

**ESG AT-A-GLANCE 2020**

# Bold Action for a Sustainable Future

At Trane Technologies, we embrace the opportunity to do what's right for our people and planet while also creating a better world for all. For us, sustainability is not a nice thing to do, it is core to our business strategy and extends to all our operations, products, services and people.

Through our strategic brands, Trane® and Thermo King®, and our portfolio of environmental products and services, we bring efficient and sustainable climate solutions to buildings, homes and transportation. We're focused on our business strategy and 2030 Sustainability Commitments to solve some of the greatest global challenges—from climate change to COVID-19.



**At Trane Technologies, we challenge possible by thinking bigger, acting bolder and taking actions that not just improve our own performance but influence global change.**

Michael W. Lamach Chairman and CEO

### ESG RECOGNITION



MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

10TH CONSECUTIVE YEAR,  
1ST AS TRANE TECHNOLOGIES



**FORTUNE**  
WORLD'S MOST  
**ADMIRED**  
COMPANIES

8TH CONSECUTIVE YEAR



**CDP**  
DRIVING SUSTAINABLE ECONOMIES

CLIMATE RANKING OF A-



**FTSE4Good**

6TH CONSECUTIVE YEAR



**SUSTAINALYTICS**

TOP DECILE GLOBALLY (7TH PERCENTILE) – IDENTIFIED AS "INDUSTRY LEADER"



**Forbes 2020**  
**THE BEST EMPLOYERS for DIVERSITY**  
POWERED BY SPARKS

## 2030 SUSTAINABILITY COMMITMENTS

We believe one company can change an industry and one industry can change the world. Our purpose is clear: **we boldly challenge what's possible for a sustainable world.**



- Reduce customer carbon footprint by one gigaton<sup>1</sup>
- Design systems for circularity
- Increase access to heating, cooling and fresh food



### Leading by Example

- Achieve carbon neutral operations
- Reach zero waste disposed of in landfills
- Achieve net positive water use in water-stressed locations
- Achieve 10% absolute reduction in energy consumption<sup>2</sup>



### Opportunity for All

- Achieve workforce diversity reflective of our communities
- Achieve gender parity in leadership roles
- Maintain world-class safety metrics
- Provide market-competitive wages and benefits, and leading wellness offerings
- Invest \$100 million in building sustainable futures for under-represented students
- Dedicate 500,000 employee volunteer hours in our communities

<sup>1</sup> 1B metric tons of CO<sub>2</sub>e <sup>2</sup> Compared to 2019 baseline

**2020 was a year like no other.** Our first year operating as Trane Technologies. Our first year focused on our bold 2030 Sustainability Commitments. The first year for all of us navigating a global pandemic. More than ever before, 2020 required visionary leadership and the courage to act.

## Environment<sup>3</sup>

### Greenhouse Gas Emissions

54,681 metric tons of CO<sub>2</sub>e reduced from our operations

### Energy and Renewable Energy

8% improvement in energy efficiency

39% of electricity demand met with renewables

### Water

23% decrease in water use in water-stressed regions, with 5% decrease in water use from 2019 to 2020

### Circularity

22+ tons of CO<sub>2</sub>e saved in emissions from returnable packaging projects<sup>4</sup>

2,000+ tons of solid waste reduced from packaging projects<sup>5</sup>

## Social

### Gender Parity

21.7% women in leadership positions, > 2x the average for S&P 1500 companies<sup>6</sup>

### Supplier Diversity

\$380M was spent on U.S. diverse-owned businesses, this represents 6% of total supplier spend which exceeds our goal of 5.8% in 2020

### Engagement

80 score for employee engagement, measuring Pride, Energy and Optimism and reflecting high levels of engagement in our new company

### Employee Safety

30% reduction in lost-time incident rate (LTIR) and 8% reduction in total recordable incident rate (TRIR), with world-class rates of 0.07 and .79 respectively, well below average OSHA rates

### Employee Support

\$1.4M awarded to employees through Helping Hand Fund as part of COVID-19 pandemic relief

### Citizenship

\$10.9M+ philanthropic giving (foundation, in-kind and employee fundraising and donations), a year-over-year increase of 13%

49% of employees globally participated in community or sustainability initiatives

## Governance

### Leadership

5 of the 13 directors on our Board are women<sup>7</sup>

Board-Level Accountability through the Sustainability, Corporate Governance and Nominating Committee

Executive Leadership ensures alignment on ESG goals throughout organization

Outside and independent Advisory Council on Sustainability provides guidance on ESG

Sustainability Strategy Council aligns ESG practices across businesses and regions

Center for Energy Efficiency and Sustainability (CEES) leads day-to-day ESG integration

### Ethics & Risk Management

100% participation of salaried workforce in ethics and compliance training

Rigorous enterprise risk management process with Board oversight

0 suppliers identified as having significant negative environmental impacts

100% direct material spend assessed for risk quarterly

<sup>7</sup>As of December 2020, five out of the 13 members of our Board of Directors were women. In June 2021, with the retirement of one of our long time directors, this will change to five of 12.

## ESG & COVID-19 PANDEMIC

The COVID-19 pandemic brought challenges to our employees, our customers and our suppliers. We helped face these unprecedented times in many ways. These are a few highlights.

- **Launched the Center for Healthy and Efficient Spaces** to bring together experts and technologies inside and outside the company to address indoor environment challenges and mitigate potential air quality issues during and beyond the pandemic
- **Developed the Trane Technologies Critical Supplier Designation** in response to COVID-related shutdowns that were impacting our global suppliers
- Formed an **internal Pandemic Response team** and expanded mental health resources, provided monetary relief to employees facing hardships, provided back-up day care and other efforts to protect and care for our employees