

Building a Nature-Focused Future

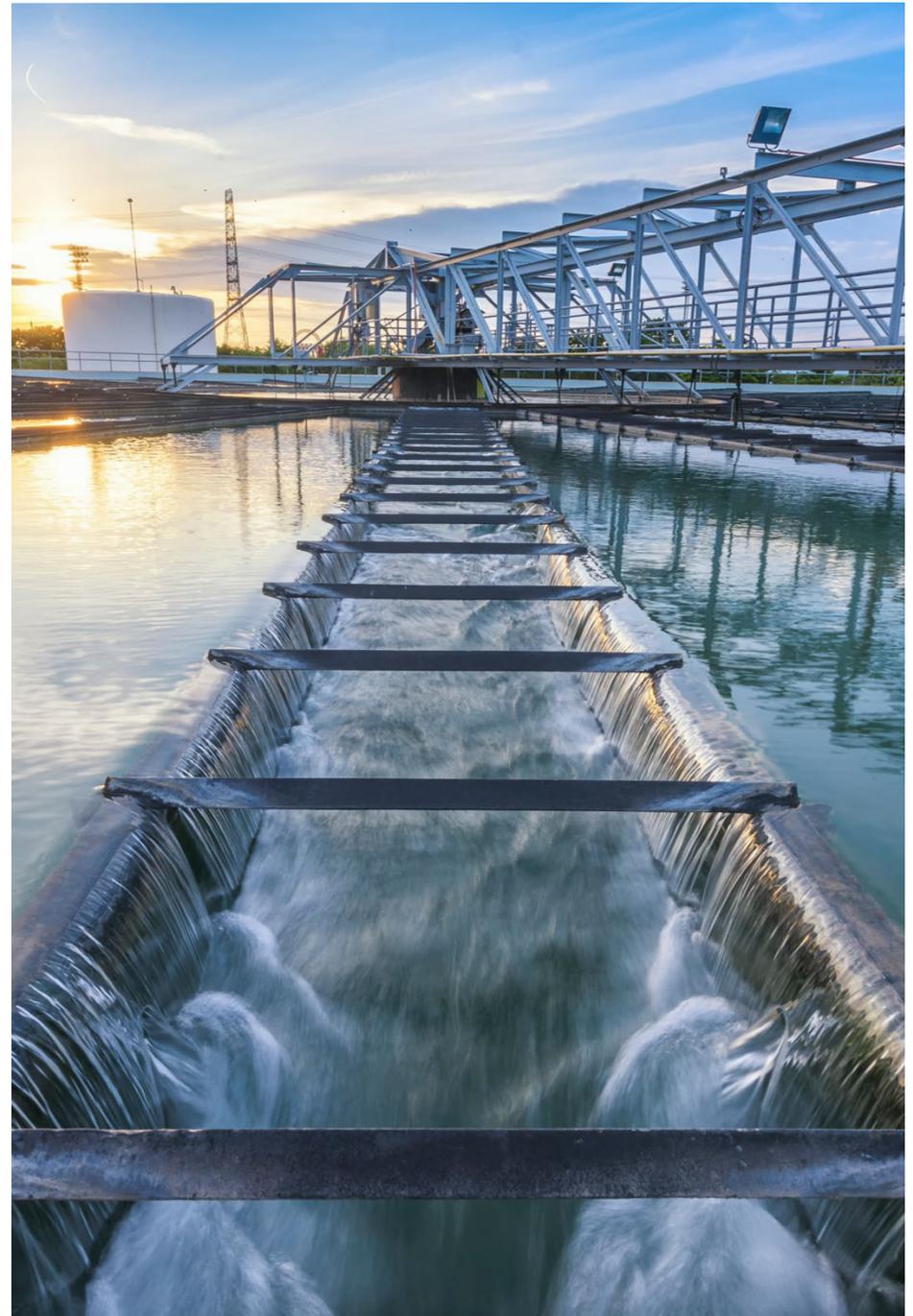
2025 Nature Impact Assessment

Our Nature Impact Assessment

At Trane Technologies, we take bold steps to lead our industry since we believe in our power to shape a sustainable future. That is why we are publishing our first dedicated nature-related disclosure report, reinforcing our commitment to incorporating environmental stewardship into our business strategy. Our [2030 Sustainability Commitments](#) and [Climate Transition Plan](#) further reflect our leadership in circularity, resource efficiency and emissions reductions across our value chain.

Guiding Frameworks

As a leader in climate innovation, we are committed to strengthening our approach to understanding and managing nature-related dependencies, impacts, risks and opportunities (DIRO) and integrating them into our sustainability practices and business strategy. Incorporating the Taskforce on Nature-related Financial Disclosures (TNFD) Locate, Evaluate, Assess and Prepare (LEAP) guidance strengthens our efforts in providing a structured approach to assess how our business depends on and impacts natural systems. This framework enables us to integrate nature considerations into decision-making, mitigate risks such as water scarcity and biodiversity loss and uncover opportunities to lead sustainable innovation in our industry. In alignment with the “Prepare” phase of the LEAP approach, our inaugural nature impact assessment translates insights into strategic planning, site-level actions, and recommended TNFD disclosures.



The Climate-Nature Nexus

Trane Technologies recognizes that climate change and nature are interconnected. As we work toward a low-carbon economy, we acknowledge that our path to decarbonization will be most effective if supported by actions to protect and regenerate the natural systems that support our operations, supply chain and communities. This focus on climate, nature and circularity enables us to reduce emissions, increase energy efficiency and advance sustainable technologies while contributing to the protection of critical ecosystems and resources.

Many of our existing 2030 Sustainability Commitments and global initiatives support nature management practices.

Design Systems for Circularity: We source low-carbon materials, repair and reuse parts and products and remanufacture and recycle whenever possible. By designing our products for circularity, we reduce the need for virgin materials, limiting the environmental impact of raw material extraction.

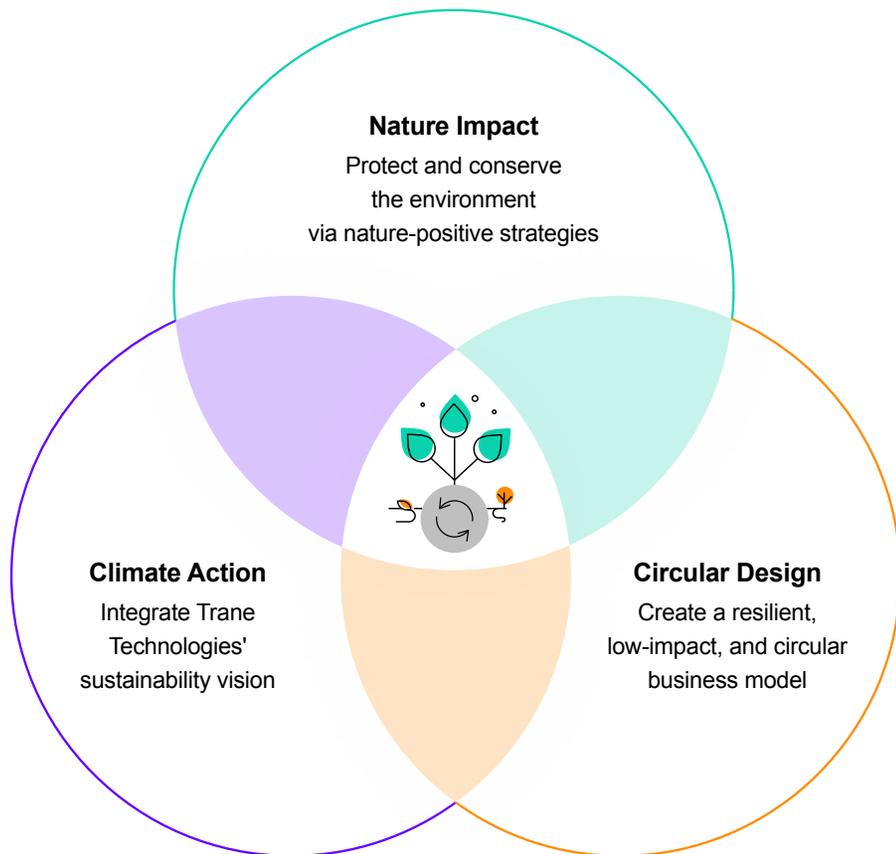
Zero-Waste to Landfill: We look for opportunities to minimize waste at every stage of our operations to mitigate land degradation and improve waste management.

Net-Positive Water: We are committed to consuming less water than we replenish in water-stressed areas through strong water supply management, storm water and wastewater discharge management.

Employee Volunteerism: We are investing 500,000 employee volunteer hours in our communities by 2030. Localized teams champion projects to restore degraded land, partnering with local communities to promote sustainable land use and conservation efforts.

Greenhouse Gas Reduction: We are reducing our own operational footprint through our commitment to be Carbon Neutral by 2030 and reducing customer emissions by 1 billion metric tons through our Gigaton Challenge. We are also reducing our products' embodied carbon by 40%. Our emission reduction goals include transitioning to low-global warming potential (GWP) refrigerants. Read more in our [sustainability report](#).

In 2024, we conducted our first nature-related assessments guided by the TNFD's LEAP framework, building upon our existing commitment to water stewardship, circularity, and responsible sourcing. This initiative integrates nature-related factors into our comprehensive sustainability strategy. By doing so, we prioritize the synergy between climate action and nature conservation, strengthen climate resilience, generate business value, and solidify our position as a leader in the transformation of the built environment and cold chain.



Our Nature Assessment Approach

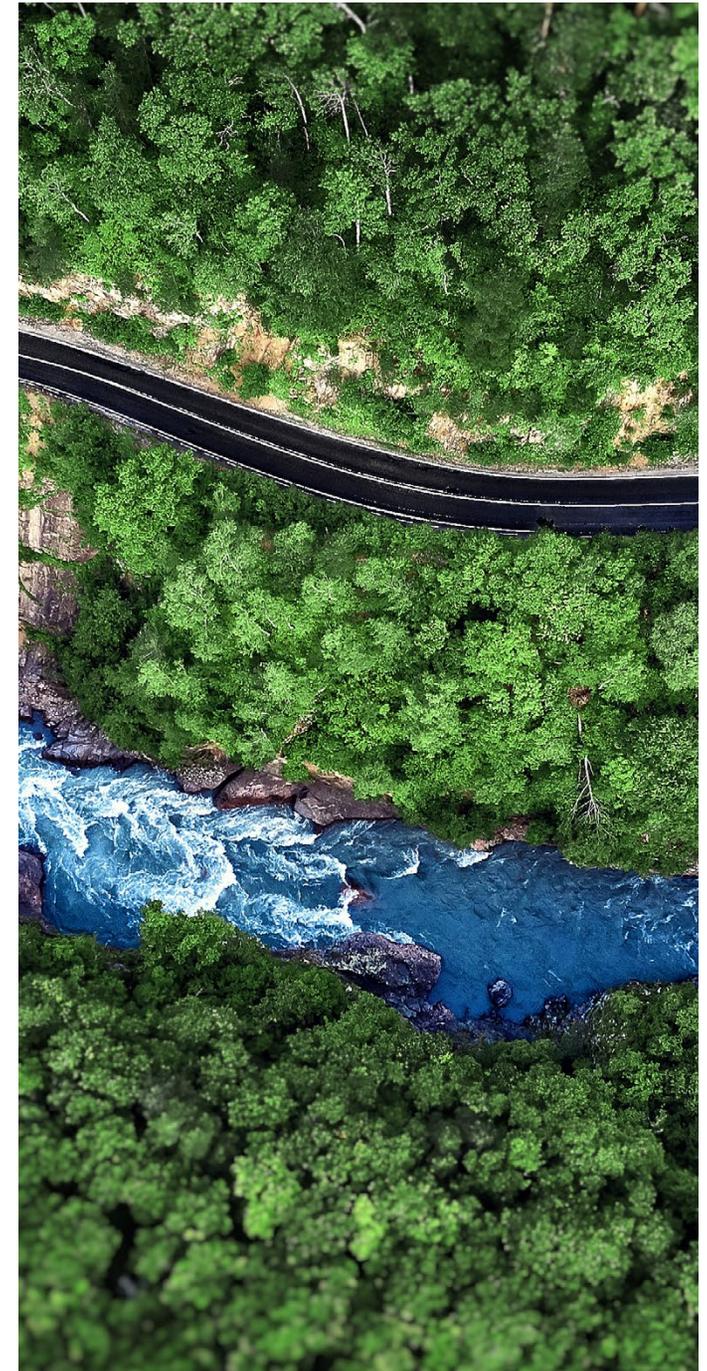
Our nature-related strategy is anchored in the TNFD LEAP framework, the leading approach for assessing business interactions with nature. To align with best practices and enhance our ability to manage environmental dependencies and risks, we have integrated this framework into our nature-related assessments:

			
<p>Locate how and where our business activities intersect with natural ecosystems</p>	<p>Evaluate dependencies on ecosystem services such as water availability, land use and biodiversity</p>	<p>Assess the potential risks and opportunities associated with nature loss or degradation</p>	<p>Prepare a transparent, TNFD-aligned disclosure</p>

LOCATING OUR IMPACTS AND DEPENDENCIES ON NATURE

We began by mapping our value chain to identify our dependencies, impacts, risks and opportunities. This included assessing [upstream, downstream and direct operations](#) with data from Exploring Natural Capital Opportunities Risks and Exposure ([ENCORE](#)), which utilizes the International Standard Industrial Classification of All Economic Activities ([ISIC](#)) economic activity definitions to provide a standardized framework for assessing industry-wide environmental impacts.

The ENCORE database connects ISIC activities to their associated nature-related impacts and dependencies. It then assigns a low, medium, high or very high significance level to each impact and dependency, enabling a more detailed assessment of our nature-related dependencies and impacts across our value chain.





EVALUATING OUR IMPACTS AND DEPENDENCIES ON NATURE

After mapping our value chain, we evaluated specific nature-related dependencies and impacts across our enterprise.

- **Dependencies** refer to the ecosystem services that we rely on to maintain business continuity across our operations and supply chain, such as water supply, flood control and land stability.
- **Impacts** represent the environmental pressures generated by the operations across our value chain activities, including land-use change, emissions and waste generation.

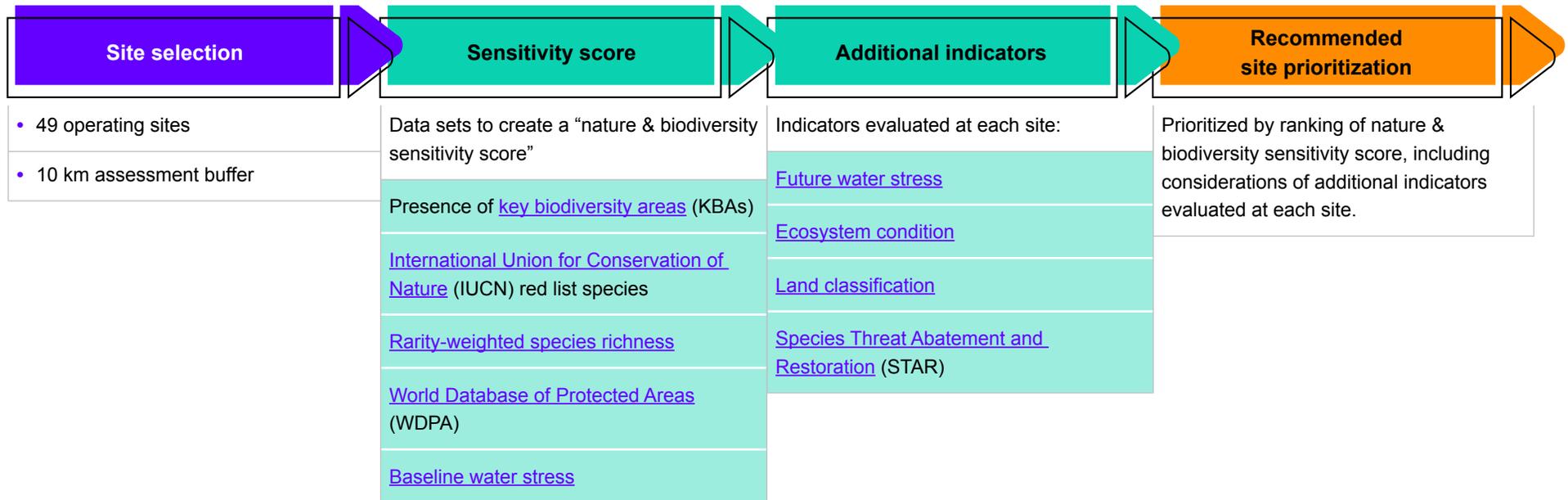
This evaluation uses ENCORE’s materiality ratings to determine the significance levels. Below, we prioritized highly and very highly rated impacts and dependencies within each segment of our value chain.

Value Chain Segment	Dependencies	Potential Impacts
Upstream (Raw Materials & Suppliers)	Flood control, rainfall pattern regulation, water purification and water supply which support stable sourcing by reducing flood risk, ensuring predictable weather and providing clean water for supplier operations.	Land-use change from mining, toxic soil and water pollutants, habitat fragmentation.
Direct Operations (Manufacturing & Facilities)	Solid waste remediation and water purification, which help manage waste and maintain water quality in our direct operations.	Emissions of toxic soil and water pollutants, waste generation, land use pressures.
Downstream (Distribution & Product Use)	Rainfall pattern regulation and land stability, which maintain environmental conditions needed for reliable transportation and logistics infrastructure resilience.	Noise and light pollution, potential introduction of invasive species through downstream transportation, and GHG and non-GHG air emissions such as nitrogen oxides (NOx), sulfur oxides (SOx) and volatile organic compounds (VOCs).

While climate-related impacts and dependencies often require a global approach, nature-related ones are highly localized, influenced by regional biodiversity, water availability and land use factors. To better understand these interactions, we conducted a geographic sensitivity assessment across 49 of our operating sites which were identified based on Trane Technologies holding financial control.

METHODOLOGY OF OUR GEOGRAPHIC ASSESSMENT

By contextualizing data from areas surrounding our sites into site-specific nature and biodiversity considerations, we were able to prioritize high-risk locations. This enabled us to identify site-specific strategies for biodiversity protection and water resource management. Results from the geographic assessment showed us that our existing sustainability commitments and initiatives, such as [Net-Positive Water by 2030](#), covered many of the identified risk areas.



IDENTIFIED NATURE-RELATED RISKS AND OPPORTUNITIES WITHIN OUR VALUE CHAIN

Building on the impact and dependency screening and geographic assessment, we identified the most significant nature-related risks and opportunities within our value chain, including upstream, downstream and own operations. The results were categorized into physical, transition and systemic risks and opportunities, aligned with TNFD's risk definitions, and include the following examples:

PHYSICAL (CHRONIC) RISKS AND OPPORTUNITIES

Water Supply:

Risks: Dependence on water supply and purification poses risks due to potential water scarcity and pollution, leading to operational inefficiencies and increased costs.

Opportunities: Enhance resource efficiency through water storage technologies, water audits and recycling. Engage in water stewardship commitments and activities to build reputational and social capital.

PHYSICAL (ACUTE) RISKS AND OPPORTUNITIES

Flood Mitigation:

Risks: Supply chain disruptions and increased costs due to acute nature-related events affecting sea and coastal water transport.

Opportunities: Encourage suppliers to invest in precision mining technologies and assess local risks to reduce impact on ecosystems providing natural flood mitigation.

TRANSITION RISKS AND OPPORTUNITIES

Pollution:

Risks: Policy, liability, technology, reputational and market risks from potential emissions of toxic pollutants.

Opportunities: Invest in site infrastructure to prevent contamination, use bio-based chemicals and upcycle waste streams to reduce pollution and increase revenue.

Disturbances (Light and Noise):

Risks: Policy, reputational and liability risks from noise and light pollution affecting species and local communities.

Opportunities: Implement environmentally friendly designs to reduce noise and light pollution and adopt practices to minimize impacts on biodiversity.

Land, Freshwater and Sea Use:

Risks: Policy, reputational, liability and technology risks stemming from habitat fragmentation and ecosystem degradation in upstream mining activities.

Opportunities: Collaborate with suppliers to implement better land management practices upstream in the supply chain.

IDENTIFIED ACTIONS TO ADDRESS NATURE-RELATED RISKS AND OPPORTUNITIES

The nature-related risks and opportunities identified above inform our approach to mitigate risks and enhance our nature-related impact. We are taking the following actions:



Water Stewardship & Supply Chain Resilience

- Committing to [net-positive water use in water-stressed areas](#) by investing in facility solutions such as rainwater harvesting and wastewater treatment systems
- Enhancing facility resource efficiency through [water management practices](#) such as water storage technologies and water audits
- Collaborating with suppliers to meet our [Supplier Sustainability Expectations](#), maintaining an in-region-for region supply chain approach and leveraging [risk management solutions](#) to mitigate weather-related supply chain disruptions
- Engaging [employee volunteers](#) in local conservation efforts



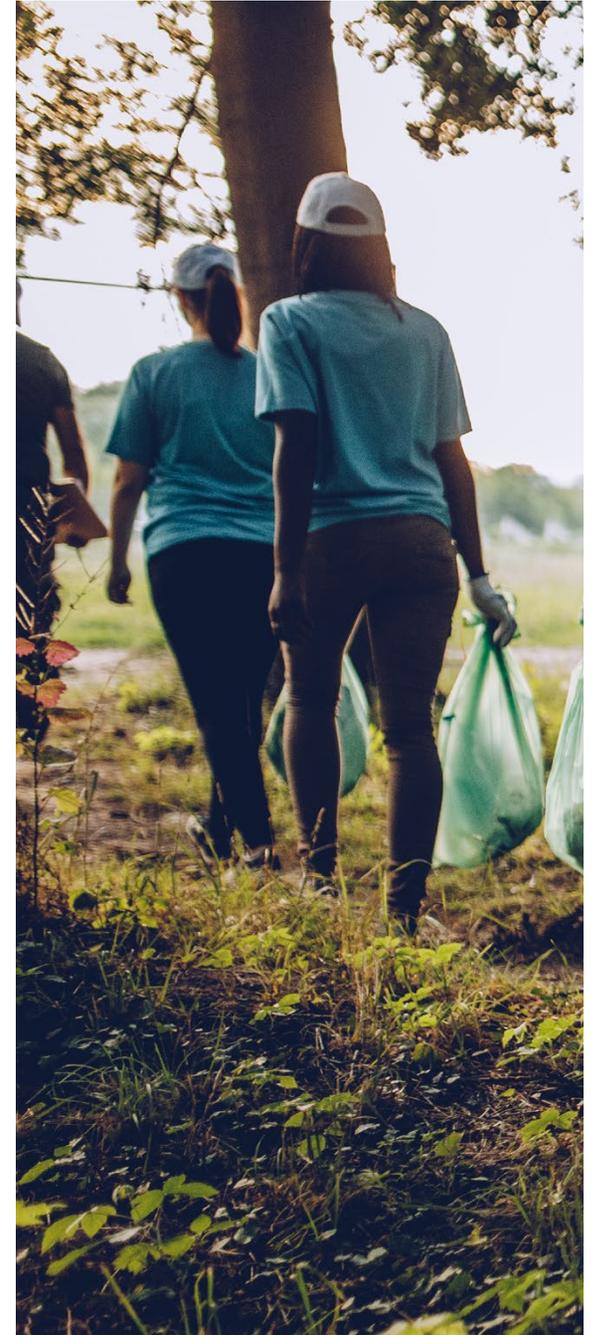
Pollution & Disturbance Reduction

- [Achieving ISO 50001, LEED and Green Globe certifications](#) across our sites for sustainable building design which often manages light and noise pollution
- Implementing [circularity strategies](#) across our product lifecycles to upcycle waste streams and prevent downstream landfilling to reduce water and air pollution
- Developing strong environmental compliance programs to meet or exceed global and local laws such as our hazardous substance [Product Stewardship Program](#) supported by our [Environmental Health and Safety \(EHS\) Product Compliance and Stewardship Policy](#), and [EHS Policy](#)
- Engaging suppliers in Conflict mineral and hazardous substance management, supporting upstream pollution mitigation in alignment with our [Sustainable Procurement Policy](#)



Circularity & Emission Reduction

- Minimizing our environmental footprint in our own operations through our [Climate Transition Plan \(CTP\)](#) and commitment to [zero-waste to landfill](#), supported by our [EHS Policy](#) and [Energy Policy](#)
- Committing to a [40% reduction of embodied carbon](#) in our products by 2030, which supports our commitment to [Design Systems for Circularity](#) by increasing our use of recycled materials to reduce reliance on virgin and raw materials
- Partnering with suppliers to apply sustainable solutions which consider our impact on natural resources, such as our returnable packaging program, aligned with our [Supplier Sustainability Expectations](#) and [Sustainable Procurement Policy](#)



Advancing our Leadership in Climate and Nature Action

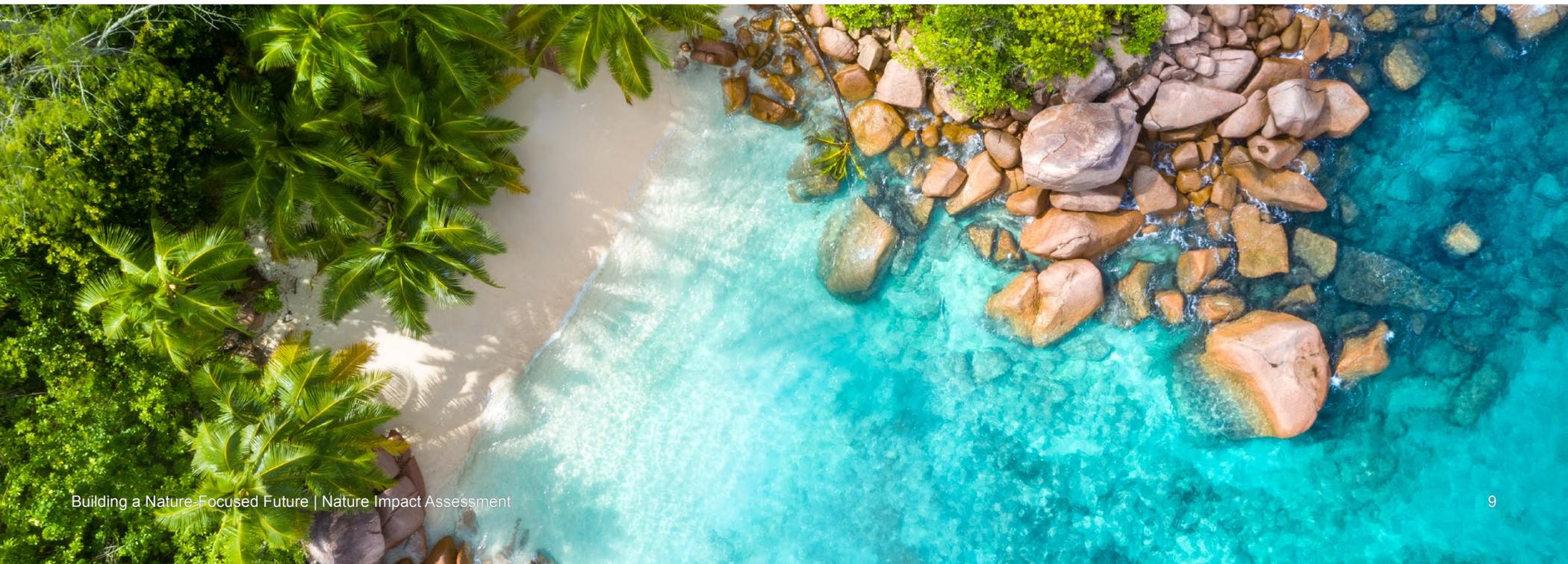
Trane Technologies is integrating the findings from our Dependencies, Impacts, Risks, and Opportunities (DIRO) and Geographic assessments into decision-making at both site and enterprise levels. We are prioritizing biodiversity-sensitive locations and doubling down on existing circularity, decarbonization, climate risk management and resource use initiatives which impact natural systems. By aligning findings with our local EHS teams, we are integrating identified nature and biodiversity-related risks and opportunities into facility planning and operations. This approach ensures that nature-related risks are proactively managed while we continue to adapt our sustainability strategy over time to drive measurable progress towards our long-term sustainability goals.

We are committed to ongoing monitoring, measurement and management of nature-related impact by continuing to:

- Assess changes in biodiversity sensitivities across our value chain using science-based tools and frameworks such as the [TNFD](#), [ENCORE](#), [World Wildlife Fund](#) (WWF) [Biodiversity](#) and [Water Risk Filters](#) and geospatial technologies

- Engage suppliers and external partners to implement nature-positive solutions
- Comply with evolving environmental regulations
- Strengthen corporate engagement in volunteer-led conservation efforts, enabling employees to contribute to local environmental initiatives

Our [2030 Sustainability Commitments](#) and [Climate Transition Plan](#) have long prioritized circularity, resource efficiency and emissions reduction, all of which contribute to a nature-positive business approach. This first nature-related disclosure builds on that foundation, ensuring that our actions—whether in decarbonization, water stewardship, ecosystem conservation, waste minimization or material selection—support both business resilience and the protection of natural systems. By embedding nature into our decision-making, partnerships and corporate citizenship efforts, we are reinforcing our leadership in the development of innovative and sustainable solutions that uplift our planet and benefit all people.



This report contains certain forward-looking statements, which are statements that are not historical facts, including statements regarding our 2030 Sustainability Commitments; our pathway to net-zero by 2050; our ESG targets, goals, commitments and programs; and other business plans, initiatives and objectives. These forward-looking statements are based on our current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from our current expectations. These forward-looking statements generally are identified by the words “aim,” “believe,” “project,” “dedicate,” “expect,” “commit,” “estimate,” “propose,” “forecast,” “intend,” “strategy,” “invest,” “plan,” “may,” “could,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result” or the negative thereof or variations thereon, or similar terminology generally intended to identify forward-looking statements. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Our actual future results, including the achievement of our targets, goals or commitments, could differ materially from our projected results as a result of changes in circumstances, assumptions not being realized or other risks, uncertainties and factors. Such risks, uncertainties and factors include the risk page factors discussed in Item 1A of our most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the SEC. We urge you to consider all the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events and how they may affect our company. We assume no obligation to update these forward-looking statements.



For more information on Trane Technologies, visit
www.tranetechnologies.com