



SustainabilITTy

2021 Supplement

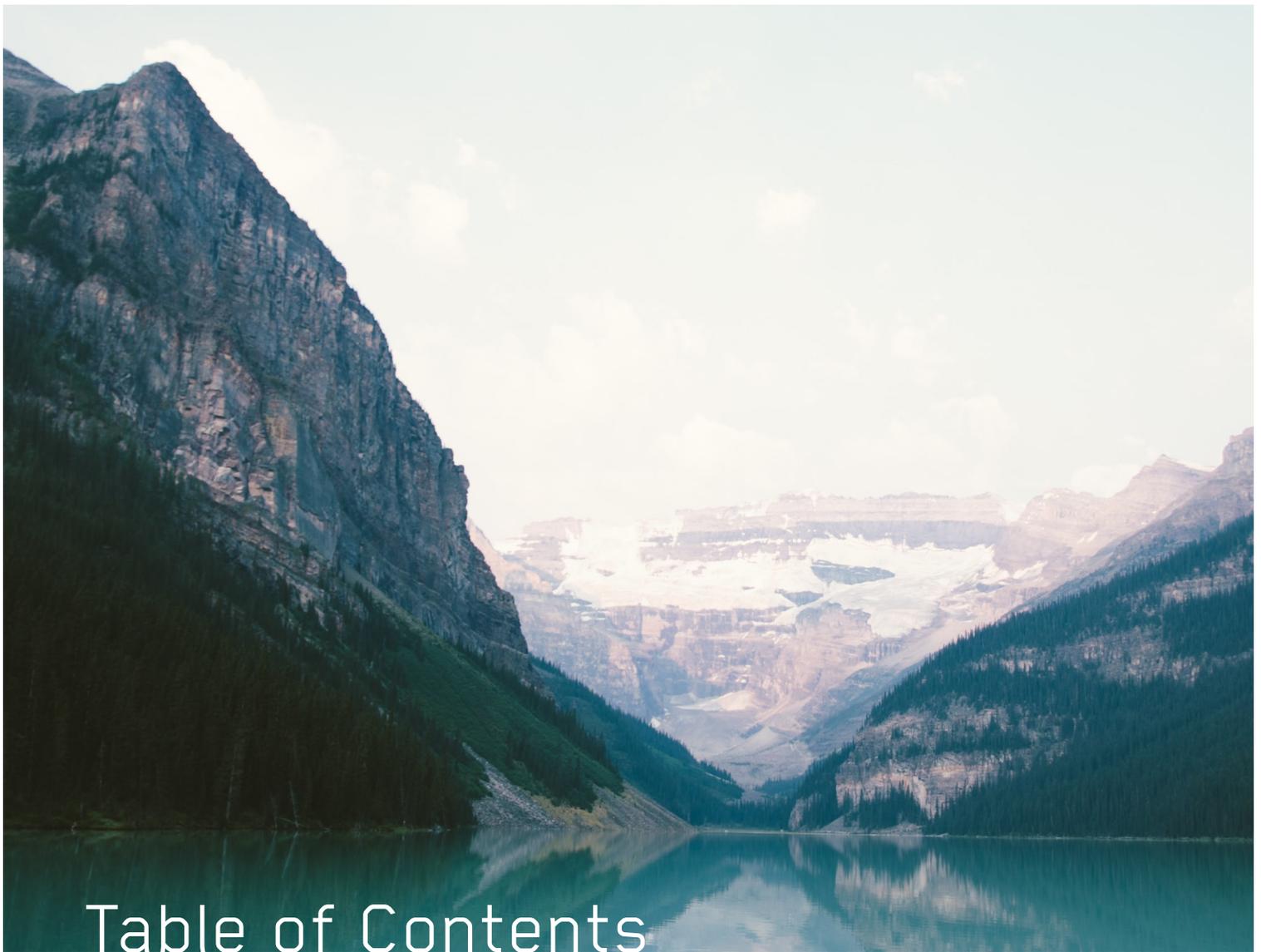


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2020 Highlights

We are pleased to present our **2021 Sustainability Report Supplement** to our stakeholders. This report shows the progress we have made in our sustainability journey.

Our – and everyone else’s – biggest challenge in 2020 was navigating the COVID-19 pandemic. During the pandemic, we focused on our greatest asset, our people. We implemented rigorous health protocols to ensure we could protect our people and safely operate our manufacturing facilities. We were focused on each other’s health and that of our families. We supported our customers and business, and we aided our communities, all while continuing to improve our ESG practices.

Some of the accomplishments that you will read about in this 2021 supplement include:

- 25 percent reduction in greenhouse gas (GHG) emissions
- 23 percent less waste sent to landfills
- 25 percent fewer workplace incidents
- 40 percent of board members are diverse
- Divestiture of all legacy asbestos liabilities

As a result of our actions and commitment, we maintained an “A” rating for our ESG profile, as measured by Morgan Stanley Capital International (MSCI), a leading provider of decision-support tools and services for the global investment community.

Looking ahead, we are accelerating the implementation of a comprehensive ESG strategy that positions ITT for continued success and growth in a sustainable manner:

- Our businesses continue to invest in more environmentally friendly technologies.
- We are allocating up to 10 percent of our annual capital expenditure budget to “green” initiatives to support our transition to more environmentally friendly technologies.
- We continue to invest in Guarantee-of-Origin (GO) certificates to increase our share of electricity from renewable sources, and we have expanded our investment in similar programs globally.
- We continue to invest in workplace diversity and support our employees.
- We are providing ITTers with development opportunities and training that will expand our skill sets and prepare us for leadership roles within ITT and our communities.

We look forward to updating our stakeholders on our ESG progress in 2022. Thank you for your support of ITT.



About ITT and This 2021 Sustainability Supplement

ITT Inc. (NYSE: ITT) is a publicly owned company traded on the New York Stock Exchange. We serve the transportation, industrial, and energy markets around the world by providing highly engineered critical components and customized technology solutions. Our company is composed of three businesses – Motion Technologies (MT), Industrial Process (IP), and Connect and Control Technologies (CCT). ITT is headquartered in White Plains, New York.

This report supplement covers initiatives and other information over three years with a focus on 2020 achievements and results. It includes the 2020 metrics for ITT's current, global operational footprint, and the 2019 and 2020 metrics reflect the addition of four recent acquisitions: Axtone, Wolverine Advanced Materials (WAM), Rheinütte Pumpen Group (RPG), and Matrix Composites. The continued integration of these new businesses and their operating metrics will inform the next phase of ITT's sustainability journey.

The content in this report is focused on addressing sustainability issues that have the most significant and material impact on our business performance and are important to our stakeholders. The data presented in this report have been collected, reviewed, and internally validated, and they represent the most complete and accurate information that we have as of the time of publication. The data have not been subject to any internal or external audit procedures.

We use several external guidelines and measurement frameworks to inform the scope of our reporting, including the frameworks provided by the Sustainability Accounting Standards Board (SASB) and the United Nations Global Compact (UNGC).

You can learn more about ITT in our annual report on Form 10-K and our proxy statement, both of which can be found at <https://www.itt.com/investors>.

ITT At-A-Glance

Revenues

\$2.5 billion

Adjusted Segment Operating Margin

~15%

Employees

~9,700

Headquarters

**White Plains,
New York**

Where we operate:

35 countries

Where we sell our products
and services:

125 countries

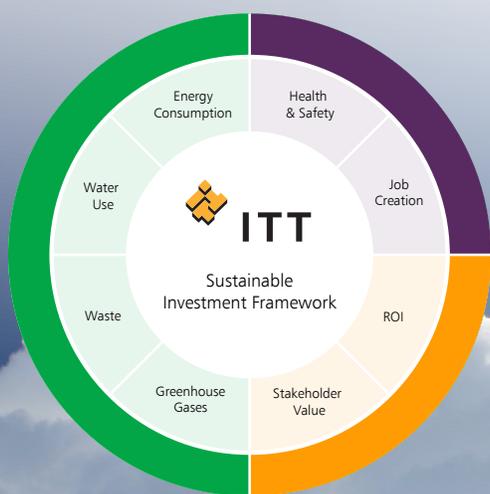
All metrics as of December 31, 2020

Green Capital Expenditure Investments

We understand that commitments to reduce our greenhouse gas (GHG) emissions also require a change in how we allocate capital. Thus, in 2021, we committed to allocate up to 10 percent of our annual capital expenditures towards initiatives to drive energy efficiency, reduce water consumption, and lessen carbon emissions in our operations.

Projects are assessed utilizing a sustainability return-on-investment framework:

- Does this support ITT's values and strategy and create long-term value for the business, the environment, and society?
- Do these initiatives enhance quantitative objectives, including net present value (NPV), key performance indicators (KPIs), and sustainability scorecards?



- Environmental
- Social
- Economic

Some of our recent investments include the following:

Orchard Park, New York: Water Chiller

- Closed-loop water chiller recycles and cools water for lab equipment used during endurance tests
- Cooling the water allows for it to be recycled in subsequent testing, thus reducing water consumption by an estimated 7.5 million gallons annually.

Barge, Italy: Combined Heating and Cooling Power (CHCP) System

- Investment in a new cogeneration plant will provide power, heating, and cooling to our Friction plant in Barge.
- 8 percent energy efficiency improvement
- Expected to reduce CO₂/kWh emissions by 11 percent and eliminate approximately 1,600 tons of CO₂ emissions.
- Implementation planned for 2023

Environmental, Social, and Governance (ESG) Ratings

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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Last Update: June 1, 2021

As of June 1, 2021, ITT scored an “A” rating on a scale of AAA-CCC in the Morgan Stanley Capital International (MSCI) ratings assessment, with an industry-adjusted score of 7.1 out of 10. MSCI is a leading provider of critical decision-support tools and services for the global investment community. Since 2016, ITT’s rating has increased from “BBB” to an “A” rating, and we have achieved an “A” rating for each of the past two years.

Responsible Divestiture of Legacy Liabilities

On July 1, 2021, ITT divested 100 percent of the equity of InTelCo Management LLC, formerly a wholly-owned subsidiary that holds long-term liabilities, including asbestos liabilities and related insurance assets, to Delticus, a portfolio company of Warburg Pincus. As a result of the transaction, ITT removed all pending and future legacy asbestos obligations, related insurance assets, and associated deferred-tax assets from the company’s consolidated balance sheet. ITT was indemnified for all legacy asbestos liabilities.

The transaction is the culmination of a multi-year strategy to reduce ITT’s legacy liability profile, including the U.S. pension liability, which was transferred to a responsible third party in October of 2020. With the divestiture of our legacy asbestos liabilities, we are removing a risk and improving cash flow predictability. Going forward, we will have a more attractive free cash flow profile without the burden of legacy asbestos-related payments. The divestiture will also allow management to focus on the core businesses, including both organic and inorganic growth.

Water Consumption

ITT uses water for potable supply, cleaning activities, limited process operations, and some cooling and testing applications. Different sites employ different methods for reducing their water consumption, including recycling and reusing water, installing innovative water treatment technology, and updating water conveyance systems.

Orchard Park, New York

Products: Vibration isolation and energy absorption products for commercial aviation and military aerospace use

Our Controls plant in Orchard Park is designing a closed-loop system with water cooling capabilities for endurance testing of various Enidine products, including elastomeric bearings used in helicopter rotors. Since the testing requires water within a certain temperature range, the cooling system will allow for reuse of the water for subsequent phases of testing. The installation of this new closed-loop system will eliminate the use and discharge of an estimated 7.5 million gallons of water per year.



Orchard Park, New York

Blacksburg, Virginia

Products: High-performance materials for automotive customers

Our Wolverine plant in Blacksburg is conserving water by filtering rinse water in a coil tank. The site also began collecting and reusing backflush residue from mixing operations, thereby reducing water consumption and hazardous waste generated, also resulting in reduced disposal costs.



Obernkirchen, Germany

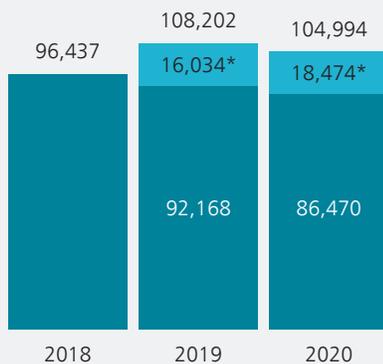
Obernkirchen, Germany

Products: Pumps, valves, and interconnects for various markets

Our Bornemann plant utilizes a closed-loop aqueous system, which enables treatment of used water. The water used in Obernkirchen's polishing operations is being recycled. The system eliminates the discharge of water to municipal treatment facilities. The previous system used in our Axminster, UK, plant included water discharge.

Water Consumed

Thousand gallons of water



Indexed Water Consumed

Thousand gallons of water per hour worked



* Represents impact from acquisitions, including Axtone, Wolverine Advanced Materials, Rheinütte Pumpen Group, and Matrix Composites.

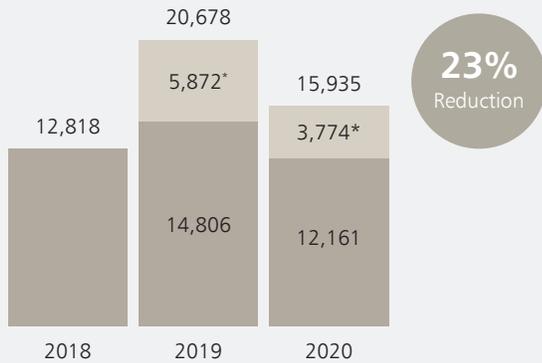
Waste Disposal and Recycling

We continued recycling more waste and materials. In 2020, we sent 23 percent less waste to landfills as a cumulative effect of diligence at all our global facilities. Our metric tons of recycled material increased 49 percent overall, or nearly 300 percent when measured by hours worked.



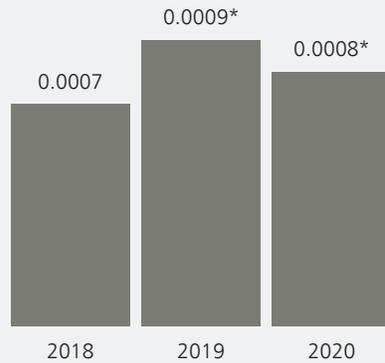
Waste to Landfill

Metric tons of landfill waste



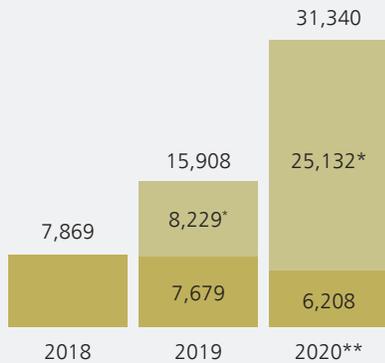
Indexed Waste to Landfill

Metric tons of waste to landfill per hour worked



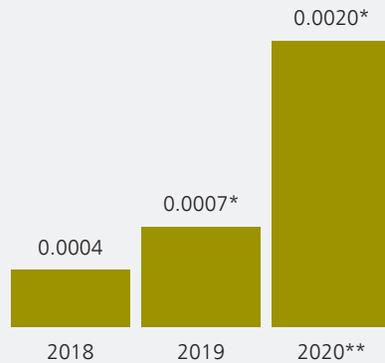
Recycled Material

Metric tons of recycled material



Indexed Recycled Material

Metric tons of recycled material per hour worked



* Represents impact from acquisitions, including Axtone, Wolverine Advanced Materials, Rheinhütte Pumpen Group, and Matrix Composites.

** Prior to 2020, one automotive brake pad manufacturing site inadvertently excluded the reporting of recycled scrap metal. The results are now included.

Waste Disposal and Recycling (continued)

Stalowa Wola, Poland

Products: Energy absorption technology for rail vehicles and other industries

Our rail-buffer production unit in Poland implemented a new practice to convert grinding sludge waste into high-quality steel bricks while recycling cooling fluid from that operation. The process has eliminated approximately 650 tons of annual landfill waste and reduced our waste transportation from that facility by 50 percent.

Nogales, Mexico

Products: Highly engineered connector solutions for a wide variety of customers

On April 22, our connector plant in Nogales, Mexico, held an Earth Day battery recycling campaign that gathered approximately 125 pounds of batteries for recycling.



GHG Generation and Energy Consumption



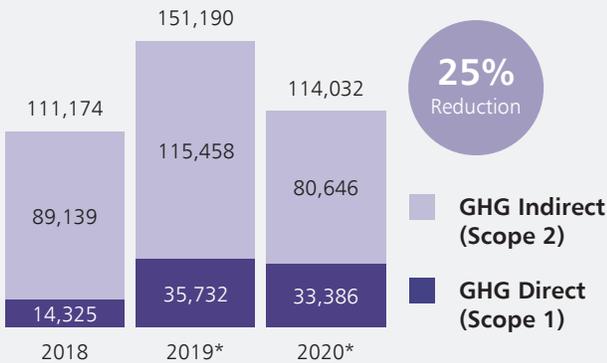
ITT uses both direct energy sources (e.g., natural gas) and indirect sources (e.g., purchased electricity). Natural gas is the largest portion of our direct energy usage. Our indirect energy sources include purchased electricity generated in part from renewable sources.

In 2020, ITT saw total energy usage drop by more than 15 percent and greenhouse gas (GHG) emissions drop by more than 25 percent compared to the year before. The use of renewable energy sources at our three Italian facilities contributed greatly to the reduction of GHG emissions.

ITT's facilities in Barge, Termoli, and Vauda, Italy, purchase a significant portion of their electricity from renewable sources. The use of electricity from renewable sources has helped reduce our GHG emissions, as illustrated below.

GHG Generated**

Metric tons of GHG per year



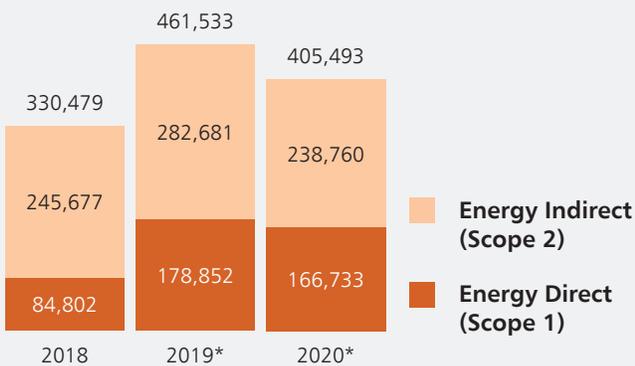
Indexed GHG Generated

Metric tons of GHG per hour worked



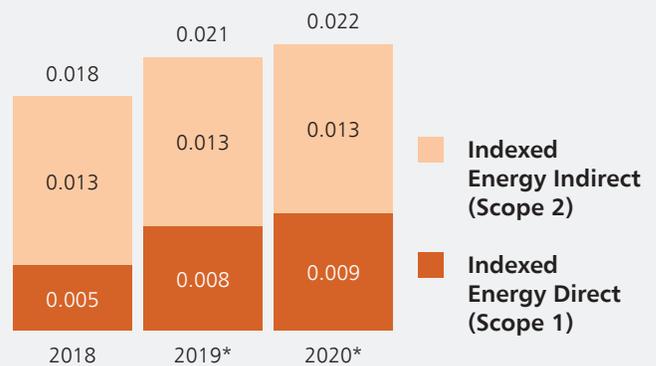
Energy Used

Megawatt-hours



Indexed Energy Used

Megawatt-hours per hour worked



* Represents impact from acquisitions, including Axtone, Wolverine Advanced Materials, Rheinhütte Pumpen Group, and Matrix Composites.

** See page 17 for references used in GHG calculations.

GHG Generation and Energy Consumption (continued)

2020 GHG Generation and Energy Consumption

Barge, Termoli, and Vauda, Italy

Products: Brake pads for the global automotive industry

A strategy implemented by our three Italian manufacturing plants in 2020 leverages the European Union's (EU) external green-energy grid. As a result, 60 percent of the energy used at all three facilities comes from renewable sources, which has resulted in an estimated reduction of 23,526 metric tons of carbon dioxide (CO₂) equivalent emissions in 2020. ITT is continuing and expanding this strategy to other locations worldwide.

Barge, Italy

ITT will construct a new combined heating and cooling power (CHCP) system at our Barge manufacturing facility. In 2020, the existing system generated 34,654 MWh of power and supplied more than two-thirds of the power requirements of the facility. We will be able to improve energy efficiency by an estimated 8 percent once the new CHCP system begins operating in 2023.

Seneca Falls, New York

Products: Industrial pumps, valves, and monitoring and control equipment for a wide range of markets

ITT's R&D center in Seneca Falls has been developing an energy-efficient technology for a wide range of industrial applications. Pilot testing of this innovative and sustainable technology confirmed a reduction of energy consumption of approximately 50 percent as compared to conventional technology, which will result in significant efficiency savings for our customers. ITT will thus help to decrease industrial energy usage and GHG emissions for our customers.



Occupational Health and Safety

We continue to make progress on our safety journey. By bringing a granular and continuous-improvement mindset to workplace safety, we have been driving a safety culture deeper into the organization – and seeing results. In 2020:

- 55 percent of our sites had zero safety incidents;
- 86 percent of our sites had two incidents or fewer;
- The number of recordable incidents declined by 25 percent across all of our businesses.

In determining our progress, we considered all recordable incidents, even those that did not result in lost time. Nevertheless, the increase in injury severity rate shows that more needs to be done. Toward that end, oversight of operations by site leaders has increased. Our leaders are expected to “live the shop floor” to drive faster safety progress. In addition, our use of employee safety-behavior observations, including near-miss reporting, appears to be helping – with more than 27,000 observations of potentially unsafe activities and conditions reported by employees in 2020.

Safety Software

In 2020, ITT completed a global rollout of the Gensuite® software system. This cloud-based software solution allows us to record incidents in real time, so that we can analyze root causes and take immediate corrective action. It also drives enhanced visibility and provides deeper analytics into our workplace safety performance.

ITT follows safety procedures, such as lockout/tagout, across all sites. We hold short team meetings – called “stand downs” – after each incident to ensure that all employees understand the seriousness of the incident and actively participate in improving our safety record. Safety metrics are reported and discussed with the entire ITT leadership team on a monthly basis and with the ITT Board of Directors on a quarterly basis.

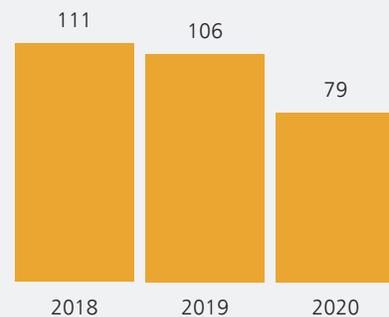
Despite the additional challenges that arose due to the global COVID-19 pandemic in 2020, ITT realized an 11 percent decrease in our injury frequency rate compared to the year before – and a 21 percent reduction over the most recent three years. We are committed to reducing both frequency and severity rates to industry-leading levels going forward.

* Based on Occupational Safety and Health Administration (OSHA) definition of recordable incidents.
 ** Based on OSHA calculation of number of recordable incidents per 1 million employee hours worked.
 ***Based on OSHA calculation of number of work and light-duty days lost per 100 employees.

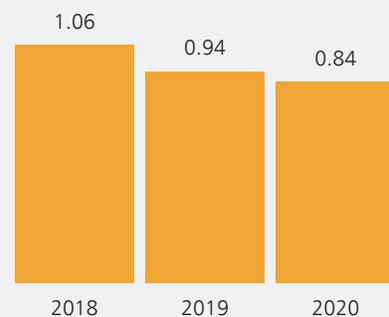


Orchard Park, New York

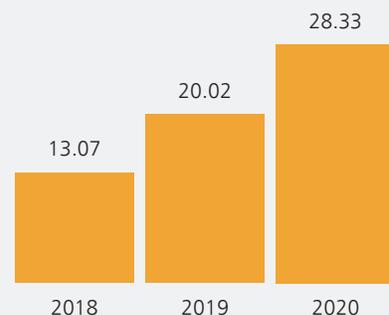
Number of Incidents*



Injury Frequency Rate**



Injury Severity Rate***



Occupational Health and Safety (continued)

2020 Occupational Health and Safety: COVID-19 Response

In 2020, ITT's workplace health and safety efforts expanded to include protections in the face of the COVID-19 pandemic. Our response to the global virus was immediate and worldwide.

ITT implemented the "Ready, Safe, Go!" playbook, which was developed by our team in Wuxi, China. This comprehensive guide includes an emergency business continuity plan and enhanced safety protocols for safe manufacturing operations. It also acts as a central repository for frequently updated action plans and guidance.

At the same time, our leaders effectively managed country and facility shutdowns, continuously updated site and return-to-work safety protocols, and promoted vaccine adoption through employee incentives. ITT was at the forefront of companies that incentivized employees to be vaccinated. Incentives have included raffles (local vaccine supplies and laws permitting).



Together these actions helped ITT protect the health of our people, our customers, and our business – and allowed us to safely return to operations. We continue to actively monitor conditions globally and adjust protocols as needed to ensure the health and safety of our customers and business, as well as all ITTers.



Quality Standards

At ITT, we work to ensure our manufacturing facilities around the world are in compliance with the latest industry-specific quality standards for the different industries we serve – including automotive, rail, energy, aerospace, defense, medical, and others. As a multi-industry company, our sites pursue a wide range of externally audited standards, which verify that we have quality management systems in place to meet both customer and regulatory requirements. ITT also uses these standards to demonstrate our commitment to continuous improvement of quality-related processes, procedures, and policies.



As a result of our commitment to quality and consistency in our manufacturing processes, our Friction business (part of Motion Technologies) changed the scope of its quality reporting from parts per million (PPM) to parts per billion (PPB) in 2020 and reached approximately 1,000 PPB, which is equivalent to 1 PPM. Below is a summary of some of the major recognized industrial quality standards and certifications currently in place at our global sites:

	ISO 9001	AS9100	IATF 16949	ISO/TS 22163	NADCAP	ATEX 2014	ISO 13485	TOTAL
Industrial Process	16	–	–	–	–	–	–	16
Motion Technologies	20	–	12	8	–	–	–	40
Connect & Control Technology	5	7	–	1	4	1	1	19
ITT	41	7	12	9	4	1	1	75

ISO 9001: International standard for generic quality management system

AS9100: International standard for quality management system in the aerospace industry

IATF 16949: International standard for quality management system in the automotive industry

ISO/TS 22163: International standard for quality management system in the railway industry

NADCAP: U.S. standard for suppliers with proper processes in place for aerospace and defense industry

ATEX 2014: International standard for protective precautions at sites with potentially explosive atmospheres

ISO 13485: International standard for quality management system in the medical devices industry



Diverse and Inclusive Workplace

ITT understands that strong engagement, innovation, and better business solutions come about when employees experience a sense of belonging and have opportunities to share their ideas and perspectives openly. ITT is committed to creating a diverse, equitable, and inclusive environment where employees feel valued and empowered. In addition to supporting inclusive hiring practices, we provide programs focused on unconscious bias training, dialogue sessions, and company-wide ethics training to set clear expectations for a respectful and inclusive work environment. Given ITT’s global nature, we actively promote local inclusion efforts, including our “Give Me Five” initiative, developed by our team in Barge, Italy, and adopted by other locations to identify site-specific inclusion needs.



To further foster an inclusive environment, we actively sponsor the development of employee resource groups, including our global “I-Win” Women’s Interest Network. ITT has also cultivated strong external partnerships with the U.S. National Women’s Hall of Fame and the National Action Council for Minorities in Engineering (NACME). We regularly celebrate the many diverse communities and perspectives that contribute to our success through special events and initiatives, including our annual “She Solves It” campaign, highlighting the significant contributions of our female engineers and talent around the world.

Global Diversity

(As of June 2021)	Total Global	Number of Women	Percentage of Women	U.S. Total	Number of Minorities (U.S.)	Percentage of Minorities (U.S.)
Board of Directors*	10	3	30%	9	2	22.2%
Executive Officers*	9	2	22.2%	6	0	0.0%
Executives	94	16	17.0%	60	10	16.7%
Managers	974	179	18.4%	315	54	17.1%
All Other Employees	8,494	2,641	31.3%	2,116	582	27.5%
All Employees	9,571	2,838	29.7%	2,497	646	25.9%

Global Employment by Age

(As of June 2021)	Number Under 30	Percentage Under 30	Number 30-49	Percentage 30-49	Number 50 and Over	Percentage 50 and Over
Board of Directors*	0	0.0%	0	0.0%	10	100.0%
Executive Officers*	0	0.0%	3	33.3%	6	66.7%
Executives	0	0.0%	45	47.9%	49	52.1%
Managers	12	1.2%	593	60.9%	369	37.9%
All Other Employees	1,309	15.4%	4,609	54.3%	2,576	30.3%
All Employees	1,321	13.8%	5,250	54.9%	3,000	31.3%

* ITT CEO is included in both the Board of Directors and Executive Officers categories.

Culture and Citizenship

ITT understands that sustainable, responsible growth is only possible through the efforts of our incredible team of nearly 10,000 worldwide, and that an accomplished and innovative workforce is vital to long-term success. ITT is fully committed to hiring and retaining dynamic talent who embrace our higher-performance culture. We provide meaningful developmental opportunities, including training to support personal development, an engaging and inclusive workplace, and comprehensive care and support to employees, their families, and the communities in which we operate. We have also taken steps to make our workplace and talent practices transparent and seeks ideas to evolve and improve them.

Investing in Our Workforce

Enabling the growth and development of our workforce will ensure that ITT has the talent to lead us into the future. We build capabilities through challenging, well-planned, global work experiences that prepare people for future roles. ITT also provides a range of programs to elevate both technical and leadership skills, utilizing ITT's UP Academy for emerging leaders and programs developed as part of our global partnership with the European Centre for Executive Development (CEDEP), co-located on the INSEAD campus in Fontainebleau, France. ITT's core approaches are complemented by our culture that values and promotes continuous learning, feedback, and coaching. Networking programs through organizations, including Women in Manufacturing, combined with other development offerings also help ensure that ITTers at all career stages and in all functional areas are able to grow and thrive.

Caring for ITTers and Our Communities

At ITT, safety comes first, and with the proliferation of the COVID-19 pandemic, ensuring the health of our people became our foremost priority. Among the ways ITT responded to this crisis was the rapid implementation of rigorous health protocols and training across all locations.

ITT provided testing and medical support in our larger sites; we worked to ensure our employees and their families had access to medical care; and where employees were able to work remotely, ITT adopted this approach. To address broader needs, we supported childcare challenges with flexible schedules and other practices and expanded the reach of our employee assistance program globally. We also leveraged the ITT Employee First Fund to support impacted employees and their families and implemented food deliveries and other support.

The pandemic also highlighted ITT's role in the communities where we operate and led us to expand our philanthropic efforts and support to these communities. Whether it was providing custom designed, 3D-printed face shields and personal protective equipment (PPE) to hospitals in Nogales, Mexico, or partnering with a supplier in China to donate masks and PPE to communities in India, through monetary donations, services, and donations of food and critical supplies, ITTers around the world got involved and supported multiple local charities.





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About This 2021 Supplement

This report is a supplement to the 2019 ITT Sustainability Report which describes ITT's approach to measuring and managing performance of its key environmental, social, and governance focus areas. This report covers the period of January 1—December 31, 2020 unless otherwise stated. As appropriate, developments occurring in early 2021 may be referenced and may be expanded upon in future reports. The report addresses activities of ITT Inc. and its subsidiaries. We include sustainability information in our investor communications, and additional information about ITT's operations and financial statements is available in our 2020 Annual Report on Form 10-K.

GHG Emissions

GHG generation has been calculated based on the methods and factors in the following:

1. USA emission factors from Federal Register Environmental Protection Agency (EPA); 40 Code of Federal Regulations Part 98; e-CFR, December 9, 2016, Table C-1, Table C-2
2. International emission factors from World Resources Institute GHG Protocol Guidance (2015), sourced from Intergovernmental Panel on Climate Change (IPCC) 2006, Tables 1-3
3. Global warming potentials from IPCC Fifth Assessment Report
4. USA emission factors from United States EPA eGRID2019 (Revised 2/23/2021)
5. International emission factors from International Energy Agency 2020

Forward-Looking Statements

In this report, "ITT," "we," "our," and "us" refer to ITT Inc., an Indiana corporation and its wholly owned subsidiaries, except as otherwise indicated or as the context otherwise requires. In addition, this report contains "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts, but rather represent only a belief regarding future events based on current expectations, estimates, assumptions, and projections about our business, future financial results and the industry in which we operate, and other legal, regulatory and economic developments. These forward-looking statements include, but are not limited to, references to guidance, future strategic plans, and other statements that describe the company's business strategy, outlook, objectives, plans, intentions or goals, and any discussion of future operating or financial performance.

We use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "future," "may," "will," "could," "should," "potential," "continue," "guidance," and other similar expressions to identify such forward-looking statements. Forward-looking statements are uncertain and to some extent unpredictable, and involve known and unknown risks, uncertainties, and other important factors that could cause actual results to differ materially from those expressed or implied in, or reasonably inferred from, such forward-looking statements.

Where in any forward-looking statement we express an expectation or belief as to future results or events, such expectation or belief is based on current plans and expectations of our management, expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that the expectation or belief will occur or that anticipated results will be achieved or accomplished. More information on factors that could cause actual results or events to differ materially from those anticipated is included in the Risk Factors section of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other documents filed from time to time with the Securities and Exchange Commission.

The forward-looking statements included in this report speak only as of the date hereof. We undertake no obligation (and expressly disclaim any obligation) to update any forward-looking statements, whether written or oral, as a result of new information, future events, or otherwise.

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