



Community Involvement

Deeply rooted in our corporate values since the company's founding over 100 years ago, ITW is committed to investing in the communities where our colleagues live and work. In 2015 alone, ITW gave more than \$21 million to a wide range of nonprofit organizations. Education remains the core area of focus, with additional support for arts, culture and other community organizations.

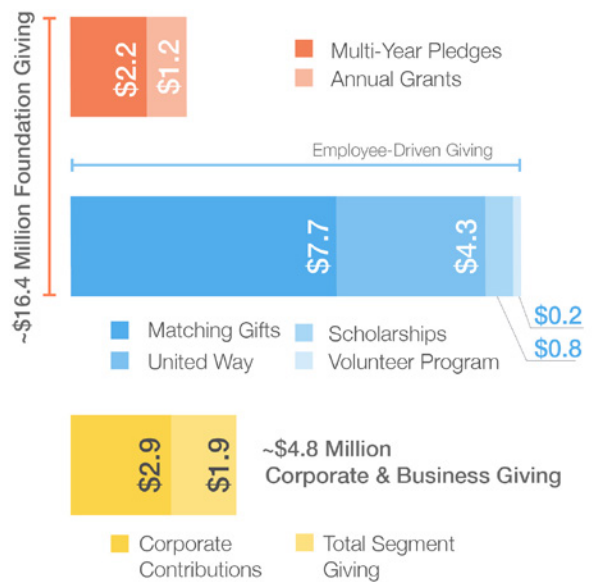
Giving at ITW

While philanthropy is deeply embedded in our values and leadership support is strong, our community investments are truly driven by our people providing donations, volunteering their time and working together to get involved where they can have the most impact.

ITW's giving takes a variety of forms, including sponsorships, grants, product donations, team member involvement in nonprofit organizations and community projects, and thought leadership of its executive team on nonprofit and civic boards. True to our decentralized culture, much of this giving is driven by our colleagues. For example, the ITW matching gift program is designed to supplement the support our colleagues give to the causes they are passionate about serving. With thousands of ITW people giving from their hearts, together, we have real impact.

In addition, in the U.S. and Canada, ITW is fully committed to supporting our colleagues' causes and their communities through a dedicated partnership with United Way, a robust 3-for-1 matching gift program, scholarships to ITW colleagues' children and recognition of our team member volunteerism with donations for their service hours. **ITW is committed to reinvesting approximately 1 percent of annual pre-tax income to our communities.**

2015 Total ITW Community Investment ~\$21 Million



All across the enterprise, ITW's businesses also work in their local communities to help develop the next generation of skilled workers because each of our industries faces unique but similar challenges in the training, hiring and retention of a talented workforce. **As part of our commitment to education and communities, ITW provides financial support, time and other resources to aid in the development of a skilled workforce**, which benefits schools, communities, our customers and suppliers, and ITW's businesses.

Strong United Way partnership continues

As part of its overall giving program, ITW colleagues around the U.S. and Canada demonstrate strong support for United Way each year, and 2015 was no exception.

In addition, United Way's structure supports ITW's decentralized business model and allows ITW colleagues to contribute to their local areas and support specific initiatives of their choosing. **In fact, ITW financial support extended to over 500 local United Way organizations in the North America network!**

Supporting our wounded troops

In 2015, Rain-X®, an ITW Global Brand, announced its partnership with NAPA® Auto Parts to support the Intrepid Fallen Heroes Fund, which honors those who served or are serving in the United States armed forces and their families.

The partnership gives consumers the opportunity to support troops who have been wounded or injured in the line of duty. When consumers purchase a pair of Rain-X Latitude® Wiper Blades at any participating NAPA AutoCare Centers location, they have the option to receive a \$10 gift card or donate their \$10 rebate to the Intrepid Fallen Heroes Fund. During the promotion of the partnership, ITW sold \$1 million worth of Rain-X wiper blades at NAPA stores, providing the opportunity for strong financial support to the Fund.

“We are truly grateful for the men and women who serve to protect the United States of America, and it’s our privilege to contribute to such a great cause of providing financial assistance to military families and wounded veterans, through our partnership with NAPA Auto Parts,” says Harley Johnson, brand director for ITW Global Brands.

Since 2000, the nonprofit Intrepid Fallen Heroes Fund has provided close to \$150 million in support for military families and severely injured veterans with donations from countless individuals who have contributed to the fund. Rain-X is proud to contribute to such a valuable organization.

NAPA is a registered trademark of National Automotive Parts Association.

Investing in employees through scholarships

Each year, the ITW Foundation awards scholarships to support the educational pursuit of students attending a trade school or college. These deserving students are the children of ITW team members across a variety of business units, and in 2015, over \$784,000 in scholarships was awarded to 324 students.

Instron, a manufacturer of mechanical properties testing equipment based in Norwood, Mass., was honored to have two scholarship winners in 2015. “As an ITW business, we are lucky to have a wide range of benefit offerings, which I think is a differentiator for us,” said Instron Human Resources Director Duncan Warner. “We have always been a family-oriented business unit, and the scholarship program is an offering that has had a positive impact on the culture of our company.”

“We are so grateful that ITW offers this scholarship program to its employees and their families. It has helped alleviate some of the burden of the costs associated with attending higher education,” said Joe Bergen, a member of the Instron team and father of a 2015 scholarship recipient.

Aalok Patel, son of Instron’s Devang Patel and a 2015 scholarship recipient, also shared his appreciation. “I am honored to have received the ITW scholarship to use toward my BS/MS engineering program at Drexel University, and I appreciate ITW’s generosity in helping me build a career in a STEM field.”

ITW is pleased to support its colleagues and their families with this investment in their future.

Boosting the talent pipeline

As part of their commitment to education, ITW's businesses work to develop the next generation of skilled workers in their local communities.

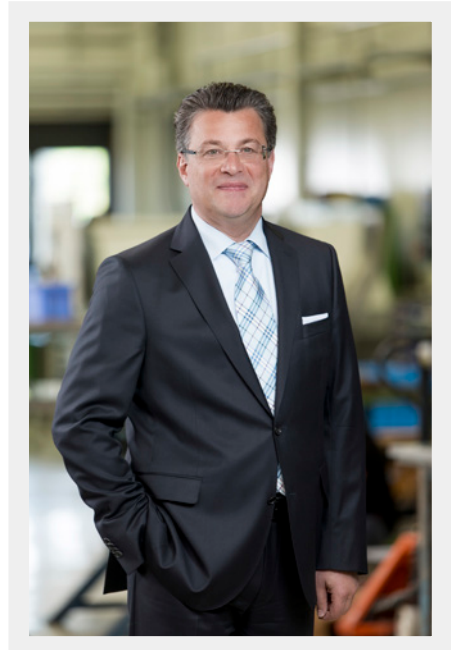
In our Food Equipment segment, businesses around the world are engaged in these efforts. Dr. Lei Schlitz, executive vice president of the Food Equipment segment, describes the programs as partnerships between ITW businesses and local universities and organizations.

"We are committed to tailoring our workforce programs to meet the needs of our communities as well as ITW and our customers," said Dr. Schlitz. "This approach is consistent with our belief that creating job opportunities at all levels is essential for our communities to thrive."

For example, HOBART Germany offers several apprenticeship programs that provide practical education for local university students, allowing them to use the skills gained in school in a professional field. Students rotate between working at the company for three months, typically in engineering or business administration, and taking classes at the university for three months. This structure helps students pay for their education as they go. Students have the opportunity to investigate problems, streamline processes and tackle analytical tasks. HOBART's facilities also have more than 45 apprentices who rotate through five or six jobs in different areas of the company.

"We are thrilled to be giving back to the community in a way that helps students gain real-world experience in the industry so early on," said Silvio Koch, vice president and general manager of Service, Europe for HOBART Germany. "They also develop skills that they will utilize throughout their career." With the aid of these apprenticeship programs, HOBART is also able to recruit its own management trainees, and many of the programs' alumni are members of the HOBART management team.

The business's recruiting initiatives have a strong link to diversity and inclusion, including the development and promotion of female team members for positions traditionally held by men. For example, Carolin Köster started her career as an apprentice at HOBART while studying business administration. Carolin demonstrated her potential from the beginning and was given the opportunity to attend ITW's Early in Career development program as well as HOBART's "TALENT FOR THE FUTURE" program. Completing these trainings helped her develop the necessary



Silvio Koch, vice president and general manager of Service, Europe for HOBART Germany



Carolin Köster started with HOBART as an apprentice

Working Together

skills for her current role as business unit manager for HOBART's international spare parts business.

In addition, Koch and his colleagues recently began a new program aimed at developing equipment service technicians in communities across Germany. The profession is highly valued and pays well, but is often overlooked as a career opportunity. HOBART is working in partnership with local vocational schools and universities to identify candidates and launch its training program to fill this critical worker shortage.



HOBART Germany is heavily involved in developing talent in its local community

Leveraging millennial insight

After analyzing the results of recent United Way campaigns, ITW noticed participation was lower among those who have been with the company for less than four years, a category that includes many of the company's young professionals.

In order to reach this important – and growing – group of colleagues, ITW reached out to the company's Young Professionals Network (YPN), an employee resource group dedicated to building a community of junior-level talent at the company.

Several members of YPN's leadership team joined the United Way steering committee and offered valuable insight into the behavior of millennials in order to help increase ITW's already strong support for the organization. Yash Siddhartha, new product development engineer with ITW Residential, noted a lack of awareness among young professionals about United Way's work in the community and why it is so important to ITW.

"As we got involved in the steering committee, we became more inspired by ITW's commitment to United Way," Siddhartha said. "We realized many younger team members probably weren't aware of just how deep the commitment runs. As a result, we were better able to identify opportunities for more thorough communication to all colleagues."

The team also looked at how millennials prefer to receive information. In a "click test," they discovered that donating to United Way via ITW's intranet took too many clicks. They suggested streamlining the process to make it faster and easier to participate - including making the campaign more visible on the home page and adding banners throughout the intranet to remind team members about the program.

The team also called YPN members across the U.S. to learn more about the campaign inside the various ITW businesses and identify ways the company's United Way steering committee could help. **In the decentralized culture of ITW, the network played a critical role in creating a more coordinated campaign.**

According to Michael Tenerelli, financial analyst in ITW's Test & Measurement and Electronics segment, one of the best experiences from the campaign was the United Way Day of Action. YPN invited its members from across the U.S. to participate, and 25 members from outside of the corporate office decided to get directly involved. "It was a great way to experience firsthand the difference ITW makes in our communities," Tenerelli said.

In addition to the Day of Action, the chair of ITW's United Way steering committee, Mike Zimmerman, executive vice president of Construction Products, spoke at a YPN event to explain ITW's commitment to United Way and encourage additional participation by members.

Tenerelli described YPN's involvement as mutually beneficial. He explains, **"I think we helped the campaign, but we were also able to provide our members with another opportunity to get connected into an important initiative for ITW. Our goal was always to help the campaign in a way that also engaged our members."**