



## Illinois Tool Works Inc. Responsible Materials Policy

We have adopted this Responsible Materials Policy in support of our commitment to responsible sourcing of all source materials, whether legislated or non-legislated, and regardless of where they are sourced, processed or sold. This policy is intended to support compliance with applicable legal requirements regarding legislated materials and to reflect our respect for the human rights of those in our supply chain. As used in this policy, “legislated materials” has the meaning given to that term in each of the U.S. Conflict Minerals Rule and the EU Conflict Minerals Regulation (together, the “Regulations”). As set forth in the Regulations, “legislated materials” include tin, tantalum, tungsten, and gold generally and the more detailed list of materials within the scope of the EU Conflict Minerals Regulation (collectively, “3TG”). “Legislated materials” also include materials produced with forced labor that are subject to import restrictions under applicable laws covered in ITW’s Global Trade Restrictions Policy. “Non-legislated materials” are other materials that ITW has identified as presenting responsible sourcing risk.

### **3TG:**

ITW does not knowingly procure any 3TG that originates from a conflict-affected or high-risk area (a “CAHRA”), unless they are processed by smelters and refiners that are verified or in the process of becoming verified as “conflict free,” “conformant” or the equivalent by an independent third party (collectively referred to as “conflict free”).

Our due diligence processes and efforts conform to the relevant portions of the Organisation for Economic Co-operation and Development’s internationally recognized Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Consistent with the foregoing and the Regulations, we ask our suppliers to undertake due diligence with their supply chains to determine the location from which 3TG is sourced and whether the smelter or refiner is conflict free. This request is supported by ITW’s [Supplier Code of Conduct](#) and [Terms and Conditions of Purchase](#), which require our suppliers upon request to conduct their own due diligence and provide written documentation as to the origin of the 3TG in their products. In addition, suppliers are expected to maintain policies and procedures that support their due diligence and our expectation that suppliers source responsibly.

The information provided by ITW’s suppliers is used to conduct our due diligence. In addition to assessing supplier information for accuracy, completeness and consistency, we compare the smelter and refiner lists provided by our suppliers with the Responsible Mineral Initiative’s lists of “conformant” and “active” smelters and refiners to determine which facilities are third party-verified or in the process of becoming verified. Information provided by our suppliers is used to inform our risk assessments and risk mitigation activities and in the preparation of ITW’s Conflict Minerals Report and Form SD filed with the U.S. Securities and Exchange Commission each year and posted on our website.

If we discover that products procured by us contain 3TG from CAHRAs which is processed by facilities that are not conflict free or in the process of becoming conflict free, we will take steps in conjunction with the supplier to transition the products’ 3TG supply chain to conflict free sources or to seek to influence the smelter or refiner to become conflict free. We do not embargo responsibly sourced 3TG from CAHRAs (as doing so could be detrimental to the legitimate economies and populations of those areas). Suppliers are therefore encouraged to continue support of conflict free smelters and refiners and to take similar measures with their supply chains.

### **Other legislated materials and Non-legislated materials:**

Consistent with our decentralized operating structure, our individual businesses are responsible for assessing and addressing other material risks in their supply chains, based on their particular business and risk profile. In recognition of the different risk profiles of our businesses, we have elected not to take a prescriptive approach to this area of compliance, as we believe that enabling individual businesses to take a thoughtful, tailored approach to addressing these risks is more effective than a prescriptive approach. Our business units are expected to operate in accordance with our Core Values, the

ITW Statement of Principles of Conduct, the Supplier Code of Conduct, the Supplier Expectations, the Human Rights Policy and other ITW policies.

ITW also maintains a web- and telephone-based reporting system ([Helpline](#)), providing any interested party a confidential reporting mechanism by which they can communicate issues and concerns regarding ITW's supply chain.

Christopher A. O'Herlihy, President and CEO