ITT 2022 Sustainability Report

Engineering a More Sustainable Future

Solar Power "Lake" in Barge, Italy

A Message from Our CEO

Dear Stakeholders,

On behalf of the nearly ten thousand ITTers worldwide, I would like to thank all of you for your partnership and investment in ITT. The last two years have been challenging as we navigated a global pandemic, supply chain disruptions and geopolitical conflicts that have reshaped the economic landscape. Together, we accomplished a great deal during this unprecedented time, and I am grateful for your contributions and for the confidence in our company. Still what's more exciting, as always, are the opportunities that lie ahead: the technologies we are developing, the investments we are making in our operations and in our people, and the actions we are taking to create a more sustainable ITT and contribute to a better world.

At ITT, we enable everyday life in unexpected ways by inventing, engineering and manufacturing critical components for the transportation, industrial and energy markets. When parents see the very first image of their unborn child, most likely, our Cannon connectors relayed that image on the ultrasound screen. Families can drive safely because our Friction brake pads help keep them secure by reducing braking distances. We can eat some of our favorite foods because our hygienic pumps move and preserve crucial ingredients through the production process for major food manufacturers, and if you decide to take a high-speed train, chances are our KONI shock absorbers ensure your ride is smooth, comfortable and, again, safe.

It is exactly because what we do touches everyday life that it is natural for us to think, behave and operate in ways that make everyday life better and more sustainable.

I am very fortunate to work alongside ITT engineers and factory workers from all around the world. I am always motivated and inspired by our people and their drive to improve continuously. Continuous improvement is entrenched in everything we do and this is also happening in our environmental, social, governance (ESG) journey, where we continue to up our game.

First, our sustainability strategy is firmly rooted in how we do business and in our daily decisions. Our investment in our manufacturing processes reflect our drive to contribute to global sustainability. Whether we invest in solar projects to secure the energy needs of our facilities globally and reduce emissions or invest in green capex projects that reduce our energy intensity, we are driving sustainable practices in each business, reducing our carbon footprint whilst also optimizing our costs.

Second, through extensive research and development and capital investment, we are advancing our sustainable products and technologies, including electrification solutions in Motion Technologies and pump technology in Industrial Process. ITT products help our customers lower their energy consumption and reduce their greenhouse gas (GHG) emissions.

Finally, we are investing in our people to create a diverse, inclusive and talented workforce. On the people front, safety remains a key tenet of our operating model. Our multi-year safety performance improvement and our investments in building a safe, diverse and inclusive environment are central to the promise we make to our employees about their health in the workplace.

At this juncture of our sustainability journey, I am pleased to share the goals we, as a team, have set across the organization.

- We target to reduce greenhouse gas emissions by 10% by the end of 2026, against a 2021 baseline.
- We also commit to advancing our Diversity, Equity and Inclusion and our philanthropic efforts to empower and serve underrepresented communities. You can read more about these goals in the pages that follow.

This ESG strategy together with our leading positions in growing end markets, our sustained differentiation and our sound capital deployment strategy will continue to drive long-term growth and value creation for all our stakeholders. As we shared with our investors during our investor day this year, this is the simple answer to "Why ITT."

We are excited to be on this journey together and would like to thank you for your continued support of ITT.

Luca Savi
Chief Executive Officer

About ITT

ITT Inc. (NYSE: ITT) is a publicly traded company listed on the New York Stock Exchange, headquartered in Stamford, Connecticut. We provide highly engineered critical components and customized technology solutions for the transportation, industrial and energy markets worldwide. Building on our heritage of innovation, we partner with our customers to deliver enduring solutions to the key industries that underpin our modern way of life. Our company is composed of three businesses: **Motion Technologies** is a global leader in brake pads, shock absorbers, and sealing solutions for the automotive and rail markets. **Industrial Process** is a global leader in centrifugal and twin-screw pumps and valves for the chemical, energy, mining and industrial markets. **Connect & Control Technologies** is a leading provider of harsh environment connectors and control components in critical applications for the aerospace, defense and industrial markets.

This report covers initiatives and other information over three years (2019–2021) focusing on our achievements and results in 2021.

In this report, we address sustainability issues that impact our business performance and that are most important to our stakeholders. The data presented in this report have been collected, reviewed and internally validated. It represents the most complete and accurate information we have as of the date of this publication.

Our ESG governance structure, policies, processes, and areas of focus are informed by standards set by the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosure (TCFD), and our proactive engagement with investors, customers and other stakeholders. ITT has a long history of engaging with shareholders to better understand their views, including how ESG performance ties to our strategy, emerging reporting standards and expectations on disclosure. We use these opportunities to discuss ITT's current sustainability focus areas, recent developments and their impact on our financial results. These discussions informed this 2022 Sustainability Report.

You can learn more about ITT in our annual report on Form 10-K and our proxy statement, both of which are available at investors.itt.com

50
Manufacturing Locations

~10,000
Employees

1,500+
Active U.S. Patents

1,250+
Engineers

All metrics as of December 31, 2021

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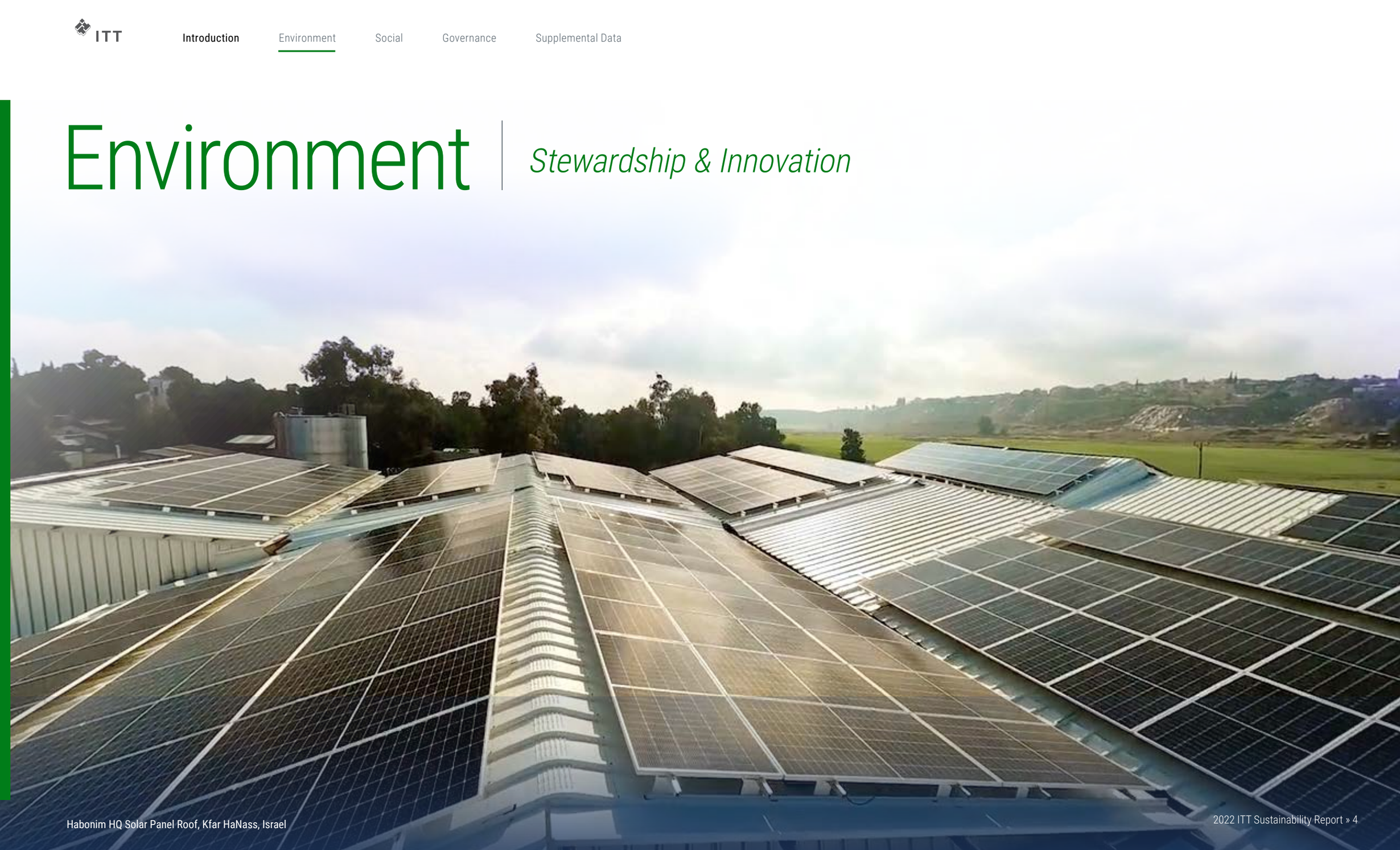
Environment | *Stewardship & Innovation*



Habonim HQ Solar Panel Roof, Kfar HaNass, Israel

Our Environmental Approach

Our approach to environmental stewardship can broadly be classified into three categories:

- Development of innovative products that help customers reduce their emissions and achieve their sustainability goals
- Investment in technologies to reduce our CO_2 emissions, waste sent to landfills and water usage
- Development of a credible path to carbon neutrality through our Reduce, Avoid, Offset framework

PRODUCTS AND INNOVATION

ITT partners with our customers to solve challenging problems and deliver best-in-class solutions. Our products enable them to operate more efficiently and productively, reduce their total cost of ownership, and to produce sustainable, environmentally impactful technologies. For example, our solutions reduce fine dust emissions in brake pads for automotive original equipment (OE) customers, support the global transition to electrified vehicles and reduce energy usage in industrial and chemical applications.

A good portion of what we do—approximately 12% of revenue in 2021—came from our electric and emissions-reducing products. ITT is committed to furthering innovation and introducing technology into our products that supports a cleaner, more sustainable future for our customers and the world. We are working to understand and reduce the carbon footprint of our products across their entire life cycle, including end-user vehicle use for our customers.

PROCESS

Ensuring efficient, sustainable, environmentally conscious operations is a business imperative for ITT. In 2021, ITT developed the Reduce-Avoid-Offset framework which focuses on pursuing emission reduction goals through targeted energy efficiency programs and renewable energy investments. The framework will drive the creation of our path to carbon neutrality. We are also taking steps to minimize the waste sent to landfills and reduce water usage.

Products and Innovation

Environmentally Friendly Technologies

Copper-Free Brake Pad

MACRO TREND

Electrification

Clean Air

Clean Water

ITT is leading the way on the transition to cleaner and safer brake pad technologies. In 2015, ITT began developing copper-free brake pad formulations for automotive OE customers. This was in response to new, more demanding environmental regulations that will take effect in Europe in 2025. As of 2021, ITT's copper-free brake pad production has grown to approximately 60% of total OE volume. We expect that by 2025 nearly 100% of our OE production in North America will be comprised of copper-free pads, with China and Europe approaching 100% of production by 2031, where permissible by customer agreements.

WECODUR®

MACRO TREND

Clean Air

Clean Water

In April 2022, ITT announced its investment in HPL Technologies (HPL), a German-based technology start-up leading the rotor coating market with its groundbreaking WECODUR® technology. The technology allows rotors to last longer, better resist corrosion, and reduce fine dust emissions from brake systems. HPL's WECODUR® technology, combined with ITT Motion Technologies brake pads designed specifically for hard-coated brake disks, will offer industry-leading and environmentally friendly performance and durability.

Products and Innovation

Environmentally Friendly Technologies

i-ALERT

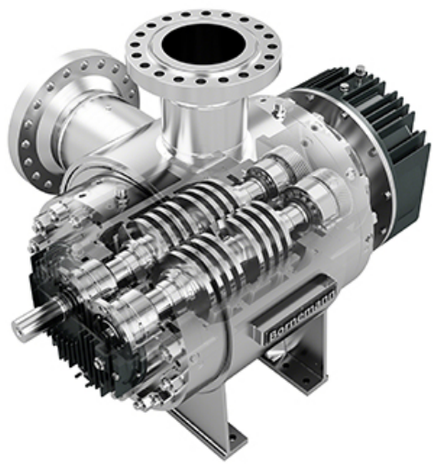
MACRO TREND

Clean Air

Clean Water

The i-ALERT solution quickly, accurately and efficiently identifies and diagnoses mechanical and electrical failures in pumps, motors and other industrial machines. The i-ALERT 3 sensors and advanced vibration diagnostic tools allow pump operators to detect problems before they occur, thereby reducing repair and maintenance cycles and cost, and avoiding catastrophic machine breakdowns. There are currently ~3,500 sensors active and monitored on ~2,400 assets worldwide, and expanding.

Bornemann Twin-Screw Pump



MACRO TREND

Clean Air

Bornemann Twin-Screw Pumps are self-priming, multiphase pumps that allow for the transport of untreated well flow in a single multiphase pipeline to central processing, removing separators, heater treaters, and most importantly flares, as with conventional pumps and compressors. The Twin-Screw Pump technology allows our energy customers to revitalize aging wells and eliminate harmful flaring.

Products and Innovation

Environmentally Friendly Technologies

Embedded Motor Drive

MACRO TREND

Energy Efficiency

EMD is a smart motor that embeds innovative power electronics technology directly into a pump's motor. With traditional motor drives, operators cannot vary motor speeds resulting in higher energy consumption. Initial pilot field test of EMD with its embedded variable speed drive showed energy savings between 55% and 85%, with 50% lower installed cost versus existing technologies.

Habonim Valves

MACRO TREND

Green Energy

ITT acquired Israeli-based Habonim, a manufacturer of specialty ball valves and actuation technologies for harsh applications, in 2022.

Designing and producing high performance valves for gas distribution, including liquefied natural gas (LNG), chemical, pharmaceutical and general industrial markets, Habonim provides customized, integrated valve packages that solve critical customer applications. Habonim also develops and manufactures ultra-low temperature and high-pressure valves to serve the hydrogen green energy transition which supports the move away from carbon-intensive transportation.

Matrix Composites

MACRO TREND

Fuel Economy

ITT's aerospace customers are increasingly focused on converting aerospace components to lighter materials that reduce the overall weight of the aircraft and thus save on fuel. In response to their needs, ITT increasingly designs aircraft components from lighter materials.

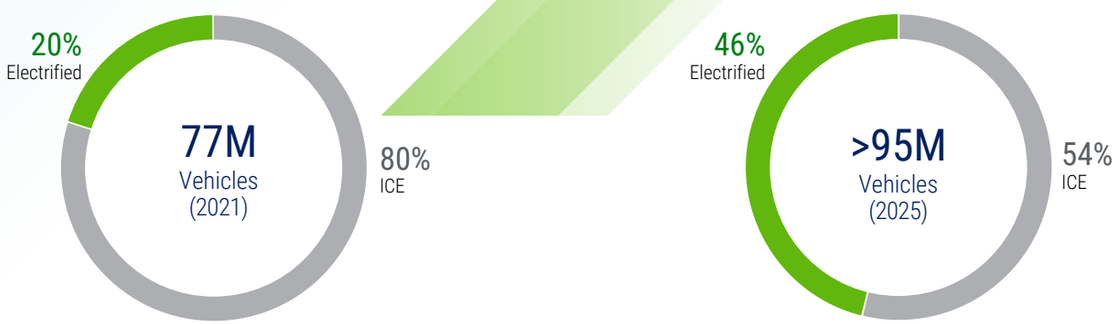
ITT's Matrix Composites business uses state-of-the-art Resin Transfer Molding (RTM) to produce high-performance composite parts. The ever-increasing drive to boost fuel efficiency continues to stimulate the adoption of composites in aircraft and aero-engine components. Matrix's RTM process produces complex three-dimensional parts with high mechanical performance, tight dimensional tolerances and high surface finishes.

Leading the Electrification Transition

ITT is leading the "electrified" transition with its world-class brake pads for electric vehicles and its Cannon connectors. ITT Friction Technologies' proactive approach with electric vehicle (EV) frontrunners defines new standards for performance differentiators. ITT operates two innovation centers focused on EV brake pad development—in Barge, Italy, and Wuxi, China. In 2021, we were awarded content on 31 new electric vehicle platforms. Cannon connectors have been at the forefront of EV charging technology for over a decade—delivering fully proven and innovative connectors solutions across the globe. Cannon connectors support EV infrastructure expansion for A/C, D/C, and high-power EV chargers.

ITT Estimated Electrified Vehicle Revenue

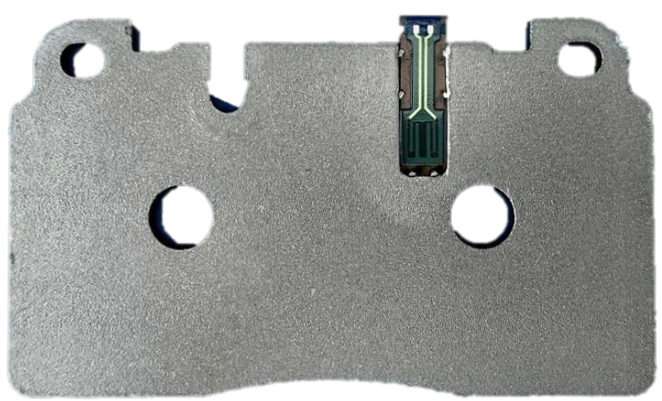
Global Light Vehicle Production by Propulsion[1]



[1] IHS Global Light Vehicle production estimates

Cannon EV Connector Series

Smart Pad for Electric Vehicles



GHG Emissions Reduction Process

Reduce

Energy efficiency is the first step to minimizing environmental impacts while ensuring our production is economical and competitive. ITT has implemented projects across many of our global locations to reduce energy usage by improving lighting and climate control systems and by eliminating waste in our manufacturing processes.

For example, our facility in Termoli, Italy recently upgraded its compressor system and, as a result, saved 1,650 MWh of electricity and 356,400 kg CO_2eq, which is almost equal to the amount of energy 200 homes would use in one year. By upgrading its compressor systems, our Termoli plant is saving approximately 30% of electricity needed for compressed air production.

Another example of energy efficiency improvements that we are making relates to the two co-generation units that we are investing in at Barge, Italy and Kanczuga, Poland. These gas powered co-generation plants will use the latest gas turbine technology to produce electricity and supply the site's needs in terms of cooling and heating. All this, while reducing our energy consumption and emissions by approximately 12% (compared to existing equipment).

ITT maintains state-of-the-art controls to reduce GHG emissions and volatile organic compounds (VOCs), other hazardous air pollutants and particulate matter. Our emissions controls include carbon filters and regenerative thermal oxidizers (RTOs) plus monitoring programs to ensure compliance with all regulatory standards.

Avoid

Over the last few years, ITT has significantly built upon its commitment to renewable energy including increasing our capacity for energy generation. In addition to building our clean energy production capability, we also invest in purchasing renewable energy from other generators.

Guarantees of origin (GOs) are a market-based instrument that certifies the bearer owns one megawatt-hour (MWh) of electricity generated from a renewable energy resource.

Since 2020, ITT has purchased Guarantees of Origin for electricity from the local grid for the Barge, Termoli, and Vauda, Italy production plants, as well as for our Kanczuga, Poland site. In 2021, we extended renewable energy certificates to our facilities in Stalowa Wola, Poland.

Including the benefit of the Guarantees of Origin, ITT has reduced our net GHG emissions by more than 21,640,000 kg CO_2eq in 2021, roughly the emissions produced by 3,300 gas-powered vehicles in one year.

Offset

Carbon offsets are a practical and effective way to address climate change, counteract our carbon footprint and encourage the growth of renewable energy. However, our focus continues to be on reducing and avoiding emissions. As we define our path to carbon neutrality, we will evaluate the potential benefits of additional offsets.

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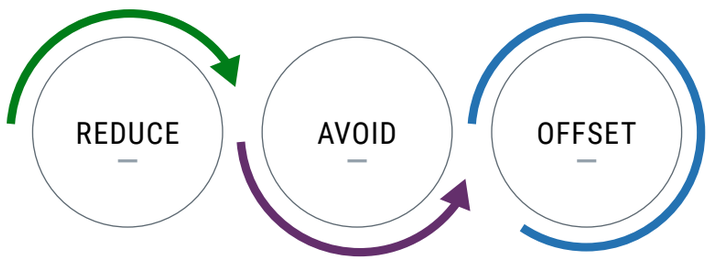


GHG Emissions Reduction Targets

Over the past several years, we have made significant investments in technology, resources and equipment to reduce our carbon footprint. These investments and the Guarantees of Origin have resulted in a net reduction of our GHG emissions by 32% versus 2019 despite a significant increase in volume. Building on these improvements, in 2022 ITT began to develop its path to carbon neutrality that will guide the company's environmental practices over the next several decades through the Reduce–Avoid–Offset framework. We launched the first phase of this initiative in 2022.

Friction Italy Pilot Program At-A-Glance

Anticipating more stringent regulatory requirements related to GHG emissions, in 2022 we initiated a pilot program at our Motion Technologies sites in Italy—Barge, Vauda Canavese and Termoli—geared towards precisely quantifying and analyzing Scope 1, 2 and 3 GHG emissions on a path to carbon neutrality. We chose to begin this process in Italy because these are the most energy intensive sites across ITT as well as the most advanced facilities in their sustainability journey. In fact, Motion Technologies accounts for nearly 70% of ITT's total emissions in 2021 and the three sites account for 34%.

The primary objectives of the pilot program are as follows:

1) Development of location-based GHG calculations that provide a complementary view to our market-based emission calculation (based on ISO 14064 standard)
2) Introduction and deployment of a detailed action list of green capex projects to reduce and eliminate GHG emissions
3) Development of best practices and lessons learned that can be applied to future projects
4) Introduction of emissions reduction targets for all of ITT, based on the pilot findings extrapolated across all locations

Working with subject matter experts on the ground and local consultants, the team is developing tools to track and analyze the efficacy of emissions reduction projects. We are incorporating analytics to measure our progress and leveraging best practices as we plan for the next phase of the rollout. As an example, we have developed an Energy Assessment matrix by plant that structures our approach to energy sustainability by macro categories (energy management, equipment maintenance, utilization, and hot and cold-water usage) and that helps us define a progress roadmap by category.

As a result of this initiative, we have improved the integrity of our data that led to adjustment of our GHG emissions disclosure since 2019, which we believe will allow us to more effectively tackle our reduction targets.

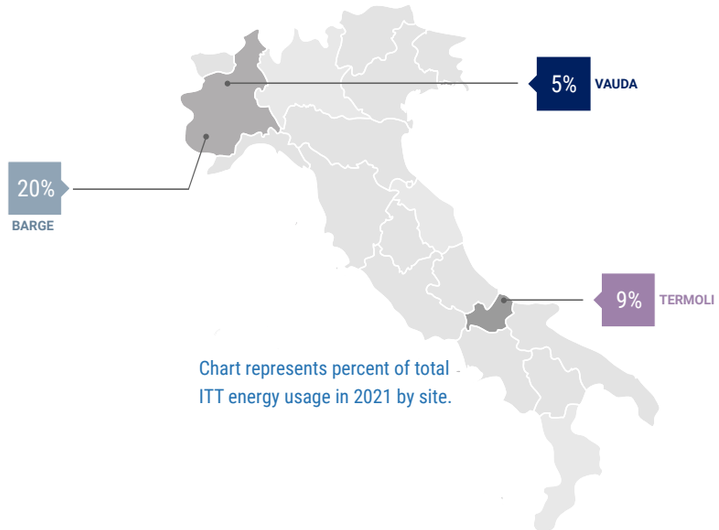


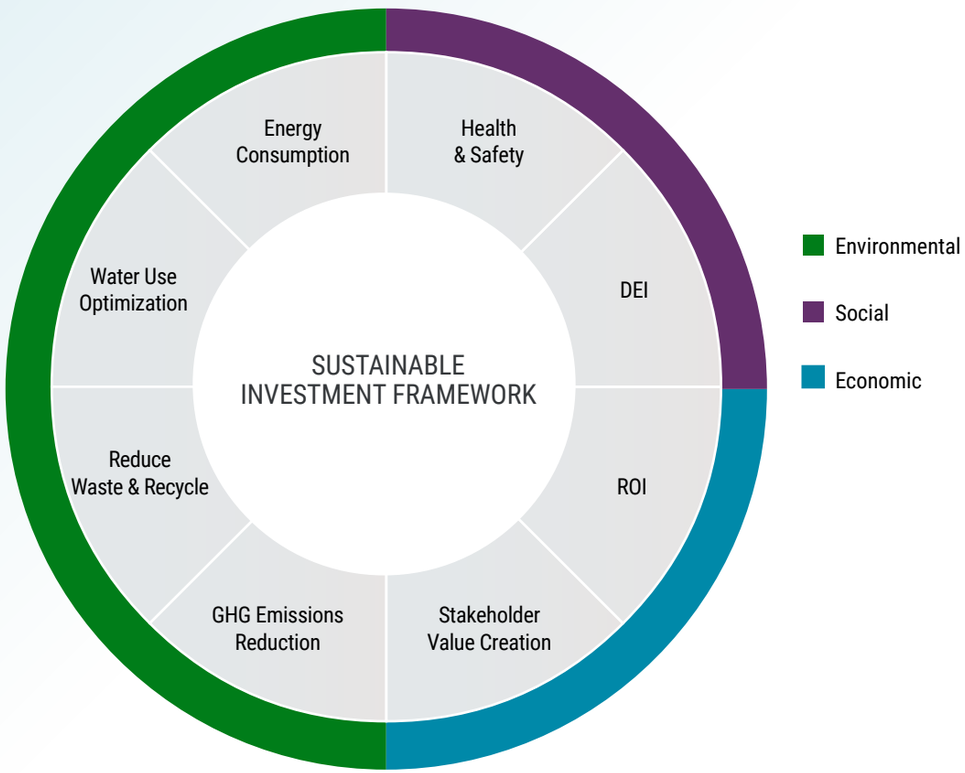
Chart represents percent of total ITT energy usage in 2021 by site.

2026 Targets

Our work over the past several years has set the foundation for the emissions reduction targets we are establishing today. We expect to reduce our global Scope 1 and 2 emissions for all of ITT by 10% by the end of 2026, compared to 2021.

We believe these targets are meaningful and achievable, and a first step in defining and developing a path to carbon neutrality. We will use the methodology that has been successfully deployed in the pilot to asses our efforts, determine how we can deploy similar strategies to other locations throughout Europe and North America and to further develop near-, mid-, and long-term targets that are science-based and supported by data. We will continue to determine the timing and cadence of our effort based on the energy usage, energy security and energy cost at each site. We will update our Board and other stakeholders at least annually on our progress, and we expect that future actions will include identification and analysis of scope 3 emissions as well.

Investing for a Sustainable Future



Green Capital Expenditures

Throughout 2021, we continued to produce environmentally friendly technologies for our customers while making investments to reduce our own carbon footprint. We understand that commitments to move towards a more sustainable future also require a change in how we allocate capital.

Beginning in 2021, ITT committed to allocate up to 10% of our annual capital expenditures towards initiatives to drive energy efficiency, reduce water consumption and lessen carbon emissions in our operations.

We assess projects using the sustainability return-on-investment framework depicted in the graphic on the left. The viability of each project is analyzed based on this framework and answers to the following questions:

- Does the project support ITT's values and strategy?
- Does the project create long-term value for the business, the environment and society?
- Does the project enhance quantitative objectives, including net present value (NPV) and sustainability scorecards?

Through the second quarter of 2022, we committed over $8 million for energy efficiency and renewable energy projects and are on track to meet or exceed our full-year commitment for green investments. These green projects will protect us from energy price inflation and scarcity and make ITT a more sustainable company.

Combined Heating and Cooling Power System

In our Barge, Italy facility, we invested in a cogeneration plant to provide power, heating, and cooling to our Friction plant. The investment will yield a 12% improvement in energy efficiency and is expected to reduce CO_2/kWh emissions by 11% and eliminate approximately 1,600 tons of CO_2 emissions annually. We plan to implement the cogeneration plant in 2023.

Construction site for Combined Heating and Cooling Power System in Barge Italy

Solar Energy Installations

Barge, Italy

Today, our facility in Barge boasts two photovoltaic systems which are described below, and we recently approved the construction of a third system. As a result of these investments, in 2023, the total installed capacity of our photovoltaic systems will be 1,065 kWp, which will reduce the site's dependence on external energy supply by 9%.

The Solar Lake: We invested $2.5 million to construct a solar "lake" that consists of approximately 3,000 solar panels—about the size of four Olympic-sized swimming pools. The installation will support approximately 30% of energy demand at the innovation center. The lake is expected to reduce CO_2 emissions by 372.8 tonnes per year, equivalent to the CO_2 emissions generated by about 42,000 gallons of gas. The project is expected to be completed by the end of 2022.

The Production Plant Rooftop: We are investing approximately $1.6 million to install about 2,000 solar panels to cover the rooftop of our Motion Technologies production plant. The installation will reduce CO_2 emissions by 284 tonnes annually and will support approximately 2% of the production plant's energy needs. This carbon reduction is equivalent to planting approximately 5,000 trees.

Oud-Beijerland, Netherlands

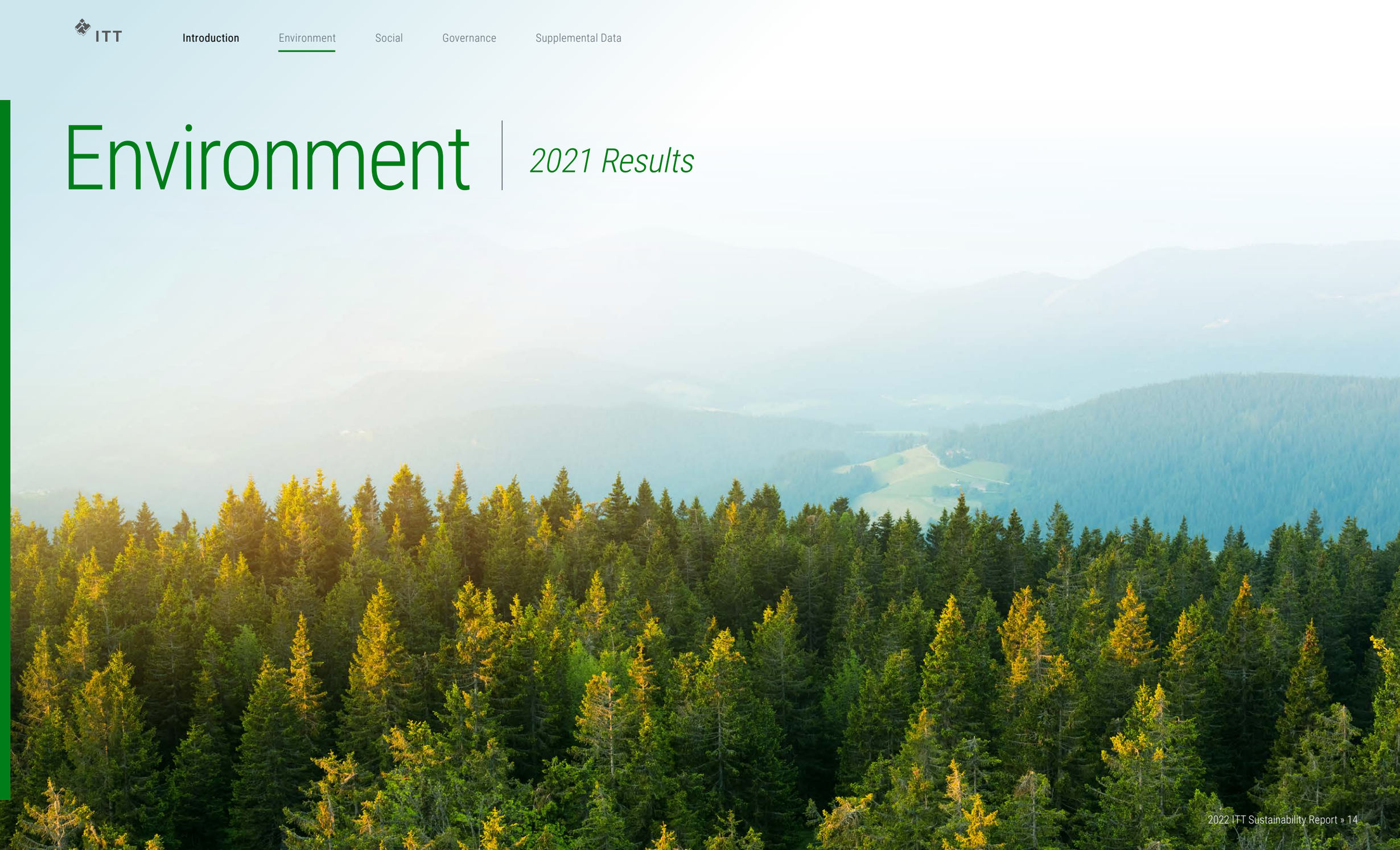
We are investing approximately $1.6 million for solar panels at our KONI facility in Oud-Beijerland, Netherlands. This project will consist of approximately 4,250 solar panels installed on the facility roof. This installation will generate 1,600 kwh of electricity and support 55% of the site's energy needs. This will reduce CO_2 emissions by 460 tonnes annually, equivalent to planting more than 7,500 trees.

Nogales, Mexico

We are investing approximately $1 million to install 1,050 solar panels over the employee parking lot at our Nogales, Mexico facility. This installation will reduce CO_2 emissions by 404 tonnes annually and will support 8% of our energy needs at the site. The carbon offset is equivalent to planting more than 6,500 trees.

Solar Power "Lake" in Barge, Italy

Environment | *2021 Results*



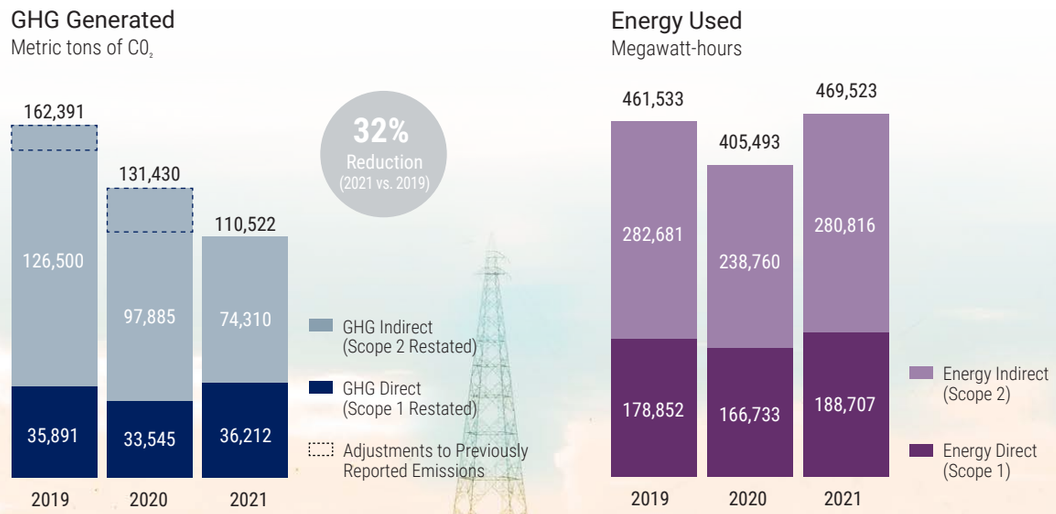
Greenhouse Gas Emissions

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 electricity generated in part from renewable sources.

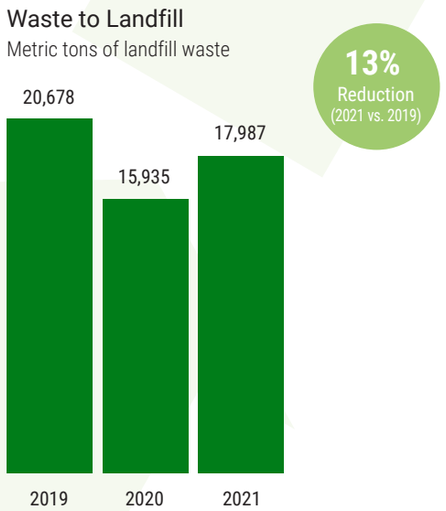
Thanks to increased utilization of renewable energy sources and the environmental benefits of Guarantees of Origin, in 2021 total GHG emissions decreased 32% versus 2019, despite increased industrial activity corresponding with a recovery to pre-pandemic production volumes.

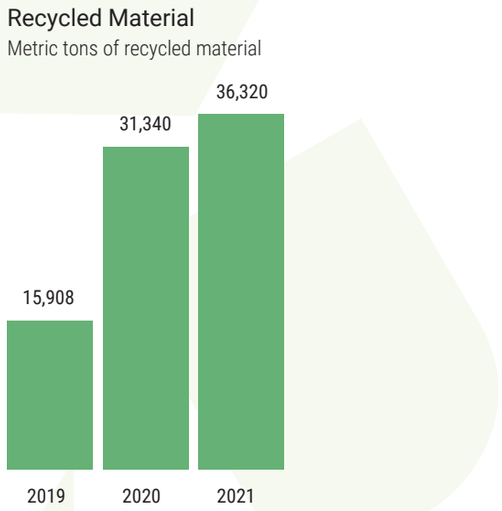
As part of the Barge, Italy pilot program mentioned earlier, we increased the scope and rigor in the collection of indirect emissions to include imported thermal and cooling energy which we captured in previous years. Our enhanced procedures provided a more accurate representation of our GHG emissions from 2019 which we used as the basis for our 2026 targets. We believe that the data and analysis in the 2022 pilot will provide a better foundation upon which we will continually measure our progress. The Adjustments to each year are reflected in the table to the right.



Waste Management

Limiting the use of materials in our processes minimizes hazardous and non-hazardous waste and also reduces costs. After a 23% reduction in 2020, waste to landfill disposal increased in 2021 due primarily to the significant increase in production volumes coinciding with the emergence from the global pandemic. However, the waste to landfill disposal was still 13% lower than 2019, prior to the pandemic.





Water Management

ITT uses water for potable supply, cleaning activities, limited process operations and some cooling and testing applications. Our sites employ a variety of methods to reduce water consumption, including recycling and reusing water, installing innovative water treatment technology and updating water conveyance systems.

Our water consumption increased in 2021 due to flushing of fire suppression systems at our Seneca Falls site, a one-time leak in underground piping at our Termoli, Italy facility, and other increases across facilities stemming from increased activity as the company emerged from the global pandemic.

Engineered Valve facility in Lancaster, PA

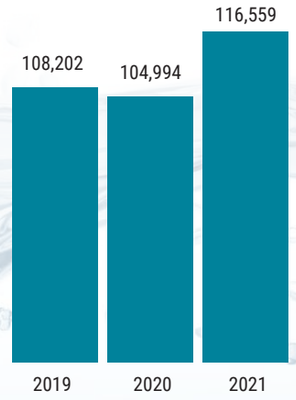
Our valves plant installed a closed loop water filtration system which reduces water usage by 61% and saves 800,000 gallons of water annually. That's the equivalent to almost seven years of water consumption for a family of four in the U.S. It also eliminates wastewater discharge to the local sewer system.

Controls facility Orchard Park, NY

Our controls plant invested in a closed-loop system with water cooling capabilities for endurance testing of various Enidine products, including elastomeric bearings used in helicopter rotors. The testing requires water within a certain temperature range and the cooling system enables us to reuse the water for subsequent phases of testing. We anticipate that installing this new closed-loop system will eliminate the use and discharge of an estimated 7.5 million gallons of water per year.

Water Consumed

Thousand gallons of water



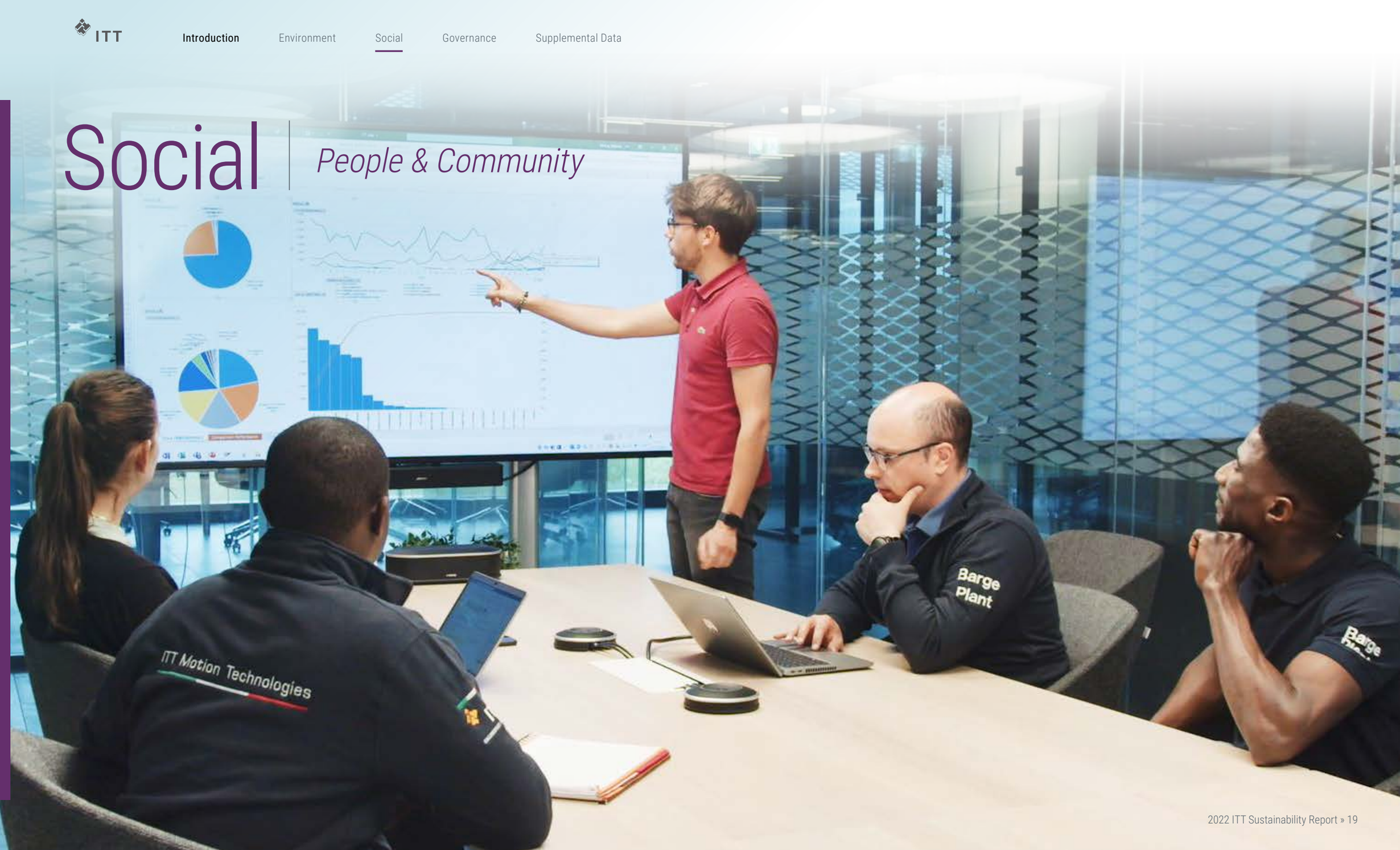
Safety, Quality and Environmental Management Standards

ITT's commitment to operational excellence demands we maintain strict quality management programs to meet both our customer and regulatory requirements. Around the world, our manufacturing facilities comply with a wide range of externally audited standards, demonstrated in the table below.

	ISO 9001	ISO 14001	ISO 45001	IATF 16949	IS0/TS 22163	AS 9100	ATEX 2014	NADCAP	ISO 13485	NSF/ANSI	TOTAL
Industrial Process	14	4	3	–	–	–	–	–	–	1	22
Motion Technologies	14	–	–	14	5	–	–	–	–	–	33
Connect & Control Technology	12	7	–	1	4	9	4	3	1	–	41
ITT	40	11	3	15	9	9	4	3	1	1	96

ISO 9001: International standard for generic quality management system; **ISO 14001:** International standard for environmental management; **ISO 45001:** International standard for occupational health and safety management; **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; **AS9100:** International standard for quality management system in the aerospace industry; **ATEX 2014:** International standard for protective precautions at sites with potentially explosive atmospheres; **NADCAP:** U.S. standard for suppliers with proper processes in place for aerospace and defense industry; **ISO 13485:** International standard for quality management system in the medical devices industry; **NSF/ANSI:** *Drinking Water System Components—Health Effects* is an American National Standard that establishes minimum health-effects requirements for the chemical contaminants and impurities that are indirectly imparted to drinking water from products, components and materials used in drinking water systems.

Social | *People & Community*



Our People and Culture

ITT's Foundation for Success

At ITT, we recognize that sustainable performance and growth are made possible only through the efforts of our dynamic, diverse team of nearly 10,000 ITTers. Given this, one of our most important commitments as a company is to create an engaging, inspiring place to work and drive actions which enable every individual's full potential and performance. This means putting ITTers' safety and well-being first in everything we do, investing in meaningful career development and prioritizing efforts to build a diverse, equitable and inclusive workplace where innovation thrives and everyone is encouraged to achieve their aspirations. Our actions also extend to the communities where we operate and find opportunities to serve and support.

To drive these efforts successfully, we foster an environment of accountability, continual progress and "betterment". Since the publication of our first Sustainability Report in 2019, we have conducted deeper, more frequent assessments of our human capital strategies and goals, listened actively to the perspectives of our ITTers, and worked hard to embed our people and culture focus at every level of our organization.

We have also taken steps to set ambitious goals and share our progress transparently. Our multi-year goals, highlighted in this report, include building more diverse teams across ITT, with broader representation of women globally (35%) and in leadership roles (25%) and increasing minority representation in leadership roles (25% in the U.S.). We have also been intentional about increasing the number of Black and Hispanic leaders who choose ITT, knowing that this is an area of opportunity for us.

While we are proud of the results we have achieved, we also recognize there is much more for us to learn and do to accelerate our progress. As we consider our Human Capital plans and actions, we value the opportunity provided by this report to share highlights about where we've been, where we are today, and where we aim to go—always remembering that it is our higher performance culture and our talented, resilient team which serve as the foundation for ITT's strong, sustainable success.

Goulds Pumps, Seneca Falls, N.Y.

Setting the Tone

The Role of ITT's Board of Directors and Leadership

Building a "people-centered" culture starts with our experienced and diverse Board of Directors. The Board's Compensation and Human Capital Committee supports our ability to meet our people and culture-related goals by overseeing and guiding on a range of areas, including executive compensation, total rewards, talent management, employee experience and our diversity, equity and inclusion strategies. Each Compensation and Human Capital Committee meeting includes a discussion of relevant data, plans and progress.

Additionally, the entire ITT board reviews leadership at ITT throughout the year and holds a dedicated session annually to review succession planning for key leaders. This level of Board engagement sets a clear and consistent tone from the top and supports our efforts to make ITT a company where people from a range of backgrounds and experiences want to grow their careers.

ITT's diverse global leaders also play a critical role in driving our focus on people and culture. This starts with an expectation to demonstrate inclusive, higher-performance behaviors and to be of meaningful service to our people and teams. Local business and enterprise actions support our goal to advance plans to develop, attract and retain ITT talent, and leaders are also intentional about creating frequent connections with ITTers, their families and external experts to understand needs and ignite fresh thinking.

Higher Performance Culture

How We Deliver Sustainable Performance and Growth

The actions of our people make us who we are and are at the heart of all we accomplish. Our goal is to create an inspiring culture and employee experience to attract key talent and build a strong and sustainable future for ITT. For us, this is an ongoing journey, where "high performance" is never the goal—our focus is on working together and continually striving for "higher performance" in all we do.

The practice of ITT's ten higher performance culture principles move us towards our goal and broader purpose by serving as a strong organizational "glue" which guides us in what we do, how we act and how we win. To ensure ITTers understand these principles—and how to fully embody them through actions—we conducted a number of global workshops in 2021 and are currently embedding our principles and learnings across the company as part of our performance management, development, hiring, rewards and other processes.

As we further drive our higher performance culture work, we will focus on demonstrating the link between our culture and business strategy and key execution, innovation and growth priorities. That is the true power of our model—creating an environment where all employees are engaged by purpose, vision and actions for what we can achieve together.

Wuxi—Resilience in Action

We recognize those who embody our higher performance principles in town halls, on social media and through our annual ITT Awards—and we are proud and humbled when our external partners and investors do as well. The actions that our 400+ person team in Wuxi, China took during the COVID-19 pandemic embody our higher performance culture. Their focus and dedication under the most challenging circumstances ensured consistent on-time delivery to our customers and reflected resilience and "higher performance" behaviors at unprecedented levels.

Diversity, Equity and Inclusion

Inspiring and Elevating Our People and Communities

A diverse, equitable, and inclusive workforce is fundamental to ITT's success and growth. Our ITTers varied perspectives and experiences inspire the creativity and innovation required to solve our customers' and some of the world's most complex challenges. By embracing our differences, we create a culture of belonging that encourages ITTers to be upstanders rather than bystanders and to drive positive change within our company and the communities in which we operate. While we are proud of our progress so far, we recognize that there is more to be done, and we are committed to continuing our journey to building a more inclusive environment.

Our DEI Strategy

ITT's commitment to diversity, equity and inclusion starts at the top. Our CEO, senior executives and Board of Directors are accountable for strategies to drive change. Our broader leadership teams, in partnership with our ITTers, are responsible for operationalizing our plans. Our work to evolve our DEI initiatives centers around three strategic pillars:

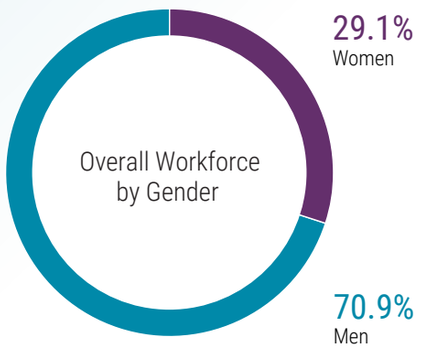
People: *building diverse global teams and an equitable and inclusive culture*

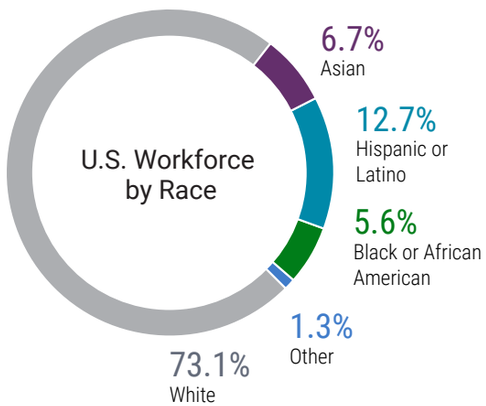
Philanthropy: *investing in communities with a focus on those unrepresented and underserved*

Purchasing: *creating diversified economic opportunities and partnerships*

Learn More

Employee Demographics





As of December 31, 2021

Recent Highlights

2022

- Launched transgender benefits in the U.S., enhancing gender-affirmation related services, and led an inaugural PRIDE recognition campaign
- Global donation of over $100,000 to CARE Ukrainian Humanitarian Response Fund among additional global donations to support global community health and stability
- Honored by VETS Indexes as Recognized Employer

2021

- Launched three new employee resource groups—ITT Women's Interest Network (IWIN), Building Our Leaders and Doers (BOLD) Empowering People of Color, and ITT Veterans Resource Group (VRG)
- Redesigned and progressed the delivery of inclusiveness training across multiple sites and geographies
- Joined the National Action Council for Minorities in Engineering Board of Directors

2020

- Signed the CEO Action Pledge for Diversity & Inclusion
- Established and communicated a robust set of DEI goals
- Built new partnership with the National Action Council for Minorities in Engineering (NACME)
- Significantly expanded our strategy for outreach and community impact supported by ITT's Global Philanthropy Council
- Relaunched our "Employee First Fund"—a hardship relief fund for ITT employees with a donation matching element

2019

- Initiated a comprehensive, global DEI assessment and developed our initial five-year strategy and action plan
- First publication of ITT diversity data in 2019 Sustainability Report
- Implemented ITT's multi-year diverse supply chain purchasing strategy
- Launched ITT's "She Solves It" program honoring Women in Engineering

2026 Diversity, Equity and Inclusion Goals

ITT aspires to be recognized as an industry leader for diversity, equity and inclusion through the empowerment and advancement of top talent and underrepresented groups everywhere we operate.

We have taken actions and made progress towards our goal of creating an equitable and inclusive workforce. These actions include establishing a set of 2026 goals aligned with our People, Philanthropy and Purchasing pillars. Through a data-driven approach, we are building programs to track and measure our progress globally. As we progress, we will continue to be transparent in sharing our journey, including the challenges and successes along the way.

In 2021, we launched several phases of a global inclusiveness training for our people managers. Through the training, our leaders explored how biases impact business decisions, perceptions and interactions within teams. We intend to complete the training for our leadership in 2023 and subsequently deploy it to all employees. Additionally, all employees must participate in anti-harassment training regularly, which reinforces our cultural expectations associated with inclusion.

2026 GOALS

People

35%

Women globally (All Levels)

25%

Women in leadership roles globally (Director and Above)

15%

Black and Hispanic talent in U.S. based leadership roles (Director and Above)

25%

People of color talent in U.S. based leadership roles (Director and Above)

Philanthropy

3x

Triple our philanthropic efforts to empower and serve underrepresented populations

Purchasing

5%

Economic partnerships with diverse suppliers (U.S.)

View EEO-1 Report

ITT Employee Resource Groups

Bringing Our Collective Voices Together

Our employee resource groups (ERGs) help foster an inclusive culture of belonging for women, people of color and veterans. Each ERG plays a crucial role in ensuring fair and equitable opportunities and promoting purpose and accountability throughout the company, and we plan to expand these communities over the next few years.

Our BOLD–Empowering People of Color, ITT Women's Interest Network, and Veterans ERGs align with ITT's long-term vision for inclusion. ITT ERGs center around four strategic pillars–Talent, Community, Business, and Workplace–and receive support from an ITT Leadership Team executive sponsor.

Our ERGs lead "Days of Understanding" through engaging panel discussions to help educate members and allies on important societal topics. By recognizing holiday observances and engaging in mentoring programs, our ERGs partner with internal stakeholders to provide insights on recruitment and retention to help drive change within the organization.

Our Employee Resource Groups Support Four Strategic Areas:
Talent | Community | Business | Workplace

330+
Members and Allies

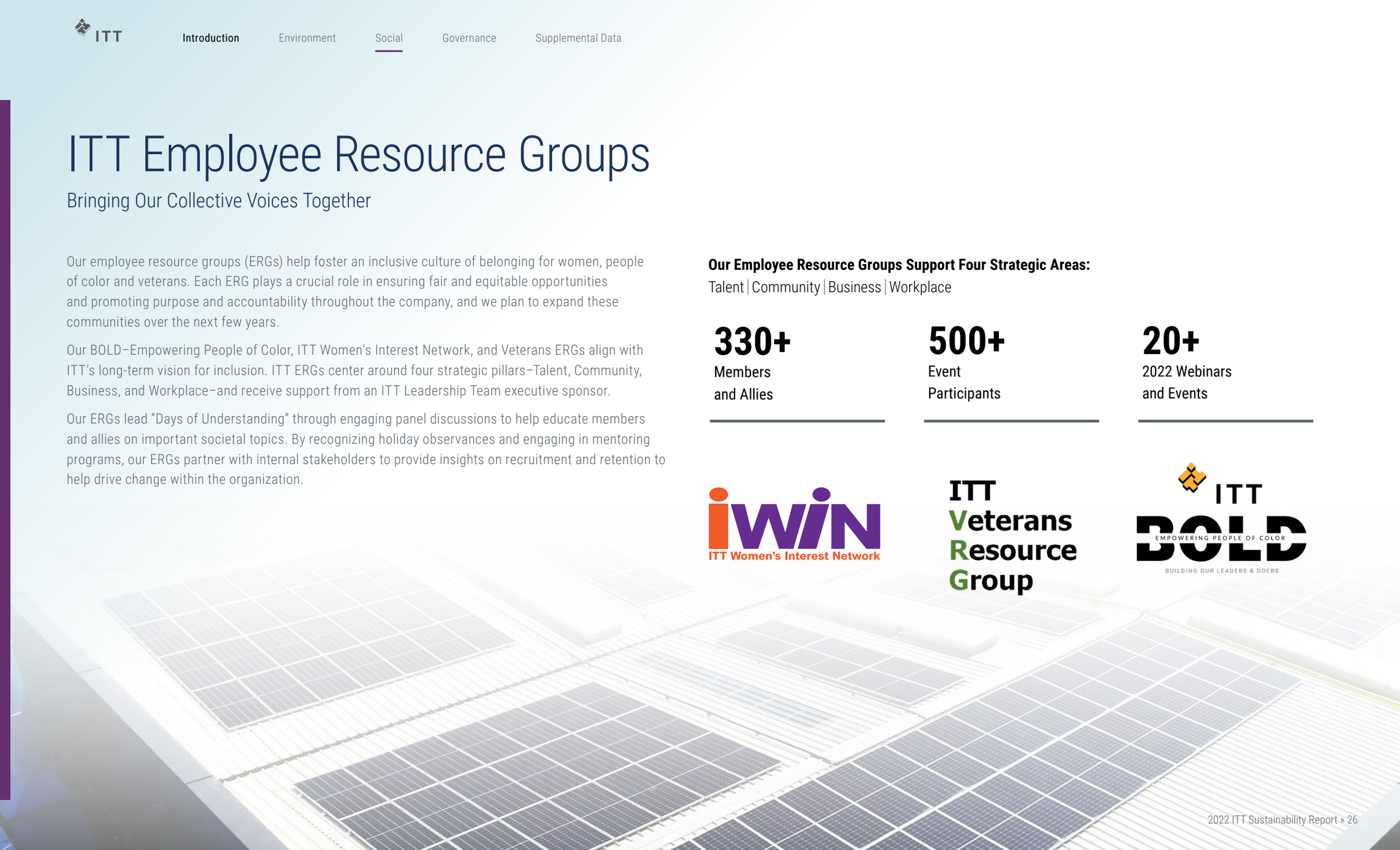
500+
Event Participants

20+
2022 Webinars and Events

iWiN
ITT Women's Interest Network

ITT Veterans Resource Group

ITT BOLD
EMPOWERING PEOPLE OF COLOR
BUILDING OUR LEADERS & DOERS



Positively Impacting Our Communities

As a global company, ITT continually seeks new opportunities to further develop and strengthen our external partnerships to empower women, underrepresented groups and the communities we serve.

Our She Solves It campaign celebrates women in engineering and technology careers at ITT.

Since accelerating these efforts in 2020, we are on track to more than double our philanthropic donations. In 2021, we launched our Service Leadership Day pilot, an initiative that offers employees paid time off to support their local communities through volunteer work. In addition, we have expanded our partnership with Habitat for Humanity International by increasing global donations by $100,000 and committing up to 1,200 employee volunteer hours to help battle homelessness and the affordable housing crisis.

Globally, we have also seen success in our inclusion and philanthropic efforts in many countries through initiatives such as Beyond Borders, a vocational training course for Afghan refugees led by our team in Barge, Italy. We are continuing to build on the success of our Give Me Five initiative and global She Solves It campaign, which highlight women engineers' contributions.

In the U.S., we expanded our partnership with the National Action Council for Minorities in Engineering (NACME) in 2021 by joining its Board of Directors and doubling the internship and scholarship opportunities for students through our Bridge internship program. In addition, our Women's Interest Network continues to partner with the U.S. National Women's Hall of Fame and the Women in Manufacturing organization through panel discussions, heritage observations and other activities.

Lastly, in 2019 we implemented our diverse purchasing strategy with a multi-year plan to expand our supplier diversity strategy to promote inclusion and create meaningful, diversified economic opportunities and partnerships. As part of this strategy's first phase, we completed a full assessment and identified actions to optimize our diverse supplier base.

By 2026, our goal is to have a minimum of 5% of our U.S. spend as certified diverse spend to enable our supplier diversity program to be a natural extension of how ITT conducts business, positively impacting local economies and ITT communities. We are on track to meet our target through an ongoing expansion program implemented across our U.S. business units.

ITT Mentorship Program

In partnership with TENT, a global non-profit organization with a network of over 250 major companies committed to integrating refugees into their host communities, we launched our ITT Mentorship programs in Barge, Italy, and Oud-Beijerland, Netherlands. ITTers volunteer as mentors to support more than 50 refugee women with their professional development, career goals and integration into the workforce.

Leadership Development

Our leaders play an essential role in creating an engaging, productive environment and navigating our business through complex, global challenges. We work to support leaders who are well prepared to manage through uncertainty and effectively lead ITT into the future. From formal assessments, training and coaching, to experiential development, our goal is to ensure we invest in and develop an agile, resilient, inclusive and accountable leadership team.

Over the past two years, we have expanded enrollment in ITT's leadership programs through our "UP Academy," established as a partnership with the European Center for Executive Development (CEDEP). Leader participation in UP Academy has grown by more than 40% over the past two years, and we have seen similar growth with other developmental program opportunities such as external coaching and workshops led by key learning institutions. We also review leadership development and succession plans regularly, and actively coach and support to ensure development progress.

European Centre for Executive Development (CEDEP)

ITT has invested in UP Academy for emerging leaders with programs including our Masters in Business Excellence (MBE). We developed MBE in partnership with the European Centre for Executive Development (CEDEP), the MBE is co-located on the INSEAD campus in Fontainebleau, France. Participants in this program engage in cross-functional business teams and work together on an assigned business challenge that they ultimately present to ITT's leadership team. Past projects include sourcing solutions and other improvements that ITT has adopted worldwide.

Career Growth and Learning

Providing meaningful, equitable career development pathways and support helps ITTers realize their career aspirations. Our development philosophy is built around a "know-do" framework which includes both formal training and experiential learning. Tailored learning programs, coaching and mentoring elevate both technical and other skills (the "know") while challenging, well-planned work experiences and global assignments prepare ITTers for current and future roles (the "do").

Successful employee development is also supported by thoughtful plans built in partnership between employees and their managers. Our development planning tools and processes ensure targeted, concrete action planning, and we promote continuous feedback and regular check-ins.

In 2021, despite continued travel restrictions and limitations due to COVID-19, ITTers completed a number of virtual and in-person trainings and certifications on topics ranging from technical to professional development. We also completed the selection process to upgrade our learning management system which, when fully implemented in 2022, will allow us to drive much broader learning opportunities across a complete range of developmental, technical, functional, safety, operational and ESG-related disciplines.

Attracting, Developing and Engaging Our People

Attraction and Recruitment

Bringing new people with fresh ideas and skills into our company is vital to our future, and all of our teams are actively recruiting key talent across the globe. We recruit experienced hires to fill critical skills and seek a broad range of expertise. We have increased investments in internships across engineering, finance and other disciplines to attract the best early-career talent. Given the growing demand for talent across all industries, 2021 was an especially important year for us to broaden our outreach and work on creating an engaging candidate experience.

Our commitment to broader candidate engagement includes outreach to military personnel and veterans and participation in Service Academy Career (SAC) recruiting conferences, which we expanded in 2021. ITT is a proud recipient of the 2022 VETS Indexes Employer Awards, recognizing our overall commitment to hiring, developing and supporting veterans and people in the military community.

In 2021, we also invested heavily to enhance our candidate experience, including deploying new technology globally to make our application process easier and more efficient. The new technology streamlines our end-to-end processes and ensures faster, more candidate-friendly engagements.

Performance Management

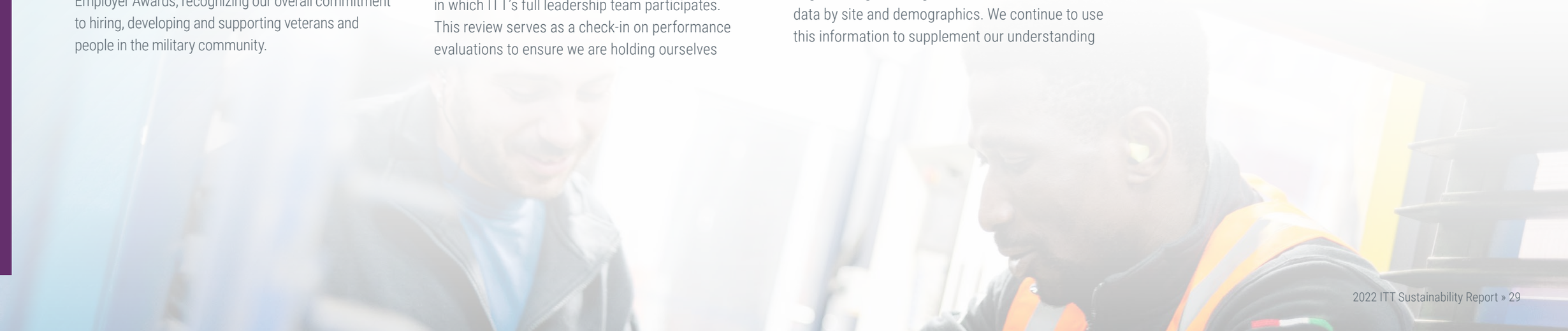
At ITT, we value meritocracy. It is one of our cultural principles, and our performance management approach sets a high bar on objectivity, credibility and transparency. We promote broad, continuous stakeholder feedback, real-time recognition and performance evaluations that hold our workforce and leaders accountable for behaviors that reflect our higher performance culture principles. In addition to quarterly enterprise talent reviews, we lead a year-end enterprise performance review in which ITT's full leadership team participates. This review serves as a check-in on performance evaluations to ensure we are holding ourselves accountable for completing inclusive, fair, fact-based and just assessments of our people and that we are aligned on how our higher performance culture performs across our teams, businesses and regions.

Engagement and Recognition

Employee engagement is critical to performance, retention and long-term business success. We value the perspectives of our employees and conduct leader roundtables and individual "stay interviews." We have shifted intentionally to driving local employee surveys throughout the year to better target and understand site and individual dimensions of engagement across our workforce. Quarterly town halls include opportunities to address employee feedback on a range of topics.

In 2021, we revised our employee exit survey and began taking a more granular look at our attrition data by site and demographics. We continue to use this information to supplement our understanding of what drives retention and engagement across our teams and to take needed action.

Recognition and team-building activities are important ways to build engagement. At each ITT location across the globe, ITTers participate in initiatives from on-site celebrations to local charitable events during which our employees have opportunities to feel good by doing good. At the enterprise level, we also celebrate our annual global ITT Awards to promote, recognize and celebrate successes that significantly impact ITT. Finally, we invest in our employees as individuals. Effective managers know their employees and work to understand and accommodate their unique motivations and needs. At ITT, we reinforce this with our leaders across the company as critical to driving engagement.



Caring for ITTers and Their Families

Safety

Doing whatever is required to ensure the safety of our people is a longstanding core value at ITT. Our focus on driving proactive, zero-incident workplace cultural behaviors as well as our granular, root-cause approach towards identifying improvement actions permeates our organization and is reflected in the continued progress we are making.

Employee Health and Safety Strategy

Our Safety Culture reflects our belief that every incident and injury is unacceptable. ITT has implemented a safety management system which integrates standard operating procedures for systematically tracking regulatory compliance calendars with closing corrective actions.

Key elements of the ITT strategy include:

- *Implementing and sustaining proactive (preventive) safety activities*
- *Training and resources to teach best practices in ESH&S, risk improvement, environmental stewardship and regulatory compliance*
- *Self-assessment that provide early detection and remediation of non-standard conditions. This is a preventative program to avoid injuries, environmental mishaps and safety violations*
- *Our business continuity plan (BCP) and scenario tests/drills that include environment, health and safety aspects for crisis preparedness*
- *Third-party audit process to help ensure we comply with applicable global environmental laws*

Despite these comprehensive measures, accidents still occur. In such cases, we must report the accident, its root cause and any corrective measures we take in ITT's company-wide accident reporting and tracking tool. Accident reporting and analysis helps ITT gauge the effectiveness of our safety initiatives and procedures across all sites. Key safety metrics include recordable/lost time incidents, first aid injuries, near misses, and hazards (unsafe acts and unsafe conditions). Our teams report safety metrics and individual occurrences and then discuss them with the ITT leadership team monthly and the ITT Board of Directors quarterly.

In addition, we encourage employees to identify any potential unsafe or non-standard conditions and to report them so that they can be remediated *before* an incident occurs.

88%

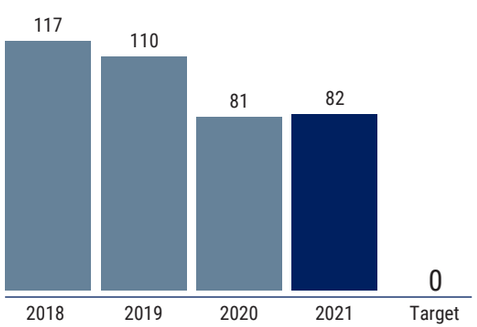
of our sites had two incidents or fewer in 2021

ZERO

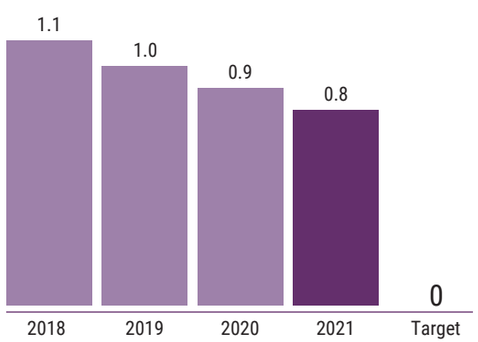
55% of our sites had ZERO safety incidents in 2021

From 2021 to 2022, injury frequency and injury severity rates both declined while hours worked increased to meet higher demand

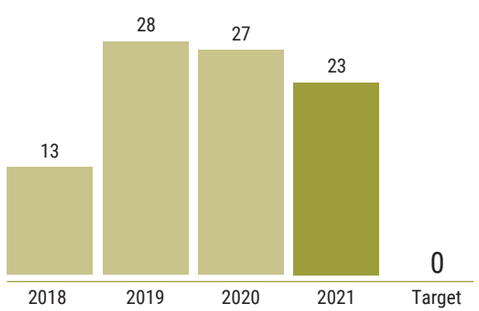
Number of Injuries[1]



Injury Frequency Rate[2]



Injury Severity Rate[3]



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

Safety at ITT

Stop Think Act

"Stop Think Act" is a safety initiative Connect & Control Technologies (CCT) introduced in 2022. This program emphasizes to the frontline leaders and operators the importance of evaluating potential safety risks in their area before starting any standard or non-standard work.

First, we set a safety baseline
We set specific safety inputs to drive our intended output of zero injury occurrences. Our "Stop Think Act" program places a strong emphasis on reviewing various work processes without regard to whether an actual injury has occurred. We do this to ensure that the base work process and equipment we use meet the safety requirements we need in order to prevent injuries from happening.

Second, we build a common understanding
We evaluate and, as needed, send targeted communications across all teams on how specific safety controls should work.

Third, we learn
The program, which is an educational piece to our safety strategy, ensures leaders and operators understand specific operating safety requirements, hazards escalation and fix requirements.

Physically and mentally going through the steps of the "Stop Think Act" process increases the engagement of our shopfloor operators and supervisors to keep good safety top of mind. Since introducing this program, eight–or 81%—of CCT's sites have experienced zero injuries, a dramatic decrease in safety incidents in CCT.

Stop Think Act

Machinists, following standard industry practices, were manually setting materials by inserting their hands into machinery while equipment was in operation. Doing so put their hands close to pinch points and the equipment's moving parts.

Under ITT's "Stop Think Act" Safety initiative, our Nogales, Mexico team tasked themselves to find a way to perform the cutting tool set-up with the doors closed and the machinists' hands away from the moving cutting head.

The team implemented the use of magnetized tool setters to preset the correct distances, eliminating the need for the machinist to reach into the CNC while the cutting head is moving.

ITTers from Nogales re-engineered machinery to eliminate the need for operators to reach into the equipment when parts are moving.

Comprehensive Well-being

Employees perform at their best when companies demonstrate genuine care for their well-being. At ITT, we consider the physical, emotional and financial well-being of our employees and their families one of our most essential priorities.

Our practices and programs vary based on country and location to ensure comprehensive and culturally relevant benefits and rewards. We use benchmarking data to understand and align to local market practices and adapt those to ITT, guided by our principle to do what is right for our people and our business.

Some highlights of employee health and family benefits include:

- *Paid time off*
- *Medical benefits, paid sick leave and additional voluntary benefits in line with local polices and jurisdictions*
- *U.S. medical plans covering travel for employees and dependents who need services, including reproductive care, unavailable within 100 miles of their home*
- *Retirement benefits in accordance with local policies and practices*
- *Access to financial planning and education seminars*
- *Spouses/domestic partners in U.S. medical plans eligible to earn up to $1,000 for completing healthy activities*
- *An employee fund, providing up to $2,500 to ease the burden of a qualifying hardship*
- *Paid U.S. parental bonding leave covering births, adoptions and foster care*
- *Full employee and family access to our Global Employee Assistance Program provided in each country and in multiple languages*

Fair and meaningful compensation is central to financial well-being. ITT's pay and recognition practices leverage data to ensure our employees receive competitive, equitable salaries supported by evaluations of roles, experience, performance and union or works council agreements in select areas. Our variable incentive plans reinforce pay for performance and our strong belief in meritocracy. Approximately 85% of our ~10,000 employees are eligible for either a performance-based bonus or a statutory profit-sharing payment. The bonus plans align employee compensation with financial or operational results and individual performance.

Additionally, over the past two years, we have worked proactively, where needed, to provide hourly and salaried incentive adjustments to ensure the financial stability of our people in the context of a turbulent economy and competitive talent marketplace.

Care and Support Through COVID-19 and Beyond

COVID-19 Care

COVID-19 represented a critical opportunity for us to drive key health, safety and well-being protocols, which included vigilance on safety and health at the site level, daily tracking of cases and employee outreach in the spirit of our culture of care to support individual and family needs. We also implemented vaccine education and access campaigns, achieving a global 80% vaccination rate, inclusive of all countries permitting tracking and reporting.

ITT Employees First Disaster Relief Fund: Taking Care of Each Other

ITT puts the health of our people first and at the forefront of everything we do. Employees 1st is a charitable disaster relief fund administered on behalf of ITT to distribute hardship grants to help affected ITTers recover from unexpected emergencies stemming from serious illness, natural disasters, extreme circumstances and death in the family.

ITTers worldwide can voluntarily contribute to the fund to help ITTers in need. In turn, ITT matches 100% of all donations. Over the last several years, the fund has helped many ITTers around the world in their time of need. The program has made an incredibly positive impact on the employees and families we have been able to help.

> "ITT's help in paying for some of the funeral services has been very helpful for my family. We were able to focus on mourning the loss of my dad, and not so much worry about the financial implications."
>
> —Daughter of an ITTer who received ITT Employees First grant assistance

Human Rights and Fair Labor Practices

Always Doing What Is Right

Human Rights

ITT is committed to ensuring we treat the people and communities across our value chain with dignity and respect by identifying, preventing and addressing any actual or potential human rights risks and impacts.

We strive to ensure our products and services respect internationally recognized human rights standards in our operations and in our value chain. We do not tolerate the use of child labor, forced labor, human trafficking or any other violation of human rights in any form including slave labor, prison labor, indentured servitude or bonded labor. And, we do not tolerate corporal punishment.

ITT's suppliers must maintain labor, health and safety, environmental and ethics practices that meet or exceed all applicable laws and relevant international norms and standards, such as the Universal Declaration of Human Rights and the International Labour Organization's international standards. We expect our suppliers to abide by relevant minimum wage and maximum hour regulations, including paying overtime, as applicable, and to supply decent living conditions when provided.

Our approach to human rights is rooted in actions and governed through the ITT Code of Conduct and our Human Rights Policy. Our approach requires driving industry-wide best practices in human rights, promoting continuous improvement regarding our practices, ensuring stakeholder transparency and continually evaluating our partnerships with external companies and organizations to ensure they share our strong human rights values.

Fair Labor Practices and Relations

Doing what is fair, equitable and just is core to ITT's values and success as a company. ITT has a longstanding policy of equal opportunity for all individuals regardless of race, creed, color, religion, national origin, gender, sexual orientation, gender identity and expression, age, marital status, veteran status and mental, sensory or physical disability. Our policies also encompass equal opportunity in all phases and all aspects of employment, including selection, hiring, training, compensation, promotion, and transfers and maintaining a zero-tolerance policy for discrimination, harassment or retaliatory behavior. In addition, we ensure we make available appropriate accommodations and opportunities to enable equal access for everyone and work to remove barriers to access where challenges or needs exist. We treat all company employees according to fair and responsible employment terms prevalent in the countries in which they are employed.

We are committed to understanding and acknowledging where we have work to do and to driving continuous improvement and transparency in our progress. Aligned to this, we actively communicate and reinforce our commitment to equal opportunity employment (see our EEO-1 Report) and our multi-year diversity goals. We publish information about our progress in forums including our sustainability reports and on ITT's global website.

Labor Unions and Collective Bargaining

ITT supports the United Nations Global Compact's (UNGC) call for businesses to uphold freedom of association and the right to collective bargaining. Unions represent approximately 20% of our U.S. workforce. We have unionized employees in multiple global locations including Italy, Mexico and Germany. We frequently communicate with our ITTers and their unions and bargain in good faith on all matters that involve our unions, works councils and the employees they represent. As a result of these practices, we have not experienced any material strikes, work stoppages or other labor-related issues in our facilities in recent years. It is also noteworthy that in late 2021 and 2022, ITT held successful, constructive contract negotiations in several key U.S. sites, including our Lancaster, Pennsylvania, Seneca Falls, New York and Blacksburg, Virginia sites.

Product and Supply Chain

ITT's Pledge to Product Safety and Quality

ITT is committed to meeting all statutory, regulatory and customer-specific requirements related to product safety and quality. Every ITTer is responsible for the quality of their work. ITT's leaders assist, coach and train our people in quality fundamentals. Our leaders take an active role in promoting a quality culture—through metric analysis, customer and supplier quality reviews, layered audits, program reviews and other communication tools.

Advanced Quality Planning is the key to quality assurance and to avoiding potential systematic errors. When we need to make changes to a product or process, ITT adheres to a disciplined and orderly course of action. If nonconformance occurs, ITT acts urgently and with integrity to identify, contain, correct and prevent any recurrence of the problem.

Responsible Sourcing

At ITT, we strive to work together with our customers and suppliers to build a sustainable, resilient global supply chain that allows us to maintain operations under any circumstance.

We center our supply chain management around the ITT Code of Conduct which addresses our stance on labor and working conditions, modern slavery, environmental standards and conflict minerals, among other critical factors in ethical supply chain management. Ensuring a diverse and sustainable supply chain is another critical factor in ITT's strategic sourcing and procurement process.

We monitor our supply chain management through our supply framework, including vendor audits, diversity long-term agreements and KPIs at several levels in the organization.

Supplier Expectations and Standards

ITT's Supplier Expectations Protocol and Code of Conduct outline our expectations for commercial suppliers, who must also comply with all laws and regulations governing their specific businesses.

Specifically, we expect ITT suppliers to:

- *Commit to continually advancing a culture of inclusion and diversity*
- *Never tolerate harassment—in any form—in the workplace*
- *Share ITT's commitment to human rights at all times and in all locations, regardless of local business customs*
- *Produce quality, conforming goods in a safe work environment*
- *Comply with all applicable laws*

Code of Conduct

Product Safety and Security

To work with ITT, suppliers must provide products, components, materials and services that conform to specifications and are fit for the purpose for which they are intended. We are rolling out processes where suppliers must further certify that when items ITT purchases are incorporated into our products, they are safe for our customers, employees, the general public and the environment.

ITT's product safety and security requirements are shared with prospective vendors during the request for quote (RFQ) process and are reflected in vendor contracts. ITT's Supplier Development Engineer Team audits vendor agreements regularly. The tier classification, vendors risk matrix and vendor scorecard dictate the frequency and scope of these controls and audits.

Conflict Minerals

ITT will not knowingly manufacture products that contain Conflict Minerals. ITT's Conflict Mineral Policy is available at ITT.com and incorporates the relevant standards contained in the Organization for Economic Cooperation and Development (OECD) Guidance. Our Conflict Mineral Policy reflects ITT's expectation that Tier 1 suppliers will perform due diligence similar to ours on the sources of 3TG metals in their supply chains and that they will require their own suppliers to do the same. As the policy specifies, to avoid using Conflict Minerals we expect our Tier 1 Suppliers to procure minerals through an established, robust and validated conflict-free supply chain or through a validated supply chain with a robust developed mineral tracing program.

Quality control for ITT Friction Technologies brake Pad.

Governance | *Leadership & Accountability*

Corporate Governance and Our Board of Directors

Our Board members are responsible for overseeing management's operation of the company. Except for our Chief Executive Officer, all our Directors are independent—meaning they have no relationships with the company that would impair their judgment or ability to oversee ITT's operations objectively.

ITT's Board of Directors believes in strong corporate governance and is committed to sound principles and practices. Our Corporate Governance Principles and the charters for each Board Committee govern the Board's operations and guide the Board and our leadership team in executing their responsibilities. Each Committee oversees ITT's risk management efforts in the areas delegated to them by their respective charters and provides detailed focus to areas that warrant greater attention. Our Committees review their charters annually to ensure they meet regulatory requirements and ITT's needs and we regularly benchmark our governance practices against our peers and competitors.

Our ethics and compliance and enterprise risk management programs, as well as ongoing shareholder engagement, ensure we understand key risks and market trends as an organization and deploy resources appropriately to meet our current and future needs.

ITT's Three Board Committees

- Audit
- Compensation and Human Capital
- Nominating and Governance

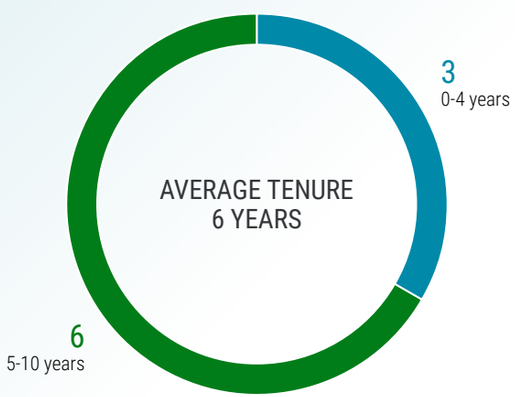
ITT has been an early adopter of many of the most significant governance advances over the last two decades, including: majority voting for uncontested director elections, proxy access bylaws, independent Board chair, and shareholder rights to call a special meeting.

Composition of Our Board

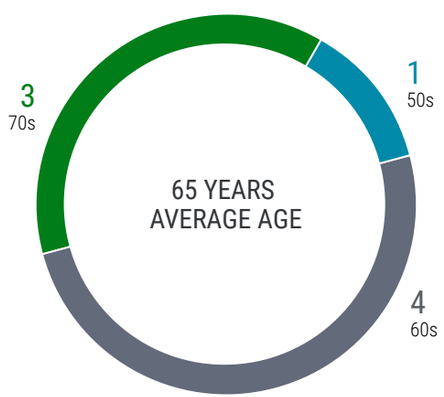
The diverse backgrounds, experiences and perspectives of ITT's Board members contribute to their collective ability to ensure the sustainable success of our company. The Board is committed to diversity among its members including gender and ethnic/racial diversity as well as diversity of backgrounds, perspectives and cultural experiences.

Recognizing that our businesses and operations are varied and global, the Nominating and Governance Committee continually assesses the overall diversity of the Board, includes diversity as a specific factor when conducting any search for Board candidates and strives to maintain an appropriate balance of tenure and fresh perspectives among directors.

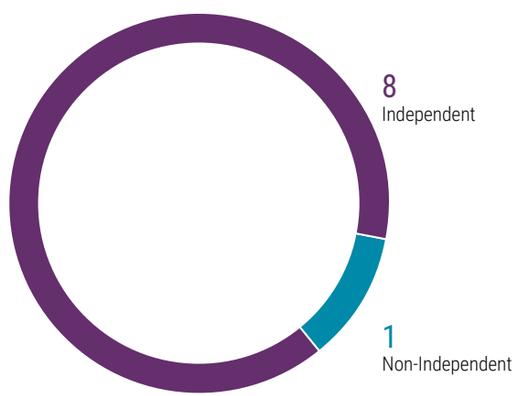
Balanced Tenure



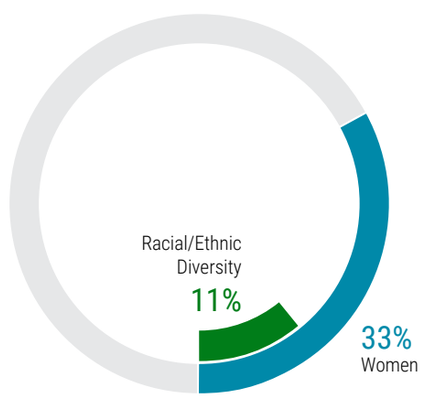
Age of Independent Directors



Independence



Gender/Ethnic/Racial Diversity



All figures as of May 2022

ESG Governance and Oversight

Board of Directors and Committees

ESG plays an essential role in our business and operating strategies, and we recognize the importance of ESG to our customers, employees, communities and shareholders. Our Board of Directors, executive leadership and employees are committed to effectively managing ESG topics. We design our governance policies and processes to provide appropriate oversight of significant ESG issues relevant to ITT. These policies and processes, as well as areas of focus most relevant given our business and industry, are informed by proactive engagement with our shareholders as well as other stakeholders, including the SASB.

Our Board provides active oversight of the full range of ESG topics. Management works closely with the Board to identify relevant ESG risks and opportunities to enhance our bottom line and deliver long-term financial value to our shareholders. The Nominating and Governance Committee has overall responsibility for sustainability and other ESG initiatives. In addition, each Committee has primary responsibility for oversight of other specific aspects of the Company's ESG initiatives, as stated in their respective charters.

ESG Management Approach

The ITT Environmental, Safety, Health and Security (ESH&S) Council is an internal team of senior executives that drives our day-to-day management of ESH&S matters and establishes corporate-wide processes.

The ESH&S Council meets monthly and includes our General Counsel, Director of Environmental Affairs and the executive director-level ESH leaders embedded in each of our Value Centers. Members of the ESH&S Council provide regular reports to the Board and our Committees, including quarterly reports on safety performance to the full Board and an annual review of environmental liabilities and assets provided to our Audit Committee.

In addition, in 2021, we established an Environmental Task Force, led by our Chief Financial Officer, comprised of leaders in our ESH&S Council, finance, research and development and supply chain management. Our Environmental Task Force meets monthly to discuss green capex initiatives, establish corporate-wide environmental and sustainability goals and identify sustainability-related opportunities across our Value Centers.

ESG Oversight

BOARD OF DIRECTORS

Receives regular reports from management regarding matters related to ESH&S and provides oversight of sustainability and other ESG initiatives primarily through its Committees.

Audit Committee

- Oversees and reviews ITT's cybersecurity and other information technology risks, controls and procedures.
- Oversight of ITT's environmental liabilities and assets, including the accuracy of budgeting and the forecasting process related to environmental liabilities.

Nominating and Governance Committee

- Oversees sustainability in general, with an emphasis on assessing the effectiveness of ITT's Ethics and Compliance program and charitable initiatives.
- Receives updates from our investor relations department regarding sustainability initiatives at least annually.
- Oversight in developing and setting the timing of the emissions target outlined in this report.

Compensation and Human Capital Committee

- Oversees ITT's human capital management programs, including responsibilities relating to the compensation and benefits of our executive officers, and the recruitment, development and retention of diverse talent necessary to ensure our success.
- Receives regular briefings from our Chief Human Resources Officer regarding diversity, equity and inclusion as well as written reports at least once a quarter.

Environmental Task Force

Internal team that establishes corporate-wide environmental and sustainability goals and identifies sustainability-related opportunities across our Value Centers.

Environmental, Safety, Health & Security Council

Internal team that drives day-to-day management of ESH&S matters, establishes corporate-wide processes and provides operational execution of the goals and targets set by Environmental Task Force.

Investor and Political Engagement

Investor Engagement

We value our shareholders' views and believe effective corporate governance includes constructive conversations with investors. In 2021, we reached out to shareholders representing approximately 76% of ITT's outstanding shares and engaged with shareholders representing over 40% of outstanding shares. We also conducted outreach to the two main proxy advisory firms and met with one of those firms. Engaging with shareholders helps us better understand their priorities and perspectives and provides the company with actionable feedback regarding corporate governance, executive compensation and sustainability practices.

Political Engagement

ITT has a longstanding global policy against using company resources to contribute to political parties, political action committees (PACs), candidates or government officials, even when lawfully permitted. ITT does not currently operate a PAC and does not involve itself in the political affairs of any country. No company funds or assets are allowed to be used for any partisan political purposes. All employee political, lobbying and civic activity must comply with applicable laws, our Code of Conduct and our policies.

Investor Day

In June 2022, we held our first investor day in over a decade and used the event to engage with over 125 attendees. During our investor day, our Chief Financial Officer specifically addressed our sustainability priorities, environmental projects, climate-friendly product innovations and robust corporate governance practices.

ITT Investor Day, June 2022

Risk Management

Effective risk management is critical for achieving outstanding performance and protecting shareholder value. Risk management is integral to our strategic planning process, business decision-making and the day-to-day operations of our company. Our executive leadership team, with oversight from our Board of Directors and our Board Committees, holds primary responsibility for identifying, evaluating, managing and mitigating material risk exposures.

ITT's Enterprise Risk Management (ERM) program focuses on identifying, assessing, monitoring, and communicating the company's strategic, operational, financial, compliance, legal and reputational risks. This includes risks concerning health and safety, talent attraction and retention, business continuity—including the effects of climate change on our continuous operations—supply chain, and cybersecurity.

The ERM program provides enterprise-wide insight into individual risks and the net-risk we face and synthesizes this input to create a dynamic register of risks. The business actively manages these risks as part of standard operating procedure, and not as a separate academic exercise.

A Steering Committee, chaired by ITT's Chief Financial Officer who serves as a liaison to our executive leadership team, leads ITT's ERM program. Risk leaders are assigned to each enterprise risk and are responsible for monitoring the execution of mitigation strategies. ITT's Nominating and Governance and Audit Committees receive a formal ERM update at least annually; additionally, our full Board receives reports as needed.

Responsible Divestiture of Legacy Liabilities

On July 1, 2021, ITT divested 100% 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 was the culmination of a multi-year strategy to reduce ITT's legacy liability profile. By divesting our legacy asbestos liabilities, ITT removed a risk and now has a more attractive free cash flow profile without the burden of legacy asbestos-related payments. The divestiture also allows management to focus on the core businesses, including organic and inorganic growth.

Board and Committee Roles in Oversight of Risk

BOARD OF DIRECTORS

The Board is charged with oversight of the Company's risk management policies and practices with the objective of ensuring appropriate risk management systems are employed throughout the Company. The Board monitors overall corporate performance, the integrity of the Company's financial controls and the effectiveness of its legal compliance and enterprise risk management programs, risk governance practices, and risk mitigation efforts.

Nominating Governance Committee

Oversees ITT's overall risk management program. Also evaluates risks in connection with the Company's corporate governance structures and processes and risks related to other primarily non-financial matters (for example, business continuity planning and sustainability).

Audit Committee

Oversees ITT's policies on risk assessment and management, and oversees risks related to our financial statements, the financial reporting process, accounting matters, and other areas of significant financial risk. Assesses risks related to legal and regulatory matters that may have a material impact on our financial statements.

Compensation and Human Capital Committee

Oversees risks related to compensation-related matters, management succession planning human capital management and corporate culture.

MANAGEMENT

The Company's internal audit function has primary oversight responsibilities over risk management and engages with other members of management to monitor and analyze various risks. Each Board Committee receives regular reports from management within the relevant expertise of that committee.

Data Privacy and Cybersecurity

Cybersecurity and data governance are rapidly evolving areas. The increasing frequency and complexity of cyber threats has heightened the importance of sound cybersecurity and data governance practices. ITT's information security approach aligns with the best practices established by the National Institute of Science and Technology cybersecurity framework. We continually adjust our strategy to meet business and regulatory requirements and address issues we identify through risk management programs. ITT is committed to maintaining a strong set of cybersecurity practices to protect both our own data and that of our stakeholders.

Our Board of Directors ultimately oversees the company's cybersecurity program. ITT's Chief Information Security Officer supports our Chief Information Officer, leads the cybersecurity team and is responsible for global cybersecurity operations. Our Chief Information Security Officer also coordinates with internal groups to develop policies and best practices to facilitate a resilient information security program. ITT's Chief Information Officer provides regular updates to the Board on our cybersecurity position. Complementing these formal reports, the Board regularly receives information related to operational risks, including data privacy and security.

ITT maintains a 24/7 cybersecurity command center staffed by trained professionals with specialized tools and technology for monitoring and addressing potential cybersecurity threats. We evaluate cybersecurity tools and programs regularly and update them as needed.

Globally, ITTers complete a mandatory annual cybersecurity training program that covers an array of data management topics and best practices. We also conduct an ongoing phishing test campaign to raise employee awareness of potential email and text vulnerabilities. ITT's cybersecurity team provides regular updates on cybersecurity topics to employees.

Personal Data Protection

Protecting personal data is particularly important to ITT. As an international organization with employees, customers and suppliers all over the globe, we are committed to implementing robust data privacy standards that protect individuals and their personal data.

See ITT's Global Privacy Policy

Third-party contractors with whom we share personal data must adhere to and comply with all relevant data protection and security laws, respective regulation, and our data privacy, retention and protection policies.

Ethical Conduct and Compliance

ITT is committed to ethical business conduct everywhere we operate. In October 2022, we updated our Code of Conduct which serves as a guide to ethical business conduct. Our Code applies to everyone at ITT—officers, directors, worldwide employees, temporary and part-time workers and contractors—and is a core component of our ethics and compliance program. We require every ITTer to affirm they will adhere to it when they join ITT.

We conduct training on our Code of Conduct annually, and in 2021, we had an 85% completion rate. We reinforce the content of our Code through additional regular training, which focuses on specific policies set out in our Code such as respect in the workplace, anti-bribery, government contracting, trade compliance, anti-trust, insider trading and environmental protection and human rights.

We regularly monitor our ethical principles against available benchmarks to ensure our approach reflects best practices and emerging standards. ITT's audit rotation schedule includes an audit of ITT's policies and procedures, and captures the vast majority of our operations within a three-year period.

Speaking Up (Whistle Blower Programs and Reporting Ethics Concerns)

At ITT, we encourage our employees to raise concerns and report suspected wrongdoing. We nurture an environment where all team members feel free to speak up. If something does not seem right or appears to conflict with our Code of Conduct, a policy or the law, employees can use internal reporting channels or the ITT Ethics Helpline to raise issues. Whistleblowers can choose to give their name and contact information or remain anonymous, where permitted by law. ITT's Ethics Helpline is available via the Internet 24 hours a day, seven days a week. In many locations, ITTers also can make a local call in their local language to report a concern 24 hours a day, seven days a week.

ITT does not condone any form of retaliation against those who raise a concern in good faith. Anyone retaliating against someone raising a concern in good faith is subject to appropriate discipline up to, and including, termination.

Alleged violations of ITT's Code of Conduct, policies or laws are investigated by the appropriate parties with the full cooperation of employees until the situation is resolved. ITT takes appropriate actions based on the findings of any investigation. Employees found to have violated our Code of Conduct policy or laws are subject to discipline up to, and including, termination. We provide our Nominating and Governance Committee updates on our Ethics and Compliance Program, including investigations, at least four times per year.

Supplemental Data

SASB

ITT supports the mission of the **Sustainability Accounting Standards Board** (SASB), which creates industry-specific sustainability accounting standards that help companies disclose financially-material, decision-useful, environmental, social and governance information to investors.

Given ITT's businesses, SASB recommended that we consider reporting to its Industrial Machinery Standard and its Auto Parts Standard. We have included all metrics in those two standards that are applicable to ITT's businesses and that we track. We look forward to including more data in the future when it becomes available.

TCFD

While our approach to environmental sustainability focuses on the operation of our business, our impact is much broader. We are continuing our journey to better identify and address climate related risks and opportunities in all that we do. Our inaugural measurement of our progress against the **Task Force on Climate-Related Disclosure** (TCFD) shares an overview of existing practices, what we've learned so far, and plans for this year and five years out.

The information shown in these indices is based on 2021 fiscal year-end information, except where otherwise noted.

SASB

Topic	Metric	Category	Unit of Measure	Code	ITT Response
Energy Management	Total energy consumed	Quantitative	Gigajoules (GJ); Megawatt hours (MWh)	TR-AP-130a.1; RT-IG-130a.1	469,523 MWh p. 15
	Percentage grid electricity	Quantitative	Gigajoules (GJ)	TR-AP-130a.1	60% p. 15
	Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TR-AP-130a.1	24% p. 10
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-IG-440a.1	p. 35
Materials Efficiency	Percentage of products sold that are recyclable	Quantitative	Percentage (%)	TR-AP-440b.1	0%
	Percentage of input materials from recycled or remanufactured content	Quantitative	Percentage (%)	TR-AP-440b.1	0.37% of 2021 revenue

SASB (continued)

Topic	Metric	Category	Unit of Measure	Code	ITT Response
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	RT-IG-440b.1	4% of 2021 revenue
Waste Management	Total amount of waste from manufacturing	Quantitative	Metric tons (t),	TR-AP-150a.1	17,987 Metric tons Waste to Landfill p. 16
	Percentage hazardous	Quantitative	Percentage (%)	TR-AP-150a.1	0 p. 16
	Percentage recycled	Quantitative	Percentage (%)	TR-AP-150a.1	67% p. 16
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	TR-AP-250a.1	0
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	Quantitative	Reporting currency	TR-AP-410a.1	$USD 332M p. 8

SASB (continued)

Topic	Metric	Category	Unit of Measure	Code	ITT Response
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	TR-AP-520a.1	0
Employee Health & Safety	Total recordable incident rate (TRIR)	Quantitative	Rate	RT-IG-320a.1	0.8 p. 30
	Fatality rate	Quantitative	Rate	RT-IG-320a.1	0 p. 30
	Near miss frequency rate (NMFR)	Quantitative	Rate	RT-IG-320a.1	15.603
Activity Metric	Number of employees	Quantitative	Number	RT-IG-000.B	10,069

TCFD

Topic	Metric	ITT Response
Governance	a. Describe the Board's oversight of climate-related risks and opportunities.	Our Board of Directors provides active oversight of the full range of ESG topics. Management works closely with the Board to identify relevant ESG risks and opportunities to enhance our bottom line and deliver long-term financial value to our shareholders. The Nominating and Governance Committee has primary oversight of sustainability. The Nominating and Governance Committee receives updates from our investor relations department regarding sustainability initiatives at least annually. Additionally, the Committee provided oversight in the development and timing of the emissions target outlined in this report. p. 39
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	The ITT ESH&S Council is an internal team of senior executives that drives our day-to-day management of ESH&S matters, and establishes corporate-wide processes. The ESH&S Council meets monthly and includes our General Counsel, Director of Environmental Affairs and the executive director-level ESH specialists embedded in each of our Value Centers. Members of the ESH&S Council provide regular reports to the Board and our Committees, including an annual review of environmental liabilities and assets provided to our Audit Committee. In addition, in 2021, we established an Environmental Task Force, led by our Chief Financial Officer, comprised of leaders in our ESH&S Council, finance, research and development and supply chain management. Our Environmental Task Force meets monthly to discuss green capex initiatives and sustainability related opportunities across our Value Centers. Senior management periodically reviews the environmental and sustainability goals established by the Environmental Task Force. p. 39
Strategy	a. Describe the climate-related risks and opportunities ITT has identified over the short, medium, and long term.	ITT is developing a broader, strategic approach to reduce the company's carbon footprint while providing greater transparency on strategy and performance. The continued development of this strategy is a priority for ITT. ITT will work to refine this approach over time and ensure transparent annual reporting on any strategic updates as well as progress towards related goals.
	b. Describe the impact of climate-related risks and opportunities on ITT's businesses, strategy, and financial planning.	
	c. Describe the resilience of ITT's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	

TCFD (continued)

Topic	Metric	ITT Response
Risk Management	a. Describe ITT's processes for identifying and assessing climate-related risks.	ITT's Enterprise Risk Management (ERM) program focuses on identifying, assessing, monitoring and communicating the company's strategic, operational, financial, compliance, legal and reputational risks. This includes risks concerning business continuity, including the effects of climate change on our continuous operations. ITT's Nominating and Governance and Audit Committees receive a formal ERM update at least annually; additionally, our full Board receives reports as needed. p. 41
	b. Describe ITT's processes for managing climate-related risks	The ERM program provides enterprise-wide insight into individual risks and the net-risk we face and synthesizes this input to create a dynamic register of risks. The business actively manages these risks as part of standard operating procedure, and not as a separate academic exercise. The ERM program is led by a Steering Committee, chaired by ITT's Chief Financial Officer, who serves as a liaison to our executive leadership team. Risk leaders are assigned to each enterprise risk and are responsible for monitoring the execution of mitigation strategies. p. 41
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into ITT's overall risk management.	The ERM program is designed to identify and assess risks concerning business continuity, including the effects of climate change on our continuous operations. The ERM Steering Committee, which is chaired by ITT's Chief Financial Officer, meets at least once a quarter and is responsible for ensuring risk leaders are assigned to climate-related enterprise risks. These risk leaders are responsible for monitoring the execution of mitigation strategies. p. 41

TCFD (continued)

Topic	Metric	ITT Response
Metrics and Targets	a. Disclose the metrics used by ITT to assess climate-related risks and opportunities in line with its strategy and risk management process.	In 2021, the Company tracked the following metrics relevant to climate-related risks and opportunities: • Scope 1 GHG emissions; • Scope 2 (location-based and market-based) GHG emissions; • Greenhouse gas emissions intensity (Scope 1 and 2 combined emissions per unit of revenue); • Energy consumption, including fuel, heat or steam, and purchased or acquired electricity; • Energy intensity (MWh per unit of revenue); • Total waste (non-hazardous and hazardous) and by disposal type (landfill, reused, recycled, incinerated, energy recovery, other); • Water withdrawals, discharges and consumption; • Water withdrawal intensity (megaliters per unit of revenue).
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	In 2021, the Company's Scope 1 and 2 GHG emissions were 36,053 and 72,615 (market-based) metric tons CO_2e, respectively. The company is investing in our infrastructure to accurately measure our Scope 3 emissions, starting with our environmental pilot in Italy.
	c. Describe the targets used by ITT to manage climate-related risks and opportunities and performance against targets.	The Company has the following four active, climate-related goals 1. By 2026 the Company will increase its sourcing of renewable energy for electric power used at its facilities. 2. By 2026, the Company will reduce its Scope 1 and 2 GHG emissions by 10% versus 2021.

ITT 2021 Global Demographics

Global Diversity (As of December 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*	9	3	33%	8	1	11%
Executive Officers*	9	2	20%	7	0	0.00%
Executives	96	21	TBD	61	11	18.0%
Managers	965	170	17.60%	301	47	15.6%
All Other Employees	8,574	2,618	30.50%	2,130	611	28.7%
All Employees	9,645	2,811	29.10%	2,499	669	26.8%

Global Employment by Age (As of December 2021)	Number Under 30	Percentage Under 30	Number 30-49	Percentage 30-39	Number 50 and Over	Percentage 50 and Over
Board of Directors*						
Executive Officers*	0	0.0%	2	20.0%	9	80.0%
Executives	0	0.0%	44	45.8%	52	54.2%
Managers	15	1.6%	597	61.9%	353	36.6%
All Other Employees	132	15.7%	4,606	53.7%	2,626	30.6%
All Employees	1,357	14.1%	5,249	54.4%	3,039	31.5%

*ITT CEO is included in both the Board Directors and Executive Officer categories. Director data is as of May 2022 after our most recent Annual Shareholder meeting.

Safe Harbor Statement

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 include, but are not limited to, future strategic plans and other statements that describe the company's business strategy, outlook, objectives, plans, intentions or goals, and any discussion of future events and 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, by their nature, many are inherently unpredictable and outside of ITT's control, 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, we cannot provide any assurance that the expectation or belief will occur or that anticipated results will be achieved or accomplished.

Among the factors that could cause our results to differ materially from those indicated by forward-looking statements are risks and uncertainties inherent in our business including, without limitation:

- impacts on our business due to the COVID-19 pandemic, including:
  - variant strains of the virus, as well as the timing, effectiveness and availability of, and people's receptivity to, vaccines or other medical remedies;
  - disruptions to our operations and demand for our products, increased costs, continued supply chain disruptions, and other constraints in the availability of key commodities and other necessary services;
  - government-mandated site closures, employee illness, skilled labor shortages, the impact of potential travel restrictions, stay-in-place restrictions, and vaccination requirements on our business and workforce; and
  - customer and supplier bankruptcies, impacts to the global economy and financial markets, and liquidity challenges in accessing capital markets;
- uncertain global economic and capital markets conditions, including those due to COVID-19, trade disputes between the U.S. and its trading partners, the impact of inflation, political and social unrest, and the availability and fluctuations in prices of steel, oil, copper, tin, and other commodities;
- volatility in raw material prices and our suppliers' ability to meet quality and delivery requirements;
- failure to manage the distribution of products and services effectively;
- failure to compete successfully and innovate in our markets;
- failure to protect our intellectual property rights or violations of the intellectual property rights of others;
- the extent to which there are quality problems with respect to manufacturing processes or finished goods;
- the risk of cybersecurity breaches;
- loss of or decrease in sales from our most significant customers;
- risks due to our operations and sales outside the U.S. and in emerging markets;
- the impacts on our business from Russia's invasion of Ukraine, and the global response to it;
- fluctuations in foreign currency exchange rates and the impact of such fluctuations on our hedging arrangements;
- fluctuations in interest rates and the impact of such fluctuations on our cost of debt;
- fluctuations in demand or customers' levels of capital investment and maintenance expenditures, especially in the oil and gas, chemical, and mining markets, or changes in our customers' anticipated production schedules, especially in the commercial aerospace market;
- the risk of material business interruptions, particularly at our manufacturing facilities;
- risk of liabilities from past divestitures and spin-offs;
- failure of portfolio management strategies, including cost-saving initiatives, to meet expectations;
- risks related to government contracting, including changes in levels of government spending and regulatory and contractual requirements applicable to sales to the U.S. government;
- fluctuations in our effective tax rate, including as a result of possible tax reform legislation in the U.S. and other jurisdictions;
- changes in environmental laws or regulations, discovery of previously unknown or more extensive contamination, or the failure of a potentially responsible party to perform;
- failure to comply with the U.S. Foreign Corrupt Practices Act (or other applicable anti-corruption legislation), export controls and trade sanctions, including tariffs;
- risk of product liability claims and litigation; and
- changes in laws relating to the use and transfer of personal and other information.

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 or as a result of new information, future events or otherwise.

The data in this report is unaudited, unless otherwise noted.