



Worker Safety and Health

Protecting the safety and health of each and every ITW team member, every day, is of the utmost importance to ITW. We are focused on this objective at all levels of our organization. We know it takes all of us, working together, each day to provide our colleagues the resources to stay safe and healthy.

Managing our safety performance

Within our decentralized structure, the primary responsibility for implementing critical day-to-day safety and health initiatives resides at the business level. ITW's corporate team provides support, best practice guidelines and training opportunities, and management at each site is responsible for tracking data and driving improvement. At ITW, we strongly believe that **each and every team member, from senior leaders to the factory floor, has a role to play - together - in the safety of our team and workplace** around the globe.

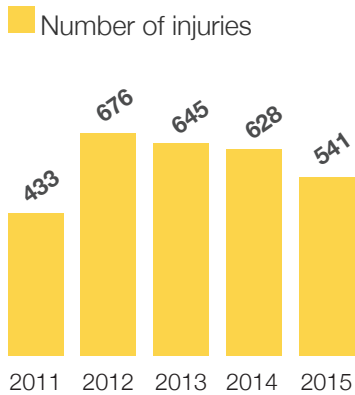
As part of our continuous improvement efforts, members of our leadership team regularly evaluate the management of safety across the enterprise to identify opportunities. **In 2015, our Construction Products segment made the decision to hire a full-time, segment-level safety colleague to partner with its businesses and drive safety improvement throughout its operations.**

"Our businesses have been doing a great job managing their safety performance, but we wanted a dedicated team member to help drive best-practice sharing across the segment," said Mike Zimmerman, executive vice president of Construction Products. "We believe this role will help drive collaboration and further improvement, something we're always striving for at ITW."

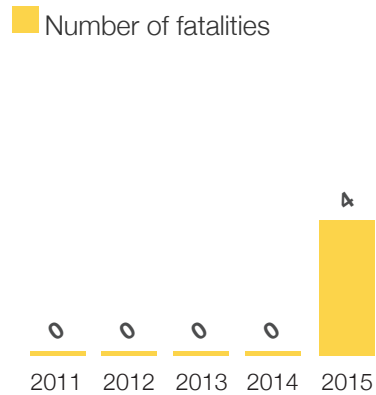
Reporting 2015 safety data

Continuous improvement is a tenet of ITW, and safety is no exception. We continued to make progress in 2015 on several of the safety statistics we track. For example, we are focused on reducing lost work days because those are generally associated with higher severity. After more than five years of zero fatalities, we were saddened this year to lose four team members in workplace incidents. Three of the people were killed in a single accident, and ITW is conducting a thorough investigation into this tragic event. The fourth fatality involved the loss of a team member in the workplace due to a personal health-related condition. We take these incidents seriously and remain dedicated to having zero injuries and fatalities.

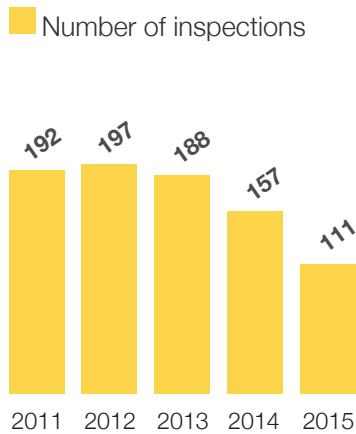
Injuries Resulting in Days Away



Fatalities



Government Safety Inspections



Government Safety Inspections' Resulting Fines



ITW businesses implement key safety objectives

ITW's businesses have primary responsibility for day-to-day implementation of the company's health and safety initiatives. Many of our businesses go well beyond what is required by law or corporate policies. In particular, our teams focus on these four safety objectives:

Team member involvement

Helps create ownership of safety and health through safety committees, safe behavior observation programs and extensive training

Near-miss reporting

Ensures that the organization identifies incidents and hazards and addresses them early – before they cause injuries

Job safety analysis process

Enables ITW to systematically analyze and improve any portion of a job that poses an undue risk

Communication

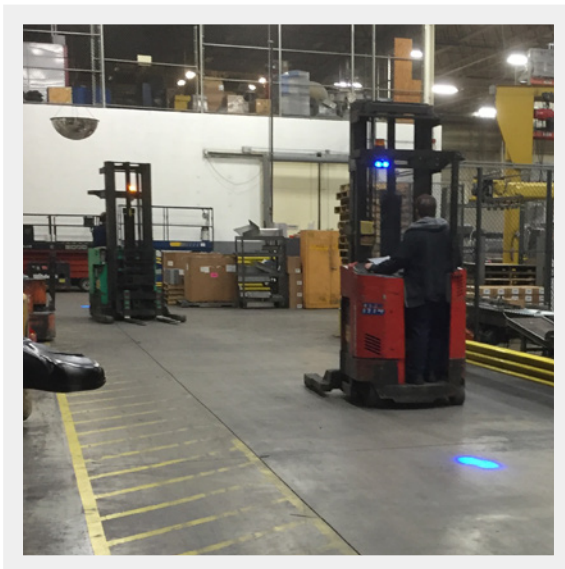
Drives strong management-team member relationships to ensure that responsibilities are clear and any issues are addressed and resolved in a safe manner

Safety as a team effort

When it comes to safety and health, ITW businesses rely on a team effort to ensure preparedness and identify areas for improvement.

At Permatex, a manufacturer of premium chemical products, the Solon, Ohio, facility employs a cross-functional safety committee to work together to make positive changes and address potential issues and concerns. Safety committee members share best practices and solutions from their respective departments to create a safer work environment.

In 2015, the committee implemented safety initiatives such as creating a pedestrian safety path throughout the distribution building with accident/collision sentry devices at two key intersections. Blue lights that shine backwards were also installed on all lift trucks, allowing pedestrians to see a lift truck around a corner and avoid a possible collision. Fifty line risk assessments were completed, which resulted in improvements to caution signage, the eye wash station and air circulation in the epoxy filling area. As a result of these initiatives and more, in early 2016 the facility celebrated nearly a year of being injury-free.



The Permatex team works together to improve safety



A pedestrian path helps prevent accidents

Environmental responsibility and health and safety around ITW

Across the globe, ITW businesses are making ongoing environmental, health and safety (EHS) improvements to reduce environmental impact and create a safer workplace. Here are just a few examples:

Bailly Comte - Genau, France

Bailly Comte, a manufacturer of plastic components for automotive applications, has started using trays to collect plastic scraps to increase raw material recycling. A system to recover heat from cooling units was also installed to help heat the facility. The business has also invested in additional levels of safety and health protection for workplace noise, falls and ergonomics.

Coeur, Inc. - Washington, North Carolina, U.S.

The Coeur facility improved its solid waste practices and increased plastics recycling. The diversion rate increased from a baseline of 68.5 percent in 2012 to 87.5 percent in the third quarter of 2015.

In addition, the business implemented a number of health and safety improvements, including daily safety tips, monthly safety quiz cards and a cross-audit with the nearby ITW Texwipe facility. Thanks to ongoing health and safety awareness and training, there has been a 50 percent year-over-year reduction in accidents for the last three years.

ITW Engineered Polymers - Houston, Texas, USA

The facility recycles spent solvent that is used for cleaning purposes. Working with a recycling vendor, the business accumulates approximately 30 drums of recyclable solvent, which is collected once every two months by a mobile distillation truck. In return, the business receives approximately 22 drums of clean solvent.

Proline - Queensland, Australia

To improve worker safety, ITW's Proline business and its fork lift truck supplier, Crown Forklifts, have piloted a system called Infosys. The system has a user interface on the lift truck, which requires a pre-operational inspection safety checklist. The system also de-energizes the lift truck and locks it out of service if it collides with any object. Infosys provides diagnostic data back to a central program, which is monitored by the warehouse supervisor and remotely by Crown.

ITW Heartland - Alexandria, Minnesota, USA

The facility has re-engineered work tasks that previously involved lifting machined parts from the floor. The new tasks utilize push carts to bring the parts up to the workers' waist height. This change has reduced risks from lifting and repetitive motion. ITW Heartland also has an aggressive Job Hazard Analysis program, which identified the need for cut-resistant gloves in certain machining jobs and for powered pallet jacks for lifting tasks.

Avery Weigh-Tronix - Smethwick, UK and Fairmount, Minnesota, USA

The Smethwick facility implemented a number of energy improvement measures in 2015, including consolidation of staff to the bottom-floor office, allowing the business to close off the top floor to reduce energy consumption. The facility also installed more energy-efficient lighting.

In Fairmount, the business replaced Methyl Ethyl Ketone (MEK) with Methyl Amyl Ketone (MAK), a less hazardous chemical, in the manufacturing process. The facility has also instituted team member-led safety inspections and risk assessments. In addition, Safety, Health and Environment (SHE) representatives serve as work-area health and safety references for their co-workers.