



## Diversity & Inclusion

Diversity and inclusion (D&I) practices are integrated within our larger talent management strategy. That's because we know that our success depends on a high-performing global workforce that shares their unique perspectives, experiences and ideas to create differentiated products to serve our customers' needs.

### Launching a strategic D&I framework

In 2015, ITW formally launched its D&I framework to continue the solid progress we have made in building a diverse and inclusive workplace to drive innovation and organic growth. As a global organization serving customers in 57 countries, we have the opportunity to bring together people from communities around the world, to share their unique perspectives, experiences and ideas as we work together to find new ways of serving our customers' unique and diverse needs. **The framework seeks to firmly establish ITW as a best-in-class employer with a global, diverse workforce and an inclusive workplace. This is supported by leaders who visibly demonstrate their commitment to diversity and inclusion.** Specifically, ITW has identified four key areas of focus:

#### Leadership Commitment & Accountability

We expect our leaders to embody ITW's values with global cultural awareness. A core responsibility of a Great ITW Leader is to build and develop a diverse pipeline of talent, contribute to achieving our enterprise diversity goals and be a steward of our D&I initiatives.

#### Global, Diverse Talent

Diverse backgrounds bring unique perspectives, helping to drive innovation and organic growth – key objectives of ITW's business strategy. In order to successfully compete in a global market, we must continue to focus on attracting and retaining the best talent reflective of our global communities.

#### Inclusive Workplace

Creating an environment where team members feel valued is critical. This includes promoting employee development, actively seeking different perspectives and supporting Employee Resource Groups.

#### Best-in Class-Employer

We strive to be a best-in-class employer and commit to working diligently to strengthen and sustain ITW's unique and differentiated enterprise brand. Our efforts include sharing our progress and success and being an active member of our communities through key professional associations, universities and community partnerships that align with our D&I goals.

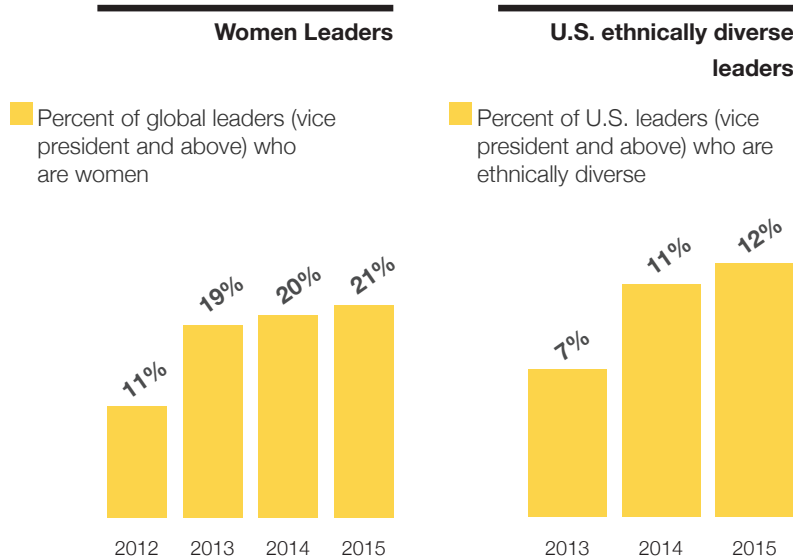


## Reporting 2015 diversity and inclusion data

Tracking our D&I progress keeps us focused and accountable. In keeping with our 2017 Enterprise Strategy goals, ITW set goals to increase the number of global female leaders and U.S. ethnically diverse leaders:

- 25% of leadership positions (vice president and above) held by women globally
- 10% of leadership positions (vice president and above) filled by leaders of diverse racial, ethnic and national backgrounds in the U.S.

Although we have already achieved our initial U.S. ethnically diverse leadership goal and are pleased with our progress in advancing women and diverse leaders, we know there is much more work to do. We are committed to continuing our efforts to expand the diversity of our talent pool across the enterprise.



## Establishing 2016 priorities

Much of our progress to date has been driven by our business leaders embracing the value of diversity and inclusion to drive the success of their businesses. ITW's Diversity & Inclusion Leadership Council and Women's Leadership Development Council (WLDC) have played important roles in setting clear objectives, ensuring continued visibility of our organizational commitment to diversity and inclusion, and providing support to our Employee Resource Groups (ERGs) across ITW. **The ERGs provide opportunities for individuals to expand their networks, learn from each other, enhance their knowledge of ITW and its differentiated business model, and become more engaged in their workplace.** All of which, in turn, increases ERG participants' leadership and professional capabilities, and supports them in developing their ITW careers.

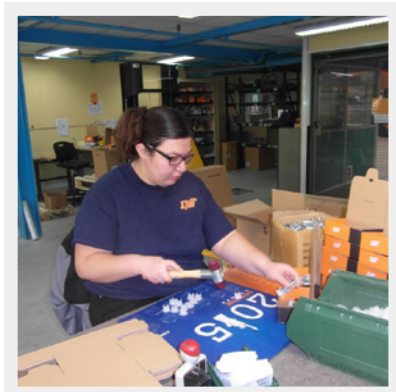
In 2016, we intend to continue refining the structure and function of our ERGs to ensure we are meeting the needs of our colleagues. **We are working to continue to build on the success of our ERGs, expand globally and create more opportunities for team members to connect and engage.** We look forward to continuing their work and creating additional opportunities for our colleagues of all backgrounds to have successful careers at ITW!

## Advancing workers with disabilities

**ITW's commitment to talent development includes fostering and capitalizing on a diverse workforce. This includes supporting the career development of workers with disabilities.**

In France, the law requires companies with a workforce of more than 20 people to hire a minimum of 6 percent disabled workers. For more than 20 years, ITW's SPIT business in France, which specializes in the manufacturing of concrete and steel fasteners, has gone above and beyond this requirement. Through the Establishment and Service Support through Work (ESAT), SPIT France currently employs 120 people with deafness, epilepsy, autism and other disabilities in both part-time and full-time positions. SPIT France provides an adapted work environment in which qualified educational supervisors demonstrate and explain the necessary tasks for specific jobs in assembly, packaging, product marking and marketing.

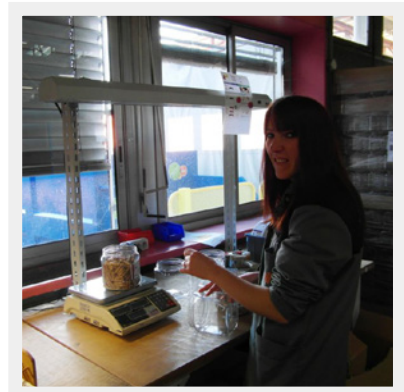
"We are dedicated to helping all colleagues progress in their careers, and the career development of team members with disabilities is a priority," said Myriam Reymond, employment coordinator at SPIT France. "Working together, we have created an environment here that gives all of us the opportunity to succeed. The program specifically helps our colleagues with disabilities excel with their education, advance in their careers, develop business skills and gain social autonomy."



*SPIT France employs more than 120 workers with disabilities*



*SPIT provides an adapted work environment as needed*



*ITW is proud to be a place where people of all backgrounds can thrive*