantive to ITW. To mitigate the GHG Regulatory risks, the EHSS Department and the Energy Manager within ITW Strategic Sourcing work with the facilities to reduce their GHG emissions first through energy consumption reduction efforts, followed by the consideration of purchasing renewable energy credits or generating renewable energy. The final decision is made by the businesses affected. ITW has identified several key business risks, including significant external events, which includes physical climate change risks. We work with our insurance providers to identify the facilities that are subject to the following physical risks related to climate change: flood, windstorms, hurricanes, snow loading and wildfires. We also consider earthquakes. After identifying the at-risk facilities, we assess the level of financial risk that would be incurred by the loss of these facilities. We then determine if this potential loss would be substantive to ITW. Each physical risk has a different mitigation method. To mitigate the risk of flooding, we reassess our facilities annually. We apply various levels of mitigation based on the level of risk exposure, which we identify with our insurance provider. The facilities have outlined Flood Emergency Response Plans along with lists of emergency contacts. We require that these plans be kept current. Some locations require physical improvements to reduce the flood levels in an emergency, such as flood gates and flood walls, these capital improvements are given priority. To mitigate the risk of windstorms and hurricanes we use a Hurricane Emergency Response Plan, with emergency contacts to outline procedures as storms develop. The Operational Risk Team within ITW EHSS tracks windstorms and hurricanes and alerts affected businesses to begin their emergency response measures. In cases where we identify facilities that require structural improvements to handle windstorms and hurricanes, we make the improvements as they are identified to prevent future loss. Snow is becoming an issue in areas farther south than originally anticipated. ITW has identified several buildings in the US and Asia that need additional snow load capacity, and those roof structural improvement projects are being completed. Emergency snow removal plans are also in place where it is safe for personnel to go on the roof. In the cases of earthquakes and fires we use an Emergency Response Plan and implement additional physical protections to prevent physical loss. Each affected division of ITW makes plans to ensure they have access to the materials needed for periods when their suppliers may be at increased risk of natural disaster, for example, hurricane season. The plans often include ordering extra raw material ahead of time. In cases where their own facilities are at risk, they plan to shift production to either a sister division or a supplier to ensure they can continue to provide for their customers. Supply Chain Integrity and Continuity is a key business risk for ITW. To identify our overall supply chain risks, we use a combination of internal analysis and risk information from a third-party service, Bureau van Dijk. We examine financial, geopolitical, physical, reputational, and regulatory risks. Each year we perform a risk assessment of our direct supply chain partners. The results are shared with the Vice Chairman of the Board. When assessing the supply chain risks, we begin with an internal assessment. We examine several financial indicators, delivery rate, quality of goods and services, consistency of performance, and outcomes from site visits and the results from our internal audits. From this we create an "ITW" score, which is the weighted average of the scores of the indicators we review, financial indicators have the greatest weight. We then rank the suppliers either low or high risk. We next examine the risk information from Bureau van Dijk for the high-risk suppliers. Bureau van Dijk analyzes and compares public facing company information to determine levels of risk, mainly financial, but also includes an environmental, social and governance risks ranking. In addition to what has been shared, we identify the physical risks of our suppliers individually by location. We identify suppliers that are in areas sensitive to natural disasters and extreme weather events, such as hurricane/tornado zones. Many of our supply chain partners face the same level of physical risks as our own facilities. In our overall supply chain, approximately 45 percent of global third-party spend is with suppliers who are near the ITW facilities they serve. To mitigate the risk of supply disruption due to natural disasters we keep additional inventory from suppliers on hand. We store the inventory at either our locations or at third party warehouses, not at the suppliers' facilities, keeping it out of harm's way should a natural disaster or weather event affect the supplier. Each quarter a supplier risk assessment is performed by operating segment. The Segment Sourcing Directors review and distribute the information to the businesses within their segments to assess and to act on.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current climate-related regulation is important and included in our risk assessment at the corporate, division, and business levels. Examination of environmental regulatory requirements is included because it helps to understand the full costs of doing business, influences new product development opportunities related to eco-efficiency and guides future business decisions. For example, we consider the impact of the EU's GHG emissions reduction goals and how it impacts our cost of energy in the EU. We also consider the additional costs of "green" energy. Several ITW businesses can improve the eco-efficiency of their products, enabling their customers to reduce their GHG emissions. Products in the Food Equipment Group offer reduced energy consumption compared to competitor products, allowing customers to meet their energy and GHG emissions reduction goals.
Emerging regulation	Relevant, always included	Our businesses also consider emerging regulations and how they may create risks and opportunities related to the products and services they offer. New regulations inform our product innovation process as needed. For example, the US has committed to a nationwide GHG emissions reduction target, listing electric vehicles and charging infrastructure as components of reaching the target. ITW's Automotive OEM Segment has been preparing for future regulation in the US to expand existing production of lightweight plastic automotive components including fasteners, wire harnesses, and vehicle charging components to name a few of the vehicle components we manufacture. This regulation will continue to drive innovation at ITW.
Technology	Relevant, always included	Customer-Back Innovation is a key part of ITW's Business Model, which creates our competitive advantage. Our businesses are technology based and seek to innovate to assist in solving customer problems-including those related to climate change opportunities. Being mindful that reducing GHG emissions will lead to the obsolescence of many engines that burn fossil fuels, replacing them with electric motors, and shifting technology; ITW GSE introduced a low-emission battery powered ground power unit to their product offerings. This allows customers an option to replace diesel powered units.
Legal	Relevant, always included	Legal/compliance is a key business risk to ITW. To identify climate change related regulatory risks, the ITW EHSS Department monitors climate change regulations in the regions where ITW has significant operations. The department looks for regulations that limit the amount of GHG emissions, carbon emissions trading schemes and carbon taxes that could affect ITW. We then assess the potential cost of the risks and determine if they are substantive to ITW. We also dedicate time to understand the potential litigation claims as they relate to product stewardship.
Market	Relevant, always included	Our businesses always consider the market issues related to climate change and how they may affect them going forward, both positively and negatively. Being mindful that reducing GHG emissions will lead to the obsolescence of many engines that burn fossil fuels, replacing them with electric motors and shifting technology; ITW GSE introduced a low-emission battery powered ground power unit to their product offerings. This allowed customers an option to replace diesel powered units. This is one example of how ITW adjusts to market changes driven by climate change.
Reputation	Relevant, always included	While the majority of ITW's businesses supply products to other businesses, their climate change related reputational risk level may be much lower than that of businesses that supply products that are sold to consumers. All ITW businesses consider reputational risks in their long-range planning. ITW Hi-Cone, a leading supplier of plastic-based multi-packaging systems for global beverage and general products industries, is committed to ensuring its products are effective and environmentally friendly for both customers and communities. As evidence of this focus, Hi-Cone is committed to transforming 100 percent of its product portfolio to RingCycles™ – a more than 50 percent post-consumer recycled content solution that is expected to eliminate Hi-Cone's use of more than 25 million pounds of virgin plastic per year. Compared to paperboard six-pack options, RingCycles™ demonstrates sustainable advantages in every impact category*: • 73 percent less greenhouse gasses contributed to climate change • 90 percent less energy consumed during; manufacturing and use • 73 percent less water used in manufacturing and use; and • 86 percent less solid waste contributed to landfills Taking environmental stewardship a step further, by 2025, Hi-Cone is committed to providing a solution that is 100 percent recyclable, compostable or biodegradable. Hi-Cone's Ring RecycleMe program allows consumers to collect and return their carriers for recycling. The recycled materials are converted back into resin and used to make new carriers, reducing the carbon footprint and reducing the amount of waste sent to landfills, improving the reputation of the company and products. https://hi-cone.com/
Acute physical	Relevant, always included	ITW uses a risk-based approach to identify and assess physical risks to our global operations. We review areas of more significant exposure to ensure we are taking the proper steps to minimize exposure. Most business units also have formal emergency response plans and many have developed business continuity plans that address physical threats and their planned responses. ITW's wide distribution of diversified operations, locations and end markets reduces the risk of severe weather conditions to our overall enterprise.
Chronic physical	Relevant, always included	We have reviewed our global operations and do not believe that we have any operations with substantive chronic physical risks. Because of the nature of our business, our operations and material procurement are not impacted by changes in temperature, drought or land degradation. Most of our facilities are inland and not expected to be impacted by rising sea levels. We will continue to assess this risk.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

No

C2.3b

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

	Primary reason	Please explain
Row 1	Risks exist, but none with potential to have a substantive financial or strategic impact on business	Although we face inherent risks driven by changes in climate change related regulation, these risks are not expected to generate a substantive change in our business operations, revenue or expenditure. ITW does not engage in heavy manufacturing and its decentralized structure with many operating units in geographically diverse locations and end markets help mitigate these risks. An example of a climate change related regulatory risk: ITW is impacted by the Energy Efficiency Directive in the European Union and Energy Savings Opportunity Scheme in the UK, which represents approximately 4% of the 2021 operating revenue. The costs associated with the mandated energy audits are not material to ITW and do not pose a substantive risk.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

ITW manufactures numerous products that enable our customers to reduce GHG emissions, energy consumption and operating costs. One example is the battery powered ground power unit (GPU) developed by ITW GSE. The battery powered GPU provides electricity to power an aircraft's electrical system while parked at a gate. The battery powered GPU offers an energy efficient alternative to traditional diesel-powered units and is estimated to reduce GHG emissions by 90% over a year. The battery powered GPUs are sold in the European Union and available globally, helping to reduce the GHG emissions footprint of the aerospace industry.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

486385400

Explanation of financial impact figure

Potential Impact = Sum (GSE sales*(1+est. sales increase)^Year) GSE Sales Sales from low carbon products made up 29% of ITW's total operating revenue in 2021, \$14.5 billion. 29% of the revenue is \$4,205,000,000 or .29*\$14.5 billion For the sake of this estimate, we will assume this product is 1% of the low-carbon product sales, \$42,050,000 or \$4,205,000,000 *.01 GSE Sales = \$42,050,000 Est. Sales Increase Demand for low carbon products has increased annually by 1% and we anticipate this to continue, especially for our aerospace and automotive customers. We assume this will continue at the same rate. Years = 10 years, for long term Potential Impact is \$486,385,398. Calculated as follows: Potential Impact = Sum (GSE sales*(1+est. sales increase)^Year) \$486,385,398 = (\$42,050,000(1 + .01)^0) + (\$42,050,000(1 + .01)^1) + (\$42,050,000(1 + .01)^2)+...+(\$42,050,000(1 + .01)^10 Please be mindful that this is an estimate and the actual financial impact from the sale of this product is proprietary to ITW, we prefer to not disclose the actual values.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

The strategy taken to improve our chances of realizing this opportunity is the ITW Customer-Back-Innovation (CBI) approach. We engage with our customers to provide effective solutions to regulatory driven pain points as they relate to stricter emissions laws being promulgated throughout the world, and other customer changing needs. The CBI approach minimizes the costs required to realize these opportunities, we create products with our customers, the costs for developing the GPU is proprietary to ITW.

Comment

The cost for developing the GPU is proprietary to ITW.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

The EU Green Deal and Waste Directive Framework led ITW Hi-Cone, a leading supplier of plastic-based multi-packaging systems for global beverage and general products industries, to commit to ensuring its products are effective and environmentally friendly for both customers and communities. Hi-Cone committed to transforming 100 percent of its product portfolio to RingCycles™ – a more than 50 percent post-consumer recycled content solution that is expected to eliminate Hi-Cone's use of more than 25 million pounds of virgin plastic per year. Compared to paperboard six-pack options, RingCycles™ demonstrates sustainable advantages in every impact category*:
• 73 percent less greenhouse gasses contributed to climate change
• 90 percent less energy consumed during manufacturing and use
These products are manufactured in the US, EU and South America, they are sold globally with sales heaviest in the EU and US.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

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 figure

These sales will have a high financial impact for ITW Hi-Cone.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

We have chosen to not share the cost to realize this opportunity. The strategy included working closely with customers (Customer Back Innovation), non-government agencies to define the problem. They worked with materials experts to develop the new resin and test various levels of recycled content. Hi-Cone also works with industry groups to find additional solutions to the problem, including ways to increase recycling rates and are working to further improve the plastics recycling infrastructure in the future.

Comment

No additional comments

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)

<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

We do not have a plan today, but it is in process. The process began with discussions within team created to examine options for ITW's next GHG Emissions Reduction Target, this team consists of selected VPGMs, the VP of Procurement and EH&S, the Energy Manager, and Manager, Global Sustainability & Product Stewardship. The team considered the interests of the investment community, customers, and governments of the countries where we have the "80" of our businesses as they relate to a 1.5°C world when selecting options for the next target. The target options were presented to the Vice Chairman of the Board for review. The next step is exploring different paths to climate change mitigation. This step includes members of Financial Planning and Analysis to provide insight into how ITW will be affected financially and removes the VPGMs. To provide additional context, one path we are exploring is carbon neutrality and what it will take to transition to a 1.5°C world. Our exploration includes how the company will grow; the types of projects we can initiate within our operations, renewable energy generation and use, offset projects, and renewable energy credit purchases; how greening the grid will impact our emissions; and the long-term associated costs of this path. Once exploration of multiple paths has been completed, a drafted plan will be shared with the original team for review and refining. It is important to have feedback from the VPGMs, they provide the division level perspective, which is key in ITW's decentralized structure. The next step will be approval by ITW's Senior Leadership Team, which includes the CEO, before being presented to the Board of Directors and CEO for approval. Once a plan has been finalized and shared internally, details will be shared externally.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Other, please specify (We are currently working on a transition plan. Climate-related scenario analysis will follow.)	We are currently working to develop our transition plan and scenario analysis will follow. We will start with a qualitative analysis.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate change has created opportunities for the development of new products that reduce GHG emissions and energy consumption for our customers. Examples include battery-operated ground power units for aircraft, energy and water efficient commercial kitchen appliances, and plastic automotive components. Each of the products listed have global opportunities.
Supply chain and/or value chain	Yes	ITW is a global, diversified company, with operations in diverse locations. Our businesses seek out and engage suppliers who may be able to offer insight and assistance as we seek to develop our next generation products that serve our customers. Additionally, ITW has undertaken, and continues to undertake, reviews of our supply chain where we may have opportunity to streamline the supply chain and reduce transportation which supports a reduction in related GHG's (mitigation). A specific example is ITW Hi-Cone's partnership with TerraCycle®, Avangard Innovative and others, to collect and recycle their products to be used for raw materials to create new products.
Investment in R&D	Yes	Climate change has created opportunities for the research and development of new products that reduce GHG emissions and energy consumption for our customers (mitigation). Examples include the research of alternative use of vehicle batteries for systems such as our ground power unit for aircraft. Investments in seeking out and developing new more durable plastics for use in automotive applications are also a result of climate change related opportunities as vehicle fuel efficiency requirements increase. The outcomes of this research and development can have global reach.
Operations	Yes	ITW facilities in the United Kingdom are required by law to have energy use assessments every four years. The goal is to identify cost effective means to improve energy efficiency and reduce GHG emissions, a mitigation strategy. In deregulated energy markets in Europe and the US we have expanded our Energy Purchasing activities to include low carbon energy to reduce the emissions of our operations, a second mitigation strategy.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures	Each of our businesses factors in necessary investments related to changing environmental and product opportunities in their long range and annual planning processes.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Intensity metric

Metric tons CO2e per unit revenue

Base year

2017

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

9.4

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

36.1

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

45.5

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

40

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

27.3

% change anticipated in absolute Scope 1+2 emissions

-15

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

7.5

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

21

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

28.5

% of target achieved relative to base year [auto-calculated]

93.4065934065934

Target status in reporting year

New

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

By 2030, reduce combined Scope 1 and Scope 2 GHG emissions per US dollar of operating revenue by 40 percent below 2017 levels. This includes the "80" of our emissions and excludes facilities outside of our operational control.

Plan for achieving target, and progress made to the end of the reporting year

To achieve our target, we are taking the following approach: 1. Reducing energy consumption and improving operational efficiency in our manufacturing and ITW-owned facilities, implemented in accordance with our division-led environmental management systems. 2. Expanding our purchase of energy from renewable sources, including wind and solar, across our global footprint where possible. 3. Installing solar at some locations. 4. Moving to electric vehicles in fleet. At the end of the reporting year we achieved a 37 percent GHG emissions intensity reduction through 2021, compared with the 2017 baseline.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	5	0
To be implemented*	0	0
Implementation commenced*	3	80
Implemented*	42	7488
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Employee Engagement)
-------------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

11

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3500

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

An ITW business created an energy charter and distributed it to each employee. They focused on raising awareness of energy consumption and GHG emissions and performed regular energy audits. They track and share their progress.

Initiative category & Initiative type

Energy efficiency in production processes	Compressed air
---	----------------

Estimated annual CO2e savings (metric tonnes CO2e)

673

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

56060

Investment required (unit currency – as specified in C0.4)

212915

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

The lifetime and payback periods are the average values of the projects implemented.

Initiative category & Initiative type

Energy efficiency in production processes	Cooling technology
---	--------------------

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

24800

Investment required (unit currency – as specified in C0.4)

2000

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

The lifetime and payback periods are the average values of the projects implemented.

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (Equipment repair)
---	--

Estimated annual CO2e savings (metric tonnes CO2e)

80

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

6900

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

The lifetime and payback periods are the average values of the projects implemented.

Initiative category & Initiative type

Energy efficiency in production processes	Motors and drives
---	-------------------

Estimated annual CO2e savings (metric tonnes CO2e)

1437

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

56466

Investment required (unit currency – as specified in C0.4)

528250

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

The lifetime and payback periods are the average values of the projects implemented.

Initiative category & Initiative type

Energy efficiency in production processes	Waste heat recovery
---	---------------------

Estimated annual CO2e savings (metric tonnes CO2e)

61

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

4236

Investment required (unit currency – as specified in C0.4)

43068

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

The lifetime and payback periods are the average values of the projects implemented.

Initiative category & Initiative type

Energy efficiency in buildings	Draught proofing
--------------------------------	------------------

Estimated annual CO2e savings (metric tonnes CO2e)

16

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

85000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

The lifetime and payback periods are the average values of the projects implemented.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

163

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

12000

Investment required (unit currency – as specified in C0.4)

4781000

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

The lifetime and payback periods are the average values of the projects implemented.

Initiative category & Initiative type

Energy efficiency in buildings	Insulation
--------------------------------	------------

Estimated annual CO2e savings (metric tonnes CO2e)

19

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3612

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

There was no cost associated with insulating this facility, there is no payback period. The Scope 1 and 2 emissions are reduced.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

3385

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

19283

Investment required (unit currency – as specified in C0.4)

225307

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

The lifetime and payback periods are the average values of the projects implemented.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)

27

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2300

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

The lifetime and payback periods are the average values of the projects implemented.

Initiative category & Initiative type

Energy efficiency in production processes	Machine/equipment replacement
---	-------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

1359

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

431000

Investment required (unit currency – as specified in C0.4)

1650000

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

The lifetime and payback periods are the average values of the projects implemented.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	ITW compares costs and benefits of proposed projects and uses net present value (NPV) calculations as we consider opportunities to improve performance.
Internal finance mechanisms	ITW uses internal finance mechanisms to drive emissions reductions through improving building services such as lighting and process improvements that include equipment upgrades.
Employee engagement	Since announcing the GHG emissions intensity target many ITW divisions have formed employee led teams to reduce their carbon footprints. The teams track their emissions, examine the sources in their respective businesses, find and implement reduction efforts. We have seen an increase in energy conservation projects over the years since introducing the target. The projects included increased equipment maintenance and lighting retrofits to HVAC upgrades and investigation into onsite solar arrays.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Other	Other, please specify (Battery-operated ground power supply for aircraft)
-------	---

Description of product(s) or service(s)

As an example of ITW's low-carbon products, ITW Ground Support Equipment has developed a battery-operated Ground Power Unit (GPU) for aircraft to offer as an alternative to diesel powered units. When compared to a diesel engine unit, the battery powered GPU offers customers a 75% reduction in CO2 emissions over a year's time when operating for 8 hours a day.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

Operating a diesel engine powered unit for 8 hours a day over a year's time vs. operating the battery powered GPU for the same number of hours over the same period.

Reference product/service or baseline scenario used

Diesel engine powered units are the most common source of ground power for aircraft.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

86

Explain your calculation of avoided emissions, including any assumptions

We used a published emission factor for the stationary combustion of diesel fuel and the EU electricity grid emissions factor for the electricity (used to charge the battery). We assumed 8 hour per day operation at varying loads and a total use of 262 kWh/day for 365 days. We then calculated the GHG emissions for both the diesel and battery powered units and the difference. Please note, the revenue percentage is for all low-carbon products, not just this example.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

29

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	We added new emissions sources: wood, refrigerants, direct use of CO2, purchased heating updated. We updated emission factors: UK-BEIS, published January 2022; National Greenhouse Accounts Factors: 2021, published August 2021; International Energy Association, September 2021 release; eGrid January 2022 release

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	The base year emissions will be recalculated for significant qualitative or quantitative changes in either organizational structure or methodology. These changes are defined below. Adjustment – Structural Changes The base year is to be recalculated when: • a significant number of business units/divisions or sites are either closed or divested whose loss results in an emissions reduction of 5% or more • a number of business units/divisions or sites are acquired, resulting in an emissions increase of 5% or more To determine the impact of a business change, calculate the total reporting emissions for the organization and the reporting emissions for the business(es) being removed or added, both for the current calendar year. Determine the percentage of the total emissions represented by the emissions of the business change. If these changes lead to a 5% or greater change in emissions, the base year emissions and those up to the current reporting year will be adjusted. Adjustment – Methodology Changes Methodology changes include updated emissions factors, GWPs, improved data access and updated calculation methods and protocols. If these changes lead to a 5% or greater change in emissions, the base year emissions and those up to the current reporting year will be adjusted. Other Changes • Errors exceeding 5% of the total emissions • ITW restates operating revenue Any organizational change that is significant enough to require a restatement of revenue is significant enough to require a base year emissions calculation. For example, the divestiture or acquisition of an operating segment

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

135081

Comment

2017 Scope 1 emissions were recalculated in 2021 because we added new emissions sources: wood, refrigerants, direct use of CO2, purchased heating updated. We also updated emission factors: UK-BEIS, published January 2022; National Greenhouse Accounts Factors: 2021, published August 2021; updated UK Government GHG Conversion Factors for Company Reporting, published July 2020; National Greenhouse Accounts Factors: 2020, published September 2020, and made minor corrections to reported figures.

Scope 2 (location-based)

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

517368

Comment

2017 Scope 2 location-based emissions were recalculated in 2020, because we updated UK-BEIS, published January 2022; National Greenhouse Accounts Factors: 2021, published August 2021; International Energy Association, September 2021 release; eGrid January 2022 release, and made minor corrections to reported figures.

Scope 2 (market-based)

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

517368

Comment

2017 Scope 2 location-based emissions were recalculated in 2020, because we updated UK-BEIS, published January 2022; National Greenhouse Accounts Factors: 2021, published August 2021; International Energy Association, September 2021 release; eGrid January 2022 release, and made minor corrections to reported figures. We had not calculated market-based emissions, many of the emissions/residuals we needed were not available. We used the grid average emissions factors/location-based to calculate the market-based GHG emissions.

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 2: Capital goods

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 5: Waste generated in operations

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 6: Business travel

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 7: Employee commuting

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 8: Upstream leased assets

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 10: Processing of sold products

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 11: Use of sold products

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 13: Downstream leased assets

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

The Scope 3 emissions for this category was not calculated for 2017.

Scope 3 category 14: Franchises

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

ITW does not have franchises.

Scope 3 category 15: Investments

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

There are no investment emissions to report for 2017.

Scope 3: Other (upstream)

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

There were no Other (upstream) emissions calculated for 2017.

Scope 3: Other (downstream)

Base year start

January 1 2017

Base year end

December 31 2017

Base year emissions (metric tons CO2e)

0

Comment

There were no Other (downstream) emissions calculated for 2017.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

109100

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Includes the greenhouse gas emissions from the combustion of natural gas, heating/fuel oil, diesel, gasoline, and propane, refrigerants and foam blowing agents and direct use of CO2. It also includes the N2O and CH4 from the combustion of wood.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

We use grid average figures to calculate the location-based emissions from electricity except where we have contacted electricity at a reduced emissions factor. To calculate our market-based emissions we remove the emissions covered by RECs, REGOs and solar energy production. We do not use the residual mix emissions factors.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

393034

Scope 2, market-based (if applicable)

303645

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

The Scope 2 emissions include electricity and purchased heat.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Purchased steam

Relevance of Scope 1 emissions from this source

No emissions excluded

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions excluded

Explain why this source is excluded

There are two locations within our reporting boundary that purchase steam. We have calculated the emission and they are not material. It represents .5 % of the total 2021 emissions.

Estimated percentage of total Scope 1+2 emissions this excluded source represents

1

Explain how you estimated the percentage of emissions this excluded source represents

The emissions from purchased steam were calculated and compared to the total emissions value.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from purchased goods and services is a significant percentage of ITW's Scope 3 emissions. We consider it an "80", meaning it is important to ITW and will take priority when we begin developing a reduction strategy. The calculation of the 2021 values will be completed in 2023.

Capital goods

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from capital goods and services falls within the "20" of ITW's Scope 3 emissions. In the case of Scope 3 emissions, a "20" is a category that is a small percentage of the footprint. The calculation of the 2021 value will be completed in 2023.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from fuel and energy related activities falls within the "20" of ITW's Scope 3 emissions. In the case of Scope 3 emissions, a "20" is a category that is a small percentage of the footprint. The calculation of the 2021 value will be completed in 2023.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from upstream transportation and distribution falls within the "20" of ITW's Scope 3 emissions. In the case of Scope 3 emissions, a "20" is a category that is a small percentage of the footprint. The calculation of the 2021 value will be completed in 2023.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from waste generated in operations falls within the "20" of ITW's Scope 3 emissions. In the case of Scope 3 emissions, a "20" is a category that is a small percentage of the footprint. The calculation of the 2021 value will be completed in 2023.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3885

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

We used the following to calculate the emissions from air travel: Flight mileage provided by the corporate travel agency US EPA emissions factors, revision date April 1, 2021 (based on distance travelled) IPCC global warming potentials, Fifth Assessment This emissions value has been third party verified. The business travel related emissions are 22% lower than the last reporting year, there was a decreased amount of air travel due to the pandemic.

Employee commuting

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from employee commuting falls within the "20" of ITW's Scope 3 emissions. In the case of Scope 3 emissions, a "20" is a category that is a small percentage of the footprint. The calculation of the 2021 value will be completed in 2023.

Upstream leased assets

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from upstream leased assets within the "20" of ITW's Scope 3 emissions. In the case of Scope 3 emissions, a "20" is a category that is a small percentage of the footprint. The calculation of the 2021 value will be completed in 2023.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from downstream transportation and distribution falls within the "20" of ITW's Scope 3 emissions. In the case of Scope 3 emissions, a "20" is a category that is a small percentage of the footprint. The calculation of the 2021 value will be completed in 2023. and the calculation of the 2021 value will be completed in 2023.

Processing of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from processing of sold products falls within the "20" of ITW's Scope 3 emissions. In the case of Scope 3 emissions, a "20" is a category that is a small percentage of the footprint. The calculation of the 2021 value will be completed in 2023.

Use of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from use of sold products is a large part of ITW's Scope 3 emissions. We consider it an "80", meaning it is important to ITW and will take priority when we begin developing a reduction strategy. The calculation of the 2021 values will be completed in 2023.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from end of life treatment of sold products falls within the "20" of ITW's Scope 3 emissions. In the case of Scope 3 emissions, a "20" is a category that is a small percentage of the footprint. The calculation of the 2021 value will be completed in 2023.

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The emissions from downstream leased assets falls within the "20" of ITW's Scope 3 emissions. In the case of Scope 3 emissions, a "20" is a category that is a small percentage of the footprint. The calculation of the 2021 value will be completed by in 2023.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

ITW does not have franchises

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This category is not relevant, it does not contribute to ITW's total anticipated Scope 3.

Other (upstream)

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No other categories are evaluated.

Other (downstream)

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No other categories are evaluated.

C-CG6.6

(C-CG6.6) Does your organization assess the life cycle emissions of any of its products or services?

	Assessment of life cycle emissions	Comment
Row 1	Yes	ITW Hi-Cone uses life cycle assessment to calculate the total GHG emissions and waste from their products.

C-CG6.6a

(C-CG6.6a) Provide details of how your organization assesses the life cycle emissions of its products or services.

	Products/services assessed	Life cycle stage(s) most commonly covered	Methodologies/standards/tools applied	Comment
Row 1	On a case-by-case basis	Other, please specify	ISO 14040 & 14044	ITW Hi-Cone, a leading supplier of plastic-based multi-packaging systems for global beverage and general products industries, assesses the life cycle emissions of their products. They invested in a study with their new post consumer resin supplier to analyze the financial and environmental savings from moving from virgin LDPE to recycled LDPE. This supports our movement toward a circular economy. By 2025, Hi-Cone is committed to providing a packaging solution that is 100 percent recyclable, compostable or biodegradable. Compared to paperboard six-pack options, Hi-Cone's new RingCycles™ demonstrates (from Lifecycle Assessment): • 73 percent less greenhouse gasses contributed to climate change; and • 90 percent less energy consumed during manufacturing and use.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	29170	We use wood as an energy source for boilers used in the manufacturing process.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

35

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

502134

Metric denominator

unit total revenue

Metric denominator: Unit total

14455.36

Scope 2 figure used

Location-based

% change from previous year

9

Direction of change

Decreased

Reason for change

We implemented several energy reduction projects and had an increase in revenue compared to last year.

Intensity figure

29

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

412746

Metric denominator

unit total revenue

Metric denominator: Unit total

14455.36

Scope 2 figure used

Market-based

% change from previous year

13

Direction of change

Decreased

Reason for change

We implemented several energy conservation projects and increased the purchase of renewable energy credits, revenue also increased.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Argentina	34
Australia	3097
Belgium	719
Brazil	3087
Bulgaria	6
Canada	999
China	2264
Colombia	38
Costa Rica	1
Czechia	765
Denmark	1044
Finland	349
France	2745
Germany	5408
Hungary	115
India	394
Ireland	463
Italy	1529
Japan	15
Malaysia	391
Mexico	346
Netherlands	666
New Zealand	302
Poland	262
Russian Federation	62
Slovenia	99
Republic of Korea	2379
Spain	2039
Sweden	32
Switzerland	296
United Kingdom of Great Britain and Northern Ireland	5360
United States of America	72889
South Africa	0
Slovakia	48
Portugal	45
Croatia	23
Taiwan, China	787

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Automotive OEM	25672
Construction Products	9906
Corporate	977
Food Equipment	11062
Polymers & Fluids	10229
Specialty Products	23565
Test & Measurement and Electronics	11224
Welding	16466

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Argentina	118	118
Australia	13833	13824
Belgium	1324	0
Brazil	1909	1909
Bulgaria	953	953
Canada	534	534
Chile	39	39
China	63869	63869
Colombia	19	19
Costa Rica	8	8
Croatia	333	333
Czechia	12786	2238
Denmark	814	772
Finland	50	50
France	2693	873
Germany	18040	884
Hong Kong SAR, China	20	20
Hungary	272	272
India	6237	6237
Ireland	761	0
Italy	5200	3195
Japan	322	322
Malaysia	14901	14901
Mexico	16919	16919
Netherlands	1424	232
New Zealand	251	251
Philippines	977	977
Poland	5296	5296
Portugal	73	73
Russian Federation	562	562
Slovenia	1218	1218
South Africa	54	54
Republic of Korea	20090	20090
Spain	7406	25
Sweden	52	3
Switzerland	7	7
Taiwan, China	5164	5164
Thailand	1491	1491
United Kingdom of Great Britain and Northern Ireland	3578	249
United States of America	182623	13853
Slovakia	814	814

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Automotive OEM	156277	112629
Construction Products	36430	31762
Corporate	3292	1646
Food Equipment	16966	13680
Polymers & Fluids	13106	11131
Specialty Products	82957	58726
Test & Measurement and Electronics	41717	39566
Welding	42287	34505

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	20096	Decreased	4.2	The total Scope 1 and 2 emissions for 2020 value is 480,293 t(metric) CO2e. In 2020 we covered 69,292 t(metric) CO2e with RECS, in 2021 we increased that coverage to 89,388 t(metric)CO2e there is a difference of 20,096 t(metric), Scope 2 emissions. a 4.2% decrease in the 2020 total according to the following formula: (Change in Scope 1 + 2 emissions in the reporting year attributed to the reasons describe in column "Reason" / Previous year Scope 1 + 2 emissions) * 100 = Emission value (percentage)
Other emissions reduction activities	7488	Decreased	1.6	The total Scope 1 and 2 emissions in 2020 is 480,293 t(metric) CO2e. We implemented many emissions reduction activities in the reporting year including lighting, equipment updates, maintenance of equipment and facilities. These activities decreased both Scope 1 and 2 emissions by 7,488 t(metric) CO2e, which is a 1.6% decrease in the 2020 total according to the following formula: (Change in Scope 1 + 2 emissions in the reporting year attributed to the reasons describe in column "Reason" / Previous year Scope 1 + 2 emissions) * 100 = Emission value (percentage)
Divestment	0	No change	0	There were no divestments.
Acquisitions	0	No change	0	Emissions for new acquisitions were not included in the reporting year.
Mergers	0	No change	0	There were no mergers in the reporting year
Change in output	61650	Increased	12.8	The total Scope 1 and 2 emissions in 2020 is 480,293 t(metric) CO2e. There was an increase in output in 2021 that impacted both Scope 1 and 2 emissions. We assumed the percentage of increase in output was equal to the percentage of increase in revenue, or an increase of 61,650 t(metric) CO2e, which is a 12.8% increase in the 2020 total emissions according to the following formula: (Change in Scope 1 + 2 emissions in the reporting year attributed to the reasons describe in column "Reason" / Previous year Scope 1 + 2 emissions) * 100 = Emission value (percentage)
Change in methodology	0	Please select	0	Although we updated the emissions factors, we recalculated the previous year's emissions with the new factors.
Change in boundary	0	No change	0	No boundary changes occurred.
Change in physical operating conditions	0	No change	0	No physical changes occurred.
Unidentified	12225	Decreased	2.5	The total Scope 1 and 2 emissions in 2020 is 480,293 t(metric) CO2e. We had a 12,225 t(metric) CO2e decrease in total Scope 1 and 2 emissions which was likely due to unreported projects implemented in either late 2020 or throughout 2021. These projects decreased both Scope 1 and 2 emissions by 2.5% from 2020 according to the following formula: (Change in Scope 1 + 2 emissions in the reporting year attributed to the reasons describe in column "Reason" / Previous year Scope 1 + 2 emissions) * 100 = Emission value (percentage)
Other	0	No change	0	No additional changes to include

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C-CG7.10

(C-CG7.10) How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?

Decreased

C-CG7.10a

(C-CG7.10a) For each Scope 3 category calculated in C6.5, specify how your emissions compare to the previous year and identify the reason for any change.

Business travel

Direction of change

Decreased

Primary reason for change

Other, please specify (Less travel)

Change in emissions in this category (metric tons CO2e)

1143

% change in emissions in this category

23

Please explain

There was less business travel in 2021 than there was in 2020.

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	72346	512727	585073
Consumption of purchased or acquired electricity	<Not Applicable>	289850.3	662894.6	952744.9
Consumption of purchased or acquired heat	<Not Applicable>	0	2460.32	2460.32
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	23.7	<Not Applicable>	23.7
Total energy consumption	<Not Applicable>	362220	1178082.92	1540301.92

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

No known sustainable biomass has been consumed.

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

72346

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

We consume eucalyptus, but do not have a certificate to show it is sustainable.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

No known other renewable fuels have been consumed.

Coal**Heating value**

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

No coal was consumed.

Oil**Heating value**

HHV

Total fuel MWh consumed by the organization

7399

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

We use distillate oil for heating our facilities.

Gas**Heating value**

HHV

Total fuel MWh consumed by the organization

448371

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

We use natural gas to produce heat used for heating the facilities, manufacturing processes, heating water and cooking in our cafeterias.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

56957

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

This is a combination of diesel, gasoline, propane consumed for stationary and mobile combustion.

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

585073

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	23.7	23.7	23.7	23.7
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

United States of America

Tracking instrument used

US-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

86994

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

There are more than 50 facilities in the US that are covered by wind RECs to find the commissioning year for each facility is an unreasonable task for this response.

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Low-carbon energy mix, please specify (Wind and unknown energy mix)

Country/area of low-carbon energy consumption

Belgium

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

7973.35

Country/area of origin (generation) of the low-carbon energy or energy attribute

Belgium

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Wind and unknown mix the origin is from various parts of the EU

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Low-carbon energy mix, please specify (Wind and unknown energy mix)

Country/area of low-carbon energy consumption

Czechia

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

28151

Country/area of origin (generation) of the low-carbon energy or energy attribute

Czechia

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Low carbon energy mix from various EU sources

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Denmark

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

789

Country/area of origin (generation) of the low-carbon energy or energy attribute

Denmark

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Wind sourced from various parts of the EU

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Low-carbon energy mix, please specify (Unknown)

Country/area of low-carbon energy consumption

France

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

44054

Country/area of origin (generation) of the low-carbon energy or energy attribute

France

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**Comment**

Originated from various parts of the EU

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Hydropower (capacity unknown)

Country/area of low-carbon energy consumption

Germany

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

46200

Country/area of origin (generation) of the low-carbon energy or energy attribute

Germany

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**Comment**

Combination of hydro and low carbon mix sourced from various regions of the EU

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Ireland

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2575

Country/area of origin (generation) of the low-carbon energy or energy attribute

Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**Comment**

Wind originated from various parts of the EU

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Netherlands

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3854

Country/area of origin (generation) of the low-carbon energy or energy attribute

Netherlands

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Combination of wind and hydro originating from various regions of the EU

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify (Unknown)

Country/area of low-carbon energy consumption

Spain

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

37055

Country/area of origin (generation) of the low-carbon energy or energy attribute

Spain

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Unknown mix from various regions of the EU

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Sweden

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

4082

Country/area of origin (generation) of the low-carbon energy or energy attribute

Sweden

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Combination of wind and hydro from various regions of the EU

Sourcing method

Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier

Electricity

Low-carbon technology type

Other biomass

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Tracking instrument used

REGO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

16586

Country/area of origin (generation) of the low-carbon energy or energy attribute

United Kingdom of Great Britain and Northern Ireland

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Unknown source of wood

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Argentina

Consumption of electricity (MWh)

408

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

408

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Australia

Consumption of electricity (MWh)

15049

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

15049

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Belgium

Consumption of electricity (MWh)

7973

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

7973

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Brazil

Consumption of electricity (MWh)

18286

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

18286

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Bulgaria

Consumption of electricity (MWh)

2180

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2180

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Canada

Consumption of electricity (MWh)

4116

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

4116

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Chile

Consumption of electricity (MWh)

89

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

89

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

China

Consumption of electricity (MWh)

102075

Consumption of heat, steam, and cooling (MWh)

0.2

Total non-fuel energy consumption (MWh) [Auto-calculated]

102075.2

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Colombia

Consumption of electricity (MWh)

100

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

100

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Costa Rica

Consumption of electricity (MWh)

1276

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1276

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Croatia

Consumption of electricity (MWh)

1869

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1869

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Czechia

Consumption of electricity (MWh)

28881

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

28881

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Denmark

Consumption of electricity (MWh)

8201

Consumption of heat, steam, and cooling (MWh)

99

Total non-fuel energy consumption (MWh) [Auto-calculated]

8300

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Finland

Consumption of electricity (MWh)

541

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

541

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

France

Consumption of electricity (MWh)

50057

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

50057

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Germany

Consumption of electricity (MWh)

51838

Consumption of heat, steam, and cooling (MWh)

517

Total non-fuel energy consumption (MWh) [Auto-calculated]

52355

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Hong Kong SAR, China

Consumption of electricity (MWh)

24

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

24

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Hungary

Consumption of electricity (MWh)

1187

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1187

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

India

Consumption of electricity (MWh)

8590

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

8590

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Ireland

Consumption of electricity (MWh)

2575

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2575

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Italy

Consumption of electricity (MWh)

18176

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

18176

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Japan

Consumption of electricity (MWh)

659

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

659

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Republic of Korea

Consumption of electricity (MWh)

38836

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

38836

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Malaysia

Consumption of electricity (MWh)

22411

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

22411

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Mexico

Consumption of electricity (MWh)

42468

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

42468

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Netherlands

Consumption of electricity (MWh)

3854

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3854

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

New Zealand

Consumption of electricity (MWh)

2044

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2044

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Philippines

Consumption of electricity (MWh)

1447

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1447

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Poland

Consumption of electricity (MWh)

7929

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

7929

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Portugal

Consumption of electricity (MWh)

306

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

306

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Russian Federation

Consumption of electricity (MWh)

660

Consumption of heat, steam, and cooling (MWh)

1843

Total non-fuel energy consumption (MWh) [Auto-calculated]

2503

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Slovakia

Consumption of electricity (MWh)

5874

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

5874

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Slovenia

Consumption of electricity (MWh)

4997

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

4997

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

South Africa

Consumption of electricity (MWh)

58

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

58

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Spain

Consumption of electricity (MWh)

37179

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

37179

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Sweden

Consumption of electricity (MWh)

4082

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

4082

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Switzerland

Consumption of electricity (MWh)

304

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

304

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Taiwan, China

Consumption of electricity (MWh)

9287

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

9287

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

Thailand

Consumption of electricity (MWh)

3202

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3202

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of electricity (MWh)

16852

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

16852

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

Country/area

United States of America

Consumption of electricity (MWh)

426829

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

426829

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C-CG8.5

(C-CG8.5) Does your organization measure the efficiency of any of its products or services?

	Measurement of product/service efficiency	Comment
Row 1	Yes	Where applicable, ITW businesses measure the energy efficiency of the products produced. Examples include welders, commercial kitchen equipment and ground power supply units. We are not able to provide the efficiency information for these products.

C-CG8.5a

(C-CG8.5a) Provide details of the metrics used to measure the efficiency of your organization's products or services.

Category of product or service

Power generation equipment

Product or service (optional)

Battery powered ground power unit (GPU) developed by ITW GSE provides electricity to power an aircraft's electrical system while parked at a gate. The battery powered GPU offers an energy efficient alternative to traditional diesel-powered units and is estimated to reduce GHG emissions by 90% over a year.

% of revenue from this product or service in the reporting year

0

Efficiency figure in the reporting year

0.95

Metric numerator

megawatt hour (MWh)

Metric denominator

megawatt hour (MWh)

Comment

The ITW GSE400 Hz converter and charger have a listed efficiency of greater than .95. This GPU is plugged into an electrical outlet to charge the batteries, when it is in operation it uses the battery power. It does not have moving parts, which would decrease efficiency. In 2021 the percentage of revenue from all low-carbon products was 29%, the actual percentage of sales for individual products is proprietary information.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

31363

Metric numerator

US tons

Metric denominator (intensity metric only)

NA

% change from previous year

4.2

Direction of change

Decreased

Please explain

There was a decrease in the amount of combined solid hazardous and non-hazardous waste from our operations. Some conservation efforts from ITW businesses included increased efforts to reduce scrap materials, employee education on waste reduction, increased recycling and composting.

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	We invested in a study with our new post-consumer resin supplier to analyze the savings from moving from virgin low density polyethylene (LDPE) to recycled LDPE and with additional stakeholders to increase plastic recycling rates and research ways to improve the plastic recycling infrastructure.

C-CG9.6a

(C-CG9.6a) Provide details of your organization’s investments in low-carbon R&D for capital goods products and services over the last three years.

Technology area

Recycling

Stage of development in the reporting year

Small scale commercial deployment

Average % of total R&D investment over the last 3 years

≤20%

R&D investment figure in the reporting year (optional)

0

Comment

We prefer to not disclose the amount invested in this project. For details on the project visit https://hi-cone.com/wp-content/uploads/2021/03/Hi-Cone_AnnualReport_English_031721.pdf

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

GHG-Energy-Verification Statement ITW 2021_Final.pdf

Page/ section reference

Pages 1-3 The GHG emissions values have been rounded in the verification statement.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

GHG-Energy-Verification Statement ITW 2021_Final.pdf

Page/ section reference

Pages 1-3 The GHG emissions values have been rounded in the verification statement.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

GHG-Energy-Verification Statement ITW 2021_Final.pdf

Page/section reference

Pages 1-3 The GHG emissions values have been rounded in the verification statement.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

Other, please specify (Collect waste quantities, reduction targets and progress annually from suppliers.)

% of suppliers by number

1

% total procurement spend (direct and indirect)

30

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

Steel and resin suppliers represent the largest categories of spending for ITW. Keeping with our 80/20 business model we have focused on the suppliers that represent the "80" of this spending category, they are the largest members of our supply chain. In 2021 we created a supplier engagement program which focuses on our "80" steel and resin suppliers' management of climate change. This program will be an annual campaign which includes education on GHG emissions and climate change, ITW's Sustainability Strategy, and how we can collaborate towards a circular economy. Each year we will collect GHG emissions data from these suppliers for our Scope 3 footprint; inquire about their emissions reduction targets, timing and progress; the percentage of renewable energy consumed; waste reduction targets, timing and progress. We are also encouraging our resin and steel suppliers to provide us with recycled materials where possible. The program was scheduled to launch in Q1 of 2022.

Impact of engagement, including measures of success

Our goal for 2021 was to create a supplier engagement program focusing on our "80" steel and resin suppliers' management of climate change. This program will be an annual campaign which includes education on GHG emissions and climate change, ITW's Sustainability Strategy, and how we can collaborate towards a circular economy. Each year we will collect GHG emissions data from these suppliers for our Scope 3 footprint; inquire about their emissions reduction targets, timing and progress; the percentage of renewable energy consumed; waste reduction targets, timing and progress. We are also encouraging our resin and steel suppliers to provide us with recycled materials where possible. This program's intended impact is to educate the largest members of our supply chain on climate change and to elicit their support in reducing our Scope 3 emissions. Measures of success included completing the program's development, receiving management's approval of the program and making the selected suppliers aware of the program's upcoming launch. We achieved each of these measures and the program was launched as planned in Q1 of 2022. We met with our "80" steel and resin suppliers to introduce the program. We have completed the education phase and are currently in the surveying phase. We are now collecting the GHG emissions, renewable energy use; information on emissions reduction targets, timing and progress; the percentage of renewable energy consumed; waste reduction targets, timing and progress.

Comment

NA

Type of engagement

Other, please specify (Compliance and onboarding, technology discussions to reduce scope 3 emissions.)

Details of engagement

Other, please specify (ITW has engaged with significant suppliers to our businesses to solicit their input on reducing material consumption, switching to lower GHG-intensive materials, and understanding suppliers' own commitments to reducing their environmental impact..)

% of suppliers by number

1

% total procurement spend (direct and indirect)

20

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

ITW is committed to working with suppliers who operate with similar dedication to global environmental sustainability. We strive to foster responsibility across our value chain, including partnering with our global supplier network to ensure we are all committed to the highest level of integrity and ethical standards. It is for this reason that we expect our suppliers to focus on reducing the overall environmental impact of their activities and related carbon footprint, landfill waste, and water usage and will partner with ITW as we strive to meet our own environmental impact reduction goals.

Impact of engagement, including measures of success

In 2021, ITW reported that ~85% of our steel is from recycled scrap metal, 7% of our resin is from recycled sources, and 16% of our addressable solvents and oils are from recycled sources.

Comment

NA

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Collaboration & innovation	Other, please specify (Customer back innovation is part of the ITW Business Model. We work with our customers to create products which eliminate their pain points which often includes energy efficiency.)
----------------------------	---

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

We engage with all our customers, because they are key to our success. The ITW Business Model guides our approach to innovation, which starts with our customers and their pain points. Our customers are often challenged with environmental issues, such as how to reduce energy use or emissions. We have continuous engagement with our customers and partner with them on the design and development of our solutions to ensure we are enhancing the positive impact while solving their pain points. As an example, the commercial food equipment sector seeks ways to reduce energy and water consumption. We work with these customers to create products that allow them to reduce their environmental impact while meeting performance requirements. Many of the resulting products are ENERGY STAR certified which are certified to conserve energy, cutting GHG emissions. While every division is different, they all focus on long-term sustainability as appropriate to meet customer needs relative to clean technology (clean-tech), including water conservation, renewable energy use and emissions reduction. Although we engage with all our customers seeking fresh solutions, not all of them are seeking to reduce their climate change related impacts.

Impact of engagement, including measures of success

Regarding ITW's clean-tech products, which in turn help our customers reduce the environmental impact of their own products, ITW is proud to share that 29 percent of 2021's overall revenue was from clean-tech products. This is an increase of 3.5 percent from 2020's amount. Examples of these products include ITW Food Equipment Group's Energy Star Rated products. The US Environmental Protection Agency and US Department of Energy recognized ITW as Energy Star Partner of the Year - Sustained Excellence recognition for the 14th year in a row for its ongoing industry leadership in the commercial food equipment sector and its corporate commitment to sustainability. The Sustained Excellence award is the highest honor bestowed by the ENERGY STAR program. Winners are part of a distinguished group that has made a long-term commitment to fighting climate change and protecting public health through energy efficiency. They are among the nation's leaders in driving value for the environment, the economy and the American people. In 2020 ITW Food Equipment Group brands introduced 48 new ENERGY STAR certified models to market and in 2021 every brand saw an increase in ENERGY STAR certified products. They also help raise the visibility of ENERGY STAR certified commercial food service products and educate on the benefits of choosing ENERGY STAR certified products to conserve energy and reduce GHG emissions. In 2021 ITW's Food Equipment segment accounted for 14% (approximately \$2 billion) of ITW's total revenue.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Other partners in the value chain that ITW regularly engages with are our domestic and international shareholders. Each year, ITW engages with shareholders holding a majority of our shares regarding environmental, social and governance topics, shareholder proposals and any other topics of interest to our investors, and we share feedback we receive from our investors with our Board. We have received valuable inputs from our investors related to our progress in executing our sustainability strategy. We have also received supportive feedback regarding Board composition, diversity and inclusion strategies, goals and progress, our response to COVID-19, our greenhouse gas emissions intensity reduction target, and our continuous journey to utilize the SASB Materiality Map® and the Task Force on Climate-related Financial Disclosures (TCFD) framework to guide our sustainability related disclosures.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, and we do not plan to have one in the next two years

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Given the decentralized nature of ITW we rely on the individual businesses that engage with trade associations to ensure that the engagement activities are consistent with ITW's overall strategy.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Extended Producer Responsibility (EPR)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

California Senate Bill No. 54

Policy, law, or regulation geographic coverage

Sub-national

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Neutral

Description of engagement with policy makers

ITW's position on California Senate Bill No. 54 is neutral, we interacted with members of the CA assembly on the pending legislation in 2021, but did not put forth a view. California Senate Bill No. 54 includes Extended Producer Responsibility, a strategy to place a shared responsibility for end-of-life product management on producers, and other entities involved in the product chain, instead of the general public; while encouraging product design changes that minimize negative impacts on human health and the environment at every stage of the product's lifecycle. There is emphasis on recycling, use of recycled materials reduces GHG emissions compared to the use of virgin materials.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

No, we have not evaluated

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

National Association of Manufacturers

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

In an April 22, 2021 Press Release , the CEO of the National Association of Manufacturers stated, "Climate change is an issue our generation must tackle..." As a company, ITW is taking measures to reduce greenhouse gas emissions in our operations and to support our customer's efforts to fight climate change with the products we provide. ITW is not attempting to influence the position of the National Association of Manufacturers.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

40000

Describe the aim of your organization's funding

The aim of our funding is to cover minimal participation membership.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

itw_2021sustainabilityreport_final.pdf

Page/Section reference

Governance - pp. 7-8 Strategy - pp. 7-8, 35 Risk & opportunities - p. 4, 7, 35 Emissions figures - pp. 29-30 Emission target - pp. 2, 28, 29 Other metrics, Energy consumption and waste - pp. 30-31

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

NA

Publication

In other regulatory filings

Status

Complete

Attach the document

2022-Proxy-Statement.pdf

Page/Section reference

Target - pp. 3, 18

Content elements

Emission targets

Comment

The ITW 2022 Proxy Statement describes ITW's progress towards meeting the GHG intensity target in the "Our Environment" section on page 3. The Shareholder Outreach Activities section of page 18 describes ITW's engagement with shareholders.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, but we plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.6

(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
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C16. Signoff

C-FI

(C-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.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

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