



Talent Development

ITW is committed to recruiting, developing and retaining the best and brightest talent, and also to creating an inclusive environment where colleagues from varied backgrounds can work together and thrive. Sustaining ITW's core values and differentiated business model depends upon having a strong talent pipeline of leaders for our businesses around the globe. ITW wants its leaders to deeply understand our customers, embrace our values and develop expertise in the ITW Business Model.

ITW Great Leaders framework

Our Enterprise Strategy drives a focused leadership framework to assess, develop and select talent.

We expect our leaders to:

- Be experts in the practice of the ITW Business Model
- Make great strategic choices
- Deliver great results
- Be great talent managers
- Provide strong leadership



Andrew Mines
Group president, Construction

"The Great ITW Leaders framework has been the facilitator to build our talent capability with greater cross-divisional calibration, promoting internally those that demonstrate the expectations and assessing external talent against our leadership attributes. We have placed greater emphasis on results and how they are achieved, while making progress toward a high-performing team throughout the platform."

Developing talent for the future of ITW

Future leaders need opportunities to learn and grow, and ITW is committed to creating an environment where development is embraced and encouraged. True to our decentralized, entrepreneurial culture, we expect each team member to "own" his or her career, but provide support for performance and development planning and access to career opportunities outside their current business.

ITW also offers targeted leadership development programs such as the Early in Career Program and the Emerging Leaders Development Program. These programs are aimed at filling our leadership pipeline with talented, diverse individuals who will contribute to our future success.

Early in Career Leadership Development Program

An enterprise-wide program established in 2011 in which the company's **executives select a group of early in career leaders from across ITW's global businesses** to participate in an eight-month immersion leadership experience.

Participants learn what it's like to be a Great ITW Leader, experience the global nature of ITW's business through a session abroad in Shanghai and participate in an action learning project that addresses a current ITW business challenge.

In 2015, several graduates from the Early in Career (EIC) program were promoted into vice president and general manager (VP/GM) roles, where they now lead a division of ITW's business. We're proud of the hard work of our colleagues and excited about the success of this program in developing a pipeline of future leaders.



Meredith Platt
VP/GM Buehler

"As a past EIC participant and now as VP/GM, I can say without a doubt that the EIC program did an excellent job in preparing me for this new role. Through the program, I learned the skills and tools that make a great ITW leader and am leveraging those skills daily. Further, the network you gain from participating in the program is invaluable. My EIC team keeps in touch regularly to this day and we are always there to support each other."



Matt Davis
VP/GM ITW Medical

"The EIC program provided me a deeper understanding of the Enterprise Strategy and how it aligns with ITW's core values. The program also broadened my perspective – across business functions as well as across geographies, time zones and cultures – helping me to become a better global business leader."

Emerging Leaders Development Program

A three-year **college-hire leadership development program where participants work two 18-month rotation assignments** in different ITW businesses. Participants gain insight into what it means to be a functional leader and receive exposure to ITW's unique business model and processes.

As we enter 2016, the first group of Emerging Leaders Development Program (ELDP) participants will be finishing the program and entering full-time positions within ITW.



Lauren Moy
Human Resources

"Participating in the ELDP program gave me a foundational understanding of the ITW Business Model and how it can be applied in very different industries and businesses. I've been able to develop my professional skills and HR functional aptitude by working on a wide array of projects in different segments. I'm applying what I learned in my rotations to challenge myself, develop my career and contribute to the success and growth of ITW."



David Yim
Marketing

"The ELDP program has granted me many opportunities to learn not just cross-functionally but also across multiple segments. I will be bringing all that I have learned to ITW's Food Equipment Group segment, and am confident that I will contribute to driving results and growth in this new opportunity."

Acquiring top talent

ITW aims to recruit people who are curious, driven to contribute their best, committed to high ethical standards, team-oriented and community-minded, and reflect the diversity of our geographic reach. Together with our businesses, we engage in tailored recruiting activities across the globe to strengthen and expand our local talent pipeline to ensure it reflects the communities where we live and work.

For example, ITW Performance Polymers & Fluids (PP&F) China identified a need to recruit and develop locally based sales talent with stronger technical competencies and a clearer understanding of customer needs to better support ITW's focus on customer-back innovation. At the suggestion of general manager Frank Zhao, the HR team took on a more inclusive and holistic strategy, which led them to focus on attracting individuals with a strong technical background as well as career aspirations and potential for moving to sales. Since launching the strategy two years ago, PP&F China has successfully brought in individuals who meet these needs and have become part of a sales team driving continuous organic growth.

University and professional association partnerships

A key facet of our recruiting strategy is to work with local universities to identify the best and the brightest talent.

In the U.S., ITW has identified select universities to partner with based on national university rankings for engineering and business disciplines, and student diversity. The company works closely with the schools to identify and recruit talent that are a strategic fit for ITW's many U.S.-based businesses.

In 2015, we also increased our focus on local college chapters of national organizations such as the Society of Women Engineers (SWE), the Society of Hispanic Professional Engineers (SHPE) and the Society of Asian Scientists and Engineers (SASE). With this approach, we're able to build a strong reputation among college students.

As a result of these and other efforts, we made progress in 2015 in enhancing our university recruiting program and attracting talented people with diverse backgrounds. **In 2015, over 50 percent of ITW's U.S. college hires were either female or U.S. ethnically diverse.**

ITW also has similar partnerships around the globe. For example, in the U.K., Instron runs a two-year work placement program, in which students work at ITW while attending school. Several students each year are offered full-time, permanent positions at Instron. The business partners with a few targeted universities aimed at ensuring a talent pool of top candidates who are also diverse. In addition, Instron also works closely with the local schools to promote engineering among female students in order to further broaden the talent pool.



ITW participated in the annual SWE conference to recruit talent and strengthen relationships

Benefiting from talent development

Leadership development and talent management get a lot of attention across ITW. For example, the ITW Renovation/Remodeling division in the Construction segment has honed in on these priorities as a key driver of business performance.

After the scaling up of three businesses to become a larger, more focused division, the business knew it needed to continue innovating to solve customers' pain points and that innovation would require strong talent. The business' leadership recognized it needed to build a diverse and dynamic leadership team with internal and external talent to guide the expanded division going forward.

The first external hire was Angie Sheehan, current vice president and general manager of ITW Renovation/Remodeling. Working with the retiring vice president and general manager, Larry Matkovich, who had successfully led the division for several years, Sheehan quickly became familiar with the ITW Business Model and the division's accomplishments and opportunities. The talent search continued as key management positions needed to be filled in order to successfully operate within this new, larger division.

The business focused on identifying candidates who demonstrated the ability to be “Great ITW Leaders” and also brought diverse perspectives and experiences. Also important was finding individuals who would thrive in ITW's decentralized, entrepreneurial culture and who would collaborate with current team members to build on the business' prior success. ITW colleagues focus each day on applying the ITW Business Model and living our values in order to deliver differentiated performance for our customers.

While the process took time, the result has led to a high-performing team of leaders who have successfully identified and pursued key opportunities for innovation and growth. **In addition, the mix of internal and external talent on the management team has raised the bar for the entire division, particularly through a commitment to acting as “Great ITW Leaders” and sharing that approach with the entire team.**

Promoting local talent development

The talent market in Germany is fiercely competitive, in part due to the low unemployment rate.

To address that challenge, ITW's Delfast business, which produces fasteners for the automotive market, uses a bottom-up recruitment strategy to target university graduates. Through their efficient interview process, flexibility and quick turnaround on offers and contracts, the business has been able to make several successful hires.

Additionally, the business currently runs a Junior Project Manager program for new hires who graduated with a technical background. The program involves a rigorous onboarding process that provides a cross-functional overview of the division, experience-based learning on projects and processes, and training on soft skills such as presentation techniques. Currently, the program has five participants, and Delfast is in the process of hiring the next cohort to expand the program.



Delfast recruits university graduates for key roles

Developing future women engineers

ITW supports the education and career development of aspiring engineers, including introducing the field to students.

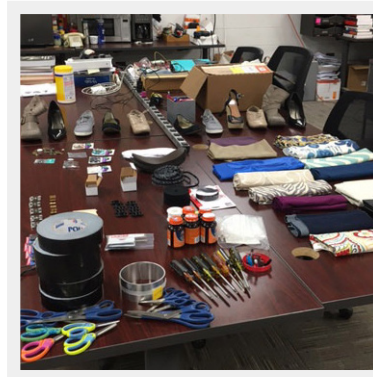
This past year, ITW hosted a program during Engineers Week designed to encourage high school girls to consider the engineering field. Partnering with the University of Illinois at Chicago's (UIC) Society of Women Engineers (SWE) chapter, 35 area high school students attended "Introduce a Girl to Engineering Day" at the UIC campus.

ITW engineers Vivian Sandoval and Rebekah Johnston co-led the event, which began with a lesson on force and pressure. Following the lesson, UIC SWE students led small teams of students through the process of designing a convertible shoe, keeping in mind how pressure changes as the base of the shoe changes. In addition, the day featured a panel of ITW women from engineering backgrounds, including Meghan Gallagher, industrial engineer, Test & Measurement; Anna Ky, design engineer, Construction; and Jennifer Perr, global marketing manager, Construction.

"We were very pleased with how engaged the students were in the activity as well as the panel discussion," Sandoval said. "Partnering with UIC SWE also gave us the opportunity to network with college students and enrich our talent pipeline of future ITW engineers."



ITW team members talk to high school girls about the engineering field



Students learned how to design a convertible shoe from various materials



The event also exposed young people to ITW as a potential future employer