

Zurich, 17.07.2025

Mr. Chris Kuehn
Trane Technologies
170/175 Lakeview Drive
Aireside Business Park
Swords, Co. Dublin
Ireland

Trane Technologies: Climate Change

Dear Mr. Kuehn,

We appreciate the constructive and insightful dialogue with representatives of Trane Technologies in 2024 and would like to engage again. We would like to discuss the following question, and here about progress on our recommendations.

Globalance Questions

- 1) 98% of Trane Technologies' emissions are associated with scope 3 use of sold products. What potential does Trane Technologies see to reduce those emissions with company measures? What percentage of emissions does Trane Technologies consider out of the company's control?
- 2) How does Trane Technologies ensure that heating/cooling systems are programmed as eco-efficiently as possible?

Globalance Asks

- 1) Publish the CO2e-efficiency of your main product categories.
- 2) Disclose specific, measurable ESG-KPIs that must be met for payment for the four topics that make up the ESG Modifier (part of management compensation).
- 3) Set an absolute Scope 3 GHG reduction target for 2030.

Our Impact Research Team would like to discuss these points during a 45 min. call and looks forward to hearing from you with your availabilities.

Sincerely,



Peter Zollinger
Head Impact Research

T +41 44 215 55 30
E peter.zollinger@globalance.com



Susanne Kundert
Head of Investments

T +41 44 215 55 22
E susanne.kundert@globalance.com

About Globalance

Globalance is an owner-run Swiss private bank and represents a paradigm shift in banking. Globalance inspires, accompanies and enables investors to successfully invest in future-oriented companies and investments that solve global challenges and shape a positive future. The founders of Globalance were also the founders of SAM Sustainable Asset Management (today: RobecoSAM) as well as co-initiators of the Dow Jones Sustainability Index. Please visit www.globalance.com.

Appendix I: Globalance Considerations

The analysis of Trane Technologies is based on the Trane Technology CDP Climate Questionnaire, Trane Technologies 2024 Annual Report, Trane Technologies 2024 Sustainability Report, Trane Technologies Climate Transition Plan, and MSCI data.

1) Publish the CO₂e-efficiency of your main product categories.

- In Trane Technologies' Climate Transition Plan you state that "Use of sold products" make up 98% of Trane Technologies' total GHG emissions. Those emissions are addressed by your SBTi-approved Scope 3 target: [] *Trane Technologies also commits to reduce scope 3 GHG emissions 55% per cooling ton from use of sold products within the same timeframe.*
- However, given that a reduction in product emission intensity is affected by several factors including the decarbonization rate of the markets Trane Technology is active in, we encourage you to publish the energy efficiency of your most material product categories.
- As a reference: In its Annual Report 2023 on p.79 ASML transparently communicates the energy efficiency of its product across time ("Products - NXE energy use per wafer pass in kWh")¹.

2) Disclose specific, measurable ESG-KPIs that must be met for payment for the four topics that make up the ESG Modifier (part of management compensation).

- In the 2025 Proxy Statement you describe the "ESG Modifier" that can adjust the Annual Incentive Matrix payments upward or downward by up to 20%. The four topics used for the assessment and their weights are disclosed clearly.
- However, it is unclear what KPIs must be met for payment. In line with best practice (according to Climate Action 100+²) the climate related performance KPI must be concrete and measurable.
- The integrated report 2024 of the company "Sekisui House" shows a positive example of a transparent communication of specific, measurable KPIs for ESG-related management incentives (p.223)³.

3) Set an absolute Scope 3 GHG reduction target for 2030.

- We welcome Trane Technologies' 2030 absolute emission reduction target in the relevant scope 3 category "purchased goods and services".
- We encourage you to also set an absolute 2030 emission reduction target for "use of sold emissions".

¹ ASML. (2024). *Annual Report 2023. 2023 Annual Report based on US GAAP* ([sitecorecloud.io](https://www.asml.com/sites/default/files/2024-07/2023%20Annual%20Report%20based%20on%20US%20GAAP.pdf))

² CA100+. (2022, October). *Climate Action 100+ Net Zero Company Benchmark v1.2*.
<https://www.climateaction100.org/wp-content/uploads/2021/10/V1.1-Disclosure-Framework-assessment-methodology-Oct21.pdf>

³ Sekisui House. (2024). *Value Report 2024. VALUE REPORT*