

# Environmental

## Greenhouse Gas Emissions

### Emissions Breakdown

	2020	2019
<b>Scope 1 Regional GHG Emissions Breakdown</b>		
North America Region	199,053	246,473
Latin America	20,891	21,791
Europe, the Middle East and Africa	39,594	27,829
Asia Pacific	14,084	16,760
<b>Scope 2 Regional GHG Emissions Breakdown</b>		
North America Region	109,490	121,483
Latin America	10,080	16,128
Europe, the Middle East and Africa	4,982	5,561
Asia Pacific	14,639	17,819
<b>GHG Emissions (units: metric tons CO<sub>2</sub>e)</b>		
Direct CO <sub>2</sub> e (GHG Scope 1)	273,621	312,853
Breakdown of Scope 1 emissions		
Emissions from fleet	55,422	62,256
Emissions from refrigerants	170,432	198,480
Indirect CO <sub>2</sub> e (GHG Scope 2) (location-based emissions from electricity)	139,193	154,641
Total (Scope 1 and 2 emissions)	<b>412,814</b>	<b>467,494</b>
Normalized GHG emissions (metric tons/USD)	33.15	35.75
Reduction of absolute GHG emissions (metric tons of CO <sub>2</sub> e compared to 2019 baseline)	-54,681	N/A
Reduction of GHG emissions intensity (2019 baseline)	-2.61	N/A

### GHG Emissions Adjustments for Renewable Energy (units: metric tons CO<sub>2</sub>e)

	2020	2019
<b>Detailed Breakdown of Direct CO<sub>2</sub>e (GHG Scope 1) Emissions</b>		
Emissions from fuels used in manufacturing	45,217	48,889
Emissions from fuels used in Service vehicles	55,422	62,256
Manufacturing processes & cooling equipment refrigerant leaks	170,432	198,480
Fugitive VOC emissions from manufacturing processes	2,550	3,228
Total Scope 1 emissions	<b>273,621</b>	<b>312,853</b>

**Adjusted and Unadjusted Indirect CO<sub>2</sub>e (GHG Scope 2) (emissions from electricity)**

Unadjusted Scope 2 electricity GHG emissions (market-based)	131,959	143,525
Avoided GHG from Electricity Generated by On-site Solar/Photovoltaic Systems/Renewable Energy Credits	3,233	3,543
Avoided GHG from VPAA Renewable Energy Credits	53,756	29,299
Total Avoided GHG from renewable energy	<b>56,810</b>	<b>32,841</b>
Scope 2 GHG emissions adjusted for renewable energy	75,149	110,683
Total Scope 1 and Adjusted Scope 2 GHG Emissions	<b>348,771</b>	<b>423,537</b>
<b>GHG Emissions Improvements from Renewable Energy</b>		
Reduction in Scope 2 GHG Emissions by Renewable Energy	43%	23%
Reduction in Total Scope 1 and Scope 2 GHG Emissions by Renewable Energy	14%	7%

## Scope 3 GHG Emissions

	2020	2019
<b>Material Scope 3 Emissions (units: metric tons CO<sub>2</sub>e)</b>		
Product Use	242 million	244 million
Business travel (assured)	3,788	30,340
Upstream leased assets (estimate)	65,613	67,000
Upstream and downstream distribution and transportation (estimate)	136,434	135,628

	2020	2019
<b>NOx and SOx Emissions* (units: metric tons)</b>		
NOx	91.50	101.43
SOx	5.06	6.25
<b>Volatile Organic Compound (VOC) Air Emissions* (units: metric tons)</b>		
Direct VOC emissions	213	269

## Energy

### Renewable Energy

Project	Location	Type	Estimated Annual Production	Status	REC Treatment
Trenton Solar Project	Trenton, New Jersey	On-Site Solar	1,990 kW	Online	REC Swap*
Columbia Solar Project	Columbia, South Carolina	On-Site Solar PV	1.35 MW direct current	Online	REC Swap*
Taicang Solar Project	Taicang, China	On-Site Solar	2,800 kW	Online	Company owns renewable energy attributes from 100% of generation
Seymour Hill Wind Farm VPPA	Northern Texas	Wind virtual purchase power agreement (VPPA)	110,000 MWh	Online	Company owns and retires RECs

\*REC Swap: The Renewable Energy Credits (RECs) from this project are sold to the utility to meet RPS requirements. We purchased replacement RECs from other renewable energy facilities in the U.S.

## Absolute Energy Use

	2020	2019
<b>Absolute Energy Use (billion KJ)</b>		
Direct (fuel use)	1,710	1,876
Indirect (electricity)	1,100	1,167
Total	<b>2,810</b>	<b>3,043</b>
<b>Normalized energy use (billion KJ/million USD)</b>		
Natural gas	771	802
Gasoline	699	791
Diesel	178	203
Propane	56	62
Aviation fuel	7	18
Renewable energy (see full Renewable Energy data below)	8.9	9.5
Total direct energy	<b>1,719</b>	<b>1,885</b>

## Renewable Energy Data

2020 Renewable Energy Data	Amount (billion KJ)
Renewable energy generated	22.4
Renewable energy generated and sold to grid	21.0
Renewable energy generated and used	8.9
Renewable energy purchased	438.8

## 2020 Energy Management

	2020
Percentage grid electricity	58
Percentage renewable*	42

### Energy Efficient & Low Emissions

## Operational Highlights

	2020	2019
Clean Revenue*%	<b>30%</b>	<b>25%</b>

\*As defined by the Corporate Knights taxonomy for our industry.

### Product Life Cycle & Materials

## Materials

Savings in emissions from returnable packaging projects (annually) of more than 22 tons of CO<sub>2</sub>e.

Reduction in solid waste from returnable packaging projects (annually) of more than 2000 tons.

## Waste

### Waste Management

	2020	2019
<b>Waste Data (units: metric tons)</b>		
Total hazardous waste generated	873	1008
Normalized hazardous waste (metric tons/million USD)	0.0701	0.0771
Total non-hazardous waste generated	30,692	32,569
Normalized non-hazardous waste (metric tons/million USD)	2.46	2.49
Non-hazardous waste to landfill	6,220	5,564
Normalized non-hazardous waste to landfill (metric tons/million USD)	0.50	0.43
Non-hazardous waste recycled	22,169	23,055
Normalized non-hazardous waste recycled (metric tons/million USD)	1.78	1.76

## Water

### Water Data

	2020	2019
Water use (million cubic meters)	2.78	2.94
Normalized water use (cubic meters/million USD)	233	225
Wastewater permit exceedances	1	2
Trane Technology sites in areas of high- to extremely high-water stress	14	15

# Social

## Our Employees

### Our Global Workforce

Location	Employee Type	Female	Male	Grand Total
Asia Pacific	Hourly	8%	68	836
	Salaried	23%	1,102	4,790
EMEA	Hourly	5%	110	2,243
	Salaried	30%	630	2,126
Americas	Hourly	27%	3,537	13,500
	Salaried	30%	3,315	11,151
Total	Hourly	22%	3,715	16,579
	Salaried	28%	5,047	18,067

## Human Rights

### Anti-Harassment Data

	2020 Actual	2020 Target	2019 Actual	2019 Target
U.S.-salaried employees trained on anti-harassment	100%	100%	100%	100%
Employees able to access anti-harassment policy	100%	100%	100%	100%

## Company Culture

### Employee Engagement Survey

Employee Engagement Score	80
Employee Participation Rate	90%

### Employee Engagement Survey Results

Topic	Survey Question	Score (Average)
Diversity and Inclusion Index	<b>Belonging</b> – “I feel a sense of belonging at this company.” <b>Equal Opportunity</b> – “Regardless of background, everyone at Trane Technologies has an equal opportunity to succeed.” <b>Respectful Treatment</b> – “I am treated with respect and dignity.” <b>Sensitive Topics</b> – “At this company, I feel comfortable discussing difficult and sensitive topics.”	76
Sustainability Index	<b>Company Purpose</b> – “Our company is recognized as a global leader in sustainability.” <b>Company Purpose</b> – “I believe in our company's purpose to boldly challenge what's possible for a sustainable world.” <b>Corporate Citizenship</b> – “Trane Technologies does a good job supporting the communities in which it does business.”	79

### Parental Leave Data (U.S.)

	Female	Male
Employees who were entitled to parental leave	4,624	11,934
Employees who took parental leave	106	253
Employees who returned to work <sup>1</sup>	102	247
Return to work rate	96.2%	97.6%
Employees who returned to work and were still employed after 12 months <sup>2</sup>	86.9%	89.9%

<sup>1</sup> Completed benefits in 2020 and were still employed 30 days after completing benefits.

<sup>2</sup> Completed benefits in 2019 and were still employed 12 months after completing benefits.

### New Employee Hires

**Total Hires: 3,837**

**Women (Global):**

**Overall: 31.1%**

Salaried: 34.5%

Hourly: 29.6%

Management: 31.5%

Leadership: 26.3%

## New Employee Hires

### Racial & Ethnically Diverse (US):

Overall: 47.9%

Salaried: 23.5%

Hourly: 57.8%

## Diversity & Inclusion

### Gender Diversity Data

	Women	Men
Governance body (Executive Leadership Team)	12.5%	87.5%
Leadership positions (director level, vice president and above)	21.7%	78.3%
All management positions (all levels of management)	21.8%	78.2%
Workforce	25.3%	74.7%

### 2020 Racial & Ethnic Diversity Data

	Percent of Population
Racially & Ethnically Diverse** (US)	Overall: 35.5%
	Salaried: 17.5%
	Hourly: 50.5%
Promotion Rates	Overall: 4.4%
	Women: 5.8%
	Men: 3.9%
	Racially & Ethnically Diverse (US): 5.7%
	White: 4.8%
Members of our Board of Directors	Women: 5
	Men: 8

\*Excludes retirement and involuntary exits. We retained salaried women and men at equal rates.

\*\*Classified into five minimum categories by the US Census: White, Black or African American, American Indian or Alaska Native, Asian, and Native Hawaiian or Other Pacific Islander

## Learning & Development

### Learning and Development Hours

	2020
Average hours of learning and development per employee	14 hours

## Occupational Health & Safety

### Occupational Health and Safety Data

Total recordable incident rate (per 200,000 hours worked)	0.79	
Lost time incident rate (per 200,000 hours worked)	0.07	
Employee lost time frequency rate (per million hours worked)	0.38	
Contractor lost-time frequency rate (per million hours worked)	0.24	
Employee occupational illness frequency rate (per million hours worked)	0	
Work-related fatalities	0	
Total hours worked (among employees and supervised employee contractors)	72,019,125	
	<b>2020</b>	<b>2019</b>
Lost Time Incident Rate (number of Lost time Incidents per million hours worked)	0.37	.048

## Corporate Citizenship

### Helping Hand Data

	2020
COVID-19 Helping Hand Fund contribution	\$1,373,320

### Global Contributions

	2020	2019
Volunteer participants	15,811	17,044
Hours volunteered	20,559	31,682
Charitable fundraising	\$3,170,136	\$1,007,855
Charitable contributions	\$1,048,499	\$1,818,910
Value of employee volunteering time during paid working hours	\$548,284	\$805,673
In-kind giving	\$969,319	\$415,502
Management overheads	\$88,893	\$150,407
Trane Technologies Foundation donations to community partners	\$5,108,779	\$5,455,080
Total Philanthropic Giving	\$10,933,910	\$9,653,427

### Employee & Community Engagement Data

49% of employees globally participated in community or sustainability initiatives in 2020
13% increase year over year in philanthropic giving

Supplier Diversity

Supplier Diversity Data

Our supplier diversity score in 2020 was 4.25, a 2% increase from 2019.\*

**We purchased \$380.4 million in goods and services from diverse-owned businesses in 2020.**

Since the inception of the program in 2013, we have purchased more than \$3 billion in goods and services from diverse-owned businesses in the U.S.

In 2020, our spend on diverse-owned businesses was 6.0%, a year-over-year increase of 11.1% and our spend on women-owned businesses was 3.8%, a year-over-year increase of 18.8%.

\* We measure our program against the National Minority Supplier Development Council's eight best practices. Scores are 0 to 5.

Governance

Our Purpose

2030 Sustainability Commitment Focus Areas and Goals

GIGATON CHALLENGE	LEADING BY EXAMPLE	OPPORTUNITY FOR ALL
Reduce customer carbon footprint by 1 gigaton <sup>1</sup>	Achieve carbon neutral operations	Achieve workforce diversity reflective of our communities
Accelerate clean technologies that heat and cool buildings in sustainable ways	Reach zero waste disposed of in landfills	Achieve gender parity in leadership roles
Reduce food loss in the global cold chain	Achieve net positive water use in water-stressed locations	Maintain world-class safety metrics
Transition out of high-Global Warming Potential Refrigerants by 2030 -- ahead of regulation Design systems for circularity Increase access to heating, cooling and fresh food	Achieve 10% absolute reduction in energy consumption <sup>2</sup>	Provide market-competitive wages and benefits and leading wellness offerings for global workforce
		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.

Gigaton Challenge

Goal	Target	Progress Toward Target
Reduce customer carbon footprint by 1 gigaton <sup>1</sup>	Reduce customer carbon footprint by one gigaton (or 1 billion metric tons of CO <sub>2</sub> e)	7.7 million metric tons CO <sub>2</sub> e
Accelerate clean technologies that heat and cool buildings in sustainable ways		
Reduce food loss in the global cold chain		
Transition out of high-Global Warming Potential Refrigerants by 2030 -- ahead of regulation		



## Gigaton Challenge

Design systems for circularity		<p>Created a Circularity Council in 2020 that will focus on improving circularity in the following aspects:</p> <ul style="list-style-type: none"> <li>- Material inputs</li> <li>- Product design (i.e., modularity)</li> </ul> <p>New potential business models to encourage reduction or even elimination of end of life</p>
Increase access to heating & cooling and fresh food	Innovate and commercialize low cost sustainable products for developing markets we currently have no offers for	Established as a goal and integrated into our strategy and innovation efforts for 2021 and moving forward

<sup>1</sup> 1B metric tons of CO<sub>2</sub>e.

## Leading by Example

Goal	Target	Progress Toward Target
Achieve carbon neutral operations	Trane Technologies will continue to reduce its carbon emissions and offset any remaining carbon emissions with Carbon Credits	-7.3%
Reach zero waste disposed of in landfills	Through reducing, reusing and recycling, we will eliminate non-hazardous waste entering landfills	+12%
Achieve net positive water use in water-stressed locations	We will reduce our water consumption, improve water quality and access to clean water in stressed areas	-23%
Achieve 10% absolute reduction in energy consumption	Through energy reduction projects at our locations and electrification of our fleet, we will reduce our absolute energy	7.7%

## Opportunity for All

Goal	Target	Progress Toward Target
Achieve workforce diversity reflective of our communities	Increase racial and ethnic diversity of our salaried population in the US from a current 17% to 26% by 2030 — an increase of 50%	In 2020 our full US workforce generally reflects the communities we are part of — 36% of our workforce is racially or ethnically diverse. At the end of 2020, we established new goals to increase ethnic representation in our salaried workforce.
Achieve gender parity in leadership roles	<p>Achieve gender parity in leadership (B7+) positions by 2030</p> <p>Increase women representation in management (B5+) from 22% to 35% by 2030</p>	The women's share of the workforce in the company was flat in 2020 as we launched our new company and had lower-than-normal external hiring levels. For 2021 and beyond, we have established gender goals that ensure we will meet our 2030 commitments for gender parity in leadership positions
Maintain world-class safety metrics	<p>Loss Time Incident Rate (LTIR): 0.06 Total</p> <p>Recordable Incident Rate (TRIR): 0.60</p>	<p>LTIR: 30% reduction from 2019</p> <p>TRIR: 8% reduction from 2019</p>
Provide market-competitive wages and benefits and leading wellness offerings for global workforce		<p>All employee compensation is assessed for market competitiveness and gender/race parity</p> <p>U.S. hourly starting wages are 195% above state minimum wages on average</p> <p>Offered flexible work policies and Manager Guides</p> <p>Provided family leave and support for new parents</p> <p>Granted paid time off for volunteer work</p> <p>100% of employees have access to healthcare insurance</p> <p>Wellness offerings increased from 96% to 100% of employees</p> <p>Mental Health support expanded to all employees globally</p> <p>Mobile capability and AI for Just in Time and Targeted Information/Resources</p> <p>Helping Hand Fund awarded \$1.37M to 1,073 employees during pandemic</p>

## Opportunity for All

Invest \$100 million in building sustainable futures for under-represented students	<p>Provide indoor environmental quality solutions and expertise for healthy homes and classrooms to optimize learning</p> <p>Provide access to healthy food and medicines for students and their families for improved wellness</p> <p>Accelerate students success and create pathways for green and STEM careers</p>	<p>Funded student certification programs</p> <p>Donated more than \$1.5 million</p> <p>Donated STEM equipment</p> <p>Held job fairs in several countries</p>
Dedicate 500,000 employee volunteer hours in our communities	<p>Improve perception and familiarity with manufacturing, engineering and technical careers</p> <p>Offer more entryways for diverse workers to access Green &amp; STEM professions</p> <p>Invest \$100 million in non-profit organizations that provide training and job readiness resources, mentoring, and job placement</p>	<p>Stood up a new global volunteerism program – providing employees a full workday to volunteer</p> <p>Volunteer hours for 2020 was 20,559*</p>

\*Due to COVID-19 restrictions the volunteer programs available were extremely limited

## Public Policy

### Lobbying Expenditures

	<b>2020</b>
Total monetary value of Trane Technologies' financial and in-kind lobbying contributions made directly and indirectly by the organization.	<b>\$632,680</b>

### Employee Contributions to Trane Technologies' Political Action Committee (U.S. Only)

	<b>2020</b>	<b>2019</b>
Total Employee Contributions	<b>\$20,751.12</b>	<b>\$27,658.83</b>

## Environmental Health and Safety (EHS)

### How We Monitor Performance

<b>Environment and Climate Change</b>	<b>Safety</b>
Pollution prevention, environmental management and integrated permitting	General safety and health management
GHG and air emissions management, including NOx and SOx emissions, which primarily result from our fleet and emissions from refrigerants, which are part of many of our products	Personal protective equipment
Water supply management, including a water quality management system	Hazardous substance management and dangerous substances
Wastewater discharge management	Physical and mechanical hazards
Waste management	Fire protection

# Our Products

## Technology & Innovation

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Research and Development Spend	\$165M
Average revenue from innovation in 2020	20.5%

## Supply Chain Transparency

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### Supply Chain Assessments

	2020	2019
Direct material spend subject to on-site assessments	69%*	86%
Direct material spend assessed on a quarterly basis for risk	100%	100%

\*Due to COVID, we were unable to go on-site to conduct many of the planned OSAs.