



ILLINOIS TOOL WORKS INC. CONFLICT MINERALS POLICY STATEMENT

There is an increasing awareness of violence and human rights violations in the mining of certain minerals from an area described as the “Conflict Region,” located in the Democratic Republic of the Congo (DRC) and surrounding countries. As a result, the **Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010** directed the U.S. Securities and Exchange Commission (“SEC”) to adopt rules to implement disclosure requirements related to these “conflict minerals.” These rules apply to manufacturers who file periodic reports with the SEC and who manufacture or contract to manufacture products containing “conflict minerals” that are “necessary to the functionality or production” of those products. These manufacturers are required to make inquiries as to the origin of these “conflict minerals” and file a report with the SEC to describe and disclose the results of these inquiries.

“Conflict minerals” refers to **tin, tantalum, tungsten, and gold** (also known together as “3TG”), which are derivatives of cassiterite, columbite-tantalite, and wolframite, regardless of where they are sourced, processed or sold. The intent of these requirements in the Dodd-Frank Act is to further the humanitarian goal of ending violent conflict in the DRC and surrounding countries, which has been partially financed by the exploitation and trade of conflict minerals.

Illinois Tool Works’ Policy:

Illinois Tool Works supports the aims and objectives of the U.S. legislation relating to the supply of conflict minerals. Our due diligence processes and efforts conform to the relevant portions of the Organisation for Economic Co-operation and Development’s (“OECD”) internationally recognized due diligence framework for responsible supply chains of minerals from conflict-affected and high-risk areas.

We do not knowingly procure any 3TG that originates from the Conflict Region unless they originate from mines or smelters that are certified as “conflict free.” To ensure compliance with the Dodd-Frank Act, we ask our suppliers to undertake reasonable due diligence with their supply chains to determine whether 3TG is being sourced from:

1. mines and smelters outside the Conflict Region **or**
2. mines and smelters that have been verified by an independent third party as “conflict free” if sourced within the Conflict Region.

Illinois Tool Works’ [Supplier Code of Conduct](#) and [Terms and Conditions of Purchase](#) require our suppliers upon request to conduct their own due diligence and provide written documentation as to whether products containing 3TG used in the manufacture of our products, originate from outside the Conflict Region **or** if they originate from within the Conflict Region, that the mines or smelters be verified as “conflict free” by an independent third party.

If we discover products containing 3TG procured by us is produced in the Conflict Region from facilities that are not verified “conflict free” facilities, we will use our best efforts to transition the product to be

conflict free. While striving to avoid sourcing product containing 3TG from unverified smelters or refiners, Illinois Tool Works does not intend to prevent its suppliers from sourcing from verified mines located within the DRC and surrounding countries (as doing so could be detrimental to the legitimate economies and populations of those countries). Suppliers are encouraged to continue support of *verified* smelters in the Conflict Region and are advised to take similar measures with their sub-suppliers to ensure alignment and traceability throughout the supply chain and back to the smelter.

The information provided by Illinois Tool Works' suppliers is used to conduct our due diligence, including assessing reports for completeness and consistency. We compare the aggregation of smelter lists provided by our suppliers with the Conflict-Free Sourcing Initiative (CFSI) list of compliant smelters to determine which smelters are DRC conflict free. Information provided by our suppliers is used in the development of Illinois Tool Works' Conflict Minerals Report and Form SD filed with the SEC each year and posted on its web site.

Illinois Tool Works 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 Illinois Tool Works' supply chain.

E. Scott Santi

Chairman and CEO