



*Leading the Way  
to a Better World*

2014 Sustainability Supplement



## About this Report

Publishing an annual Sustainability Report — a practice at Ingersoll Rand since 2007 — is an expression of our commitment to social, environmental and financial responsibility as a core value. As in prior years, this report is designed to provide a comprehensive update on our progress in these areas in a clear and easily accessible format.

Click [here](#) to access our prior-year Sustainability Reports.

We structured this year's report to closely align with our three enterprise strategies — growth excellence, operational excellence and a winning culture. We are executing these strategies to inspire progress, advance the quality of life and deliver premier performance for our customers, shareholders, employees and other stakeholders around the world.

The content of the report illustrates our passion for social, environmental and financial sustainability at every level — that is, to demonstrate how sustainability is intrinsic to our corporate mission, how we are embedding it in our products and how we engineer and manufacture them, and our pursuit of sustainable progress and enduring results in the communities where we operate.

This report follows the Global Reporting Initiative (GRI) 3.1 guidelines. GRI has verified that it is prepared according to these guidelines at Application Level [B+]. Visit or turn to the GRI Content Index appended to this report to learn more about our 2014 sustainability performance. For more information on GRI, please visit [www.globalreporting.org](http://www.globalreporting.org). In addition, we assure selected environmental, health and safety data with a third-party provider. The results of this assurance are presented below.

## Independent Verification Statement to Ingersoll Rand

ERM Certification and Verification Services (ERM CVS) was engaged by the Ingersoll Rand Company ('Ingersoll Rand') to provide assurance in relation to selected EHS data for the calendar year ending 31<sup>st</sup> December 2014 as set out below.

Engagement Summary	
<b>Scope:</b>	<p>Whether the 2014 corporate level data for the following indicators are fairly presented, in all material respects:</p> <ul style="list-style-type: none"><li>• <b>Direct, Indirect and total energy use</b> (in billion BTU)</li><li>• <b>Scope 1 GHG emissions</b> from fuel use, refrigerants and VOCs (metric tons CO<sub>2</sub>e)</li><li>• <b>Scope 2 GHG emissions</b> from imported electricity (metric tons CO<sub>2</sub>e)</li><li>• <b>Total water use</b> (gallons)</li><li>• <b>Total hazardous waste generated</b> (metric tons)</li><li>• <b>Total non-hazardous waste generated</b> (metric tons)</li><li>• <b>Total non-hazardous waste to landfill</b> (metric tons)</li><li>• <b>Lost Time Incident Rate (LTIR)</b> for employees only</li><li>• <b>Total Recordable Incident Rate (TRIR)</b> for employees only</li><li>• <b>Number of employee fatalities</b></li></ul>
<b>Reporting criteria:</b>	<p>The WBCSD WRI GHG Protocol (2004) for the Scope 1 and 2 GHG emissions</p> <p>The EHS reporting program and specific metric definitions as prepared by Ingersoll Rand.</p>
<b>Assurance Standard:</b>	<p>ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements (ISAE 3000)</p>
<b>Assurance level:</b>	<p>Limited assurance</p>
<b>Respective responsibilities:</b>	<p>Ingersoll Rand is responsible for the collecting, preparation and presentation of the data and information in its Sustainability Supplement, CDP submissions and other external reporting.</p> <p>ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</p>

### Our conclusions

Based on our activities, nothing has come to our attention to indicate that the 2014 corporate level data for the selected indicators, as disclosed by Ingersoll Rand, and listed below, are not fairly presented, in all material respects, with the reporting criteria.

- Direct energy use: **1,826** billion BTU
- Indirect energy use: **1,428** billion BTU
- Total energy use: **3,254** billion BTU
- Scope 1 GHG emissions: **414,391** metric tons CO<sub>2</sub>e (from fuel use, refrigerants and VOCs)
- Scope 2 GHG emissions: **243,252** metric tons CO<sub>2</sub>e
- Total CO<sub>2</sub>e: **657,643** metric tons
- Total water use: **1,059.69** million gallons
- Total hazardous waste generated: **954** metric tons
- Total non-hazardous waste generated: **32,251** metric tons (of which **7,154** metric tons to landfill)
- Lost Time Incident Rate (LTIR): **0.15**
- Total recordable incident rate (TRIR): **0.91**
- Number of employee fatalities: **zero**

### Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. A multi-disciplinary team of EHS and assurance specialists performed the following activities:

- Interviews with relevant staff to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the selected data;
- A review of the internal indicator definitions and conversion factors;
- Visits to four sites (Mocksville, North Carolina; Trenton, New Jersey; Galway, Ireland; Monterey, Mexico) to review local reporting processes and consistency of reported annual data with selected underlying source data for each indicator.
- In addition a further 4 sites (Clarksville, Tennessee; Tyler, Texas; Columbia, South Carolina; Lexington, Kentucky) were selected for virtual interviews and examination of underlying data.
- An analytical review of the year end data submitted by all other sites included in the consolidated 2014 data set for each of the selected indicators, including investigation of trend anomalies from 2013.
- Year-end assurance activities at corporate level including the results of internal review procedures and the consolidation of the data for the selected indicators from the site data.

### **The limitations of our engagement**

The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Jennifer Iansen-Rogers  
Head of Report Assurance  
7 April 2015

ERM Certification and Verification Services, London  
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*ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to this client in any respect.*

Ingersoll Rand has published this report to transparently and comprehensively communicate the company's social, environmental and economic performance. The scope of this report corresponds to calendar year 2014 — our fiscal year — and spans our global operations including subsidiaries, certain leased facilities, and joint ventures in which we have a controlling interest.

This year, for the first time, we are defining our organizational boundary using the financial control approach. In 2014 we completed a corporate-wide review of Scope 1 and 2 GHG emissions for all owned and leased assets using the Greenhouse Gas Protocol accounting standards. We feel this more accurately reflects the direct impact of our operational footprint. Accordingly, prior years' data has been restated.

The data presented in this report does not reflect company's purchase of the assets of Cameron International Corporation's Centrifugal Compression Business, which became part of our compressed air business in January 2015. It also does not reflect the company's acquisition of FRIGOBLOCK, which became part of our Thermo King business in March 2015. Refer to the [protocol document](#) for further information.

Data is presented in absolute and normalized terms. Normalizing environmental and energy data to total revenue provides us necessary insight into the level of eco-efficiency across our diversified operations and benchmarking against the performance of other industrial companies. Our safety data is normalized by number of hours worked. We report data from newly opened and acquired facilities as soon as valid data is available. For recently closed or sold facilities, the data is included for the time period it was part of the enterprise and to ensure year-over-year comparisons remain consistent. As such events occur, baselines are adjusted to account for these significant changes in our operations. As our data collection system continues to mature and improve, the environmental data we report improves in accuracy and expands in breadth.

It is our standard practice to comply with regulations and various voluntary codes concerning product labeling and service information, marketing communication and customer safety. Each business unit has a designated legal counsel who follows a process for addressing issues of non-compliance in these areas. Due to market differences, tracking of non-compliance related incidents in the areas of product labeling, marketing communication and customer safety is the responsibility of each business. As such, we do not collect this data or make general statements on this topic at the enterprise level.

This report contains "forward-looking statements," including our ability to address environmental and social challenges, the future success of our operational excellence initiatives, our future financial performance, and our positioning in and the performance of the markets in which we operate. These statements are based on currently available information and our current assumptions, expectations and projections about future events. While we believe that our assumptions, expectations and projections are reasonable in view of the currently available information, you are cautioned not to place undue dependence on our forward-looking statements. Forward-looking statements speak only as of the date they are made and are not guarantees of future performance. They are subject to future events, risks and uncertainties—many of which are beyond our control—as well as potentially inaccurate assumptions that could cause actual results to differ materially from our expectations and projections. You are advised to review the factors described under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" in our Form 10-K for the fiscal year ended December 31, 2014, and any further disclosures we make on related subjects in materials we file with or furnish to the Securities and Exchange Commission. We do not undertake to update any forward-looking statements.

## Materiality Assessment

Ingersoll Rand conducted a comprehensive materiality assessment in 2014, which served as the basis for this year’s Sustainability Report.

## Materiality Process

We proactively engaged with key external and internal stakeholders to identify the most material sustainability-related topics and metrics for operations strategy as well as public disclosure. Consistent with Global Reporting Initiative (GRI) guidelines, our selection of stakeholders to engage was based on five criteria pertaining to their relationship with Ingersoll Rand:

1. Responsibility
2. Influence
3. Proximity
4. Dependency
5. Representation

The external stakeholders who provided direct feedback included customers, supply chain partners, industry groups, NGOs and local community organizations, investors, rating agencies and regulators. With support from an independent consulting firm, we engaged with these stakeholders through interviews and surveys, augmented by secondary research on our suppliers and distributors as well as our peer companies and competitors. Internally, we received feedback at various levels, including from leaders of strategic business units. In addition, interviews were conducted with four members of our External Sustainability Advisory Council.

## Overview of Methodology

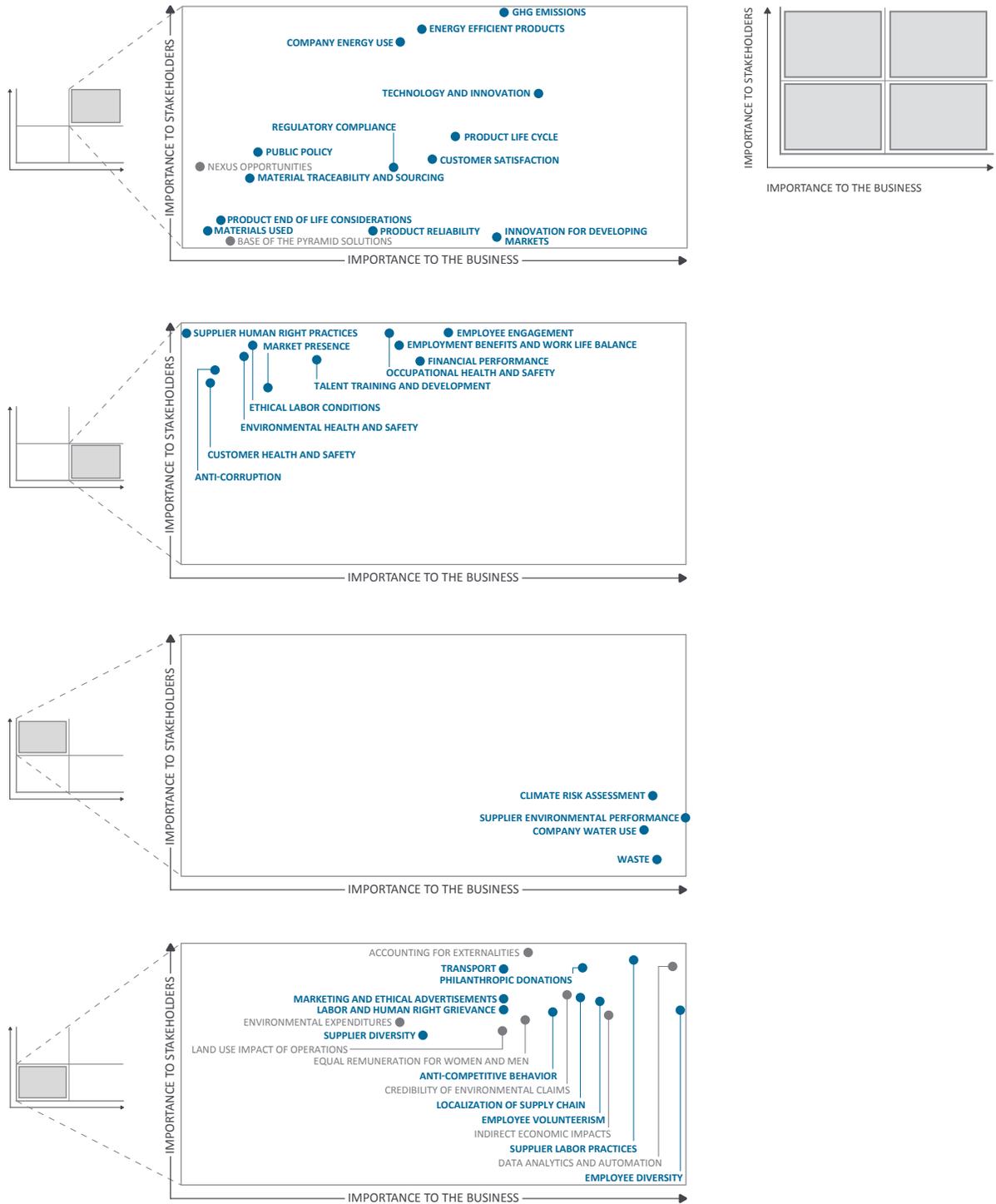


The content of this report reflects our effort to synthesize GRI sustainability indicators and materiality criteria with metrics we believe are relevant and material to Ingersoll Rand and its stakeholders, based on our 2014 materiality assessment. In addition, the materiality indicators covered by this report mirror the feedback and insights we gather through ongoing external and internal stakeholder interactions at every level and at all of our locations around the world. As a consequence, we believe this report is appropriately balanced in its focus on the sustainability issues most important to our stakeholders and most critical to our business.

We believe the environmental issues of greatest importance to Ingersoll Rand and our stakeholders are (1) Greenhouse Gas Emissions and Climate Strategy, (2) Company Energy Use and Operational Eco-Efficiency, and (3) Environmental Product Innovation. From a social standpoint, the three most material issues are (1) Ethics, (2) Health and Safety and (3) Talent. These issues are addressed in detail in this report. Also included in this report is information about certain issues in different quadrants of the matrix. We consider these issues important to our business, and disclose them publicly on an ongoing basis. We will be evaluating the topics of Nexus Opportunities and Base of the Pyramid solutions over the next year as these issues are important to both our stakeholders and us.

## Ingersoll Rand 2014 Materiality Assessment Matrix

Our materiality matrix depicts the issues that were identified as material during our 2014 materiality assessment and their importance to our business and to stakeholders. The issues indicated in blue are being used to guide our reporting.





## Message from Leadership

*“Our passion to be at the forefront of our industries propels our growth.”*

– Michael W. Lamach, Chairman and Chief Executive Officer

*“Ingersoll Rand and companies like it have an extremely important role to play in creating a low-carbon future for the world. It sent a powerful message when Ingersoll Rand stepped out and said that climate change is important and started taking actions to do something about it.”*

– Jared L. Cohon, Ph.D., Member of the Ingersoll Rand Board of Directors

*“In 2014, one of our biggest achievements was the establishment of new, long term sustainability targets. We are taking a broader view and have established 2020 sustainability targets in five areas encompassing governance, suppliers, operational footprint, customer outcomes, our people and corporate citizenship. These targets will supplement our growth strategy and will keep us focused on continuous improvement in the areas of environmental impact and social responsibility.”*

– Paul Camuti, Senior Vice President, Innovation and Chief Technology Officer



#### **Enterprise Leadership Team**

From Left to Right: **Allen W. Ge**, President, HVAC and Transport, Asia Pacific and India; **Robert G. Zafari**, Executive Vice President, Industrial Segment; **Susan K. Carter**, Senior Vice President and Chief Financial Officer; **M. Stephen Hagood**, Vice President and Chief Information Officer; **Michael W. Lamach**, Chairman and Chief Executive Officer; **Paul A. Camuti**, Senior Vice President, Innovation and Chief Technology Officer; **Marcia J. Avedon**, Senior Vice President, Human Resources, Communications and Corporate Affairs; **Didier P. M. Teirlinck**, Executive Vice President, Climate Segment; **Raymond D. Pittard**, President, Transport, North America and EMEA; **Todd D. Wyman**, Senior Vice President, Global Operations and Integrated Supply Chain; **Manlio Valdés**, President, Compressed Air Systems and Services; **Robert L. Katz**, Senior Vice President and General Counsel; **David S. Regnery**, President, Commercial HVAC, North America and EMEA; **Gary S. Michel**, Senior Vice President and President, Residential HVAC

## Message from Our Chairman and CEO



*“The key is for organizations with the right expertise to deliver innovative solutions to pressing global challenges. That’s where Ingersoll Rand steps forward.”*

**- Michael W. Lamach Chairman and Chief Executive Officer**

Dear Shareholder:

Over the last year I have visited with thousands of our customers and employees across North America, Europe, Latin America and Asia Pacific. Each conversation strengthened my conviction that we’re on the right path — we’ve built Ingersoll Rand with the right global trends in mind, the right businesses, the right operating system and the right people to attain high engagement and deliver results. In 2014 we again proved our model is working.

### **The Right Global Trends**

A look at the trends reminds our global team that what we do every day matters.

The world population is projected to increase by almost one billion people within the next 12 years. More than half of us reside in urban settings today, and this ratio is expected to approach two-thirds by 2050. The link between urbanization and pressing global issues such as energy demand and food availability is at the center of a global discussion — and so is Ingersoll Rand.

Industrial motors and motor driven systems account for 43 percent of total global electricity demand with compressors comprising about one-third of this demand. And buildings are one of the greatest consumers of energy. Take New York City — nearly three-quarters of its greenhouse gas emissions come from energy used to heat, cool and power buildings. In Europe it is estimated that retrofitting existing buildings could eliminate one-eighth of the region’s total greenhouse gas emissions, making retrofits a needed component of any plan to reduce emissions.

Beyond industry and buildings, the requirements for food transportation — availability, access, utilization and stability — are also stressed by increased urbanization. Up to 40 percent of food harvested can be lost due to inefficiencies in processing, storage and transport.

The key is for organizations with the right expertise to deliver innovative solutions to these challenges. That’s where Ingersoll Rand steps forward.

Our customers demand systems that are efficient and cost effective, but also productive and sustainable. The bold Climate Commitment we announced in 2014, detailed in this report, demonstrates the industry-leading position we have taken on their behalf. I was proud to represent Ingersoll Rand at the United Nations Climate Summit and Clinton Global Initiative to launch this initiative.

## The Right Businesses

There is a powerful link between these global trends and our end markets. Our strategy and portfolio position us to help create sustainable choices for our customers and spur the development of energy-efficient solutions with lower greenhouse gas emissions while we continue to improve our business; whether it's Trane products in commercial and residential buildings, Thermo King products to deliver fresh food over longer distances, or Ingersoll Rand air compressors that lower operational costs for our industrial customers.

Our passion to be at the forefront of our industries propels our growth. And growth, when properly executed, is the greatest source of employee and shareholder value.

We are growing Ingersoll Rand in three ways: by developing new and more productive and efficient products, increasing the mix of our service businesses, and expanding market coverage in terms of geography or channels in a specific end market.

We continue to execute our growth strategy and refine our product development process. Through rigorous analysis, we provide a set of alternatives and choose the best solutions for our customers, and in turn, our businesses. Aligning our product management teams to more clearly understand our customers, markets and competitors empowers us to take action.

## The Right Operating System

We've also matured in our operational excellence journey — focusing the whole company on creating a lean operating system where we use standard work to create value, reduce cycle times and enhance quality that makes the customer experience better.

2014 marked the intersection of our growth excellence and operational excellence strategies. Over the past year we have launched six product growth teams. Just like our operational excellence value streams that use a structured process for continuous improvement to deliver a better customer experience, these new growth teams coordinate a product's journey from concept to delivery, through every stage of meeting a customer's needs. This results in faster time to market, increased productivity and improved quality and delivery. Our product growth teams grew their product lines at an average rate that was four times greater than the rest of Ingersoll Rand, and we aim to systematically deploy this model across the company.

As we layer a foundation of operational excellence with a disciplined approach to growth and our winning culture, you can see why I am confident in our future.

## The Right People

Our philosophy is to make our company a great place for people to work which in turn drives a great customer experience and ultimately, grows shareholder value.

We've applied this philosophy to how we operate, and we continue to measure our progress. We achieved top-quartile employee engagement scores in 2014, and our people and company are attracting external attention. We have been recognized as one of FORTUNE magazine's World's Most Admired Companies, honored on Best Companies for Leaders by Chief Executive magazine, Workforce Magazine's 100 top companies for Human Resources and Corporate Responsibility magazine's 100 Best Corporate Citizens.

And we intend to keep getting better. Customers want to do business with people who are engaged to deliver for them, and that's the kind of company we strive to be. That's our winning culture as you'll read about in this year's report.

## Delivering the Right Results

Beyond employee engagement, we are operating at the top quartile in other metrics that matter — one look at our strong 2014 financial results shows that. For the second year in a row, we delivered top-quartile organic growth among our peer group, even in the absence of a North American institutional construction recovery. We realized a 1.8 percentage point increase of adjusted operating margins over the last three years, and over the past five years we've grown market share and margins in almost every business in the company, in every region.

As a result, we've delivered a 60 percent earnings per share growth since 2011, and strong shareholder return while investing in the long-term success of the business. Executing on our balanced capital allocation strategy over the last five years, we've:

- Increased investments into the business, consistent with driving organic growth
- Increased the dividend 257 percent from 2011 – 2014 and our 2015 dividend is set at \$1.16 per share, up 16 percent year-over-year
- Completed two share repurchase programs at \$2 billion each, and now, we're well underway with the third authorization for \$1.5 billion
- Returned approximately \$5.5 billion to shareholders

We've also been disciplined around mergers and acquisitions, announcing two value-adding acquisitions in 2014. We purchased the assets of Cameron International Corporation's Centrifugal Compression Business, which became part of our compressed air business in January 2015, and FRIGOBLOCK became part of our Thermo King business in March 2015. Both acquisitions offer a complementary product set, engineering and technology strength, and financial synergies that are a natural fit for our portfolio, and we expect them to be accretive in 2015.

Looking ahead, we won't change what's working — focusing on the fundamentals of growth, our operating system and our culture to serve our customers. We want to be a company people want to work for, customers want to buy from and investors want to invest in.

I hope you are as optimistic about our future as I am. It's clear to me how our employees, customers and shareholders around the world all win with Ingersoll Rand. I look forward to continuing to grow the company in 2015, and well beyond.

Sincerely,



Michael W. Lamach  
Chairman and CEO



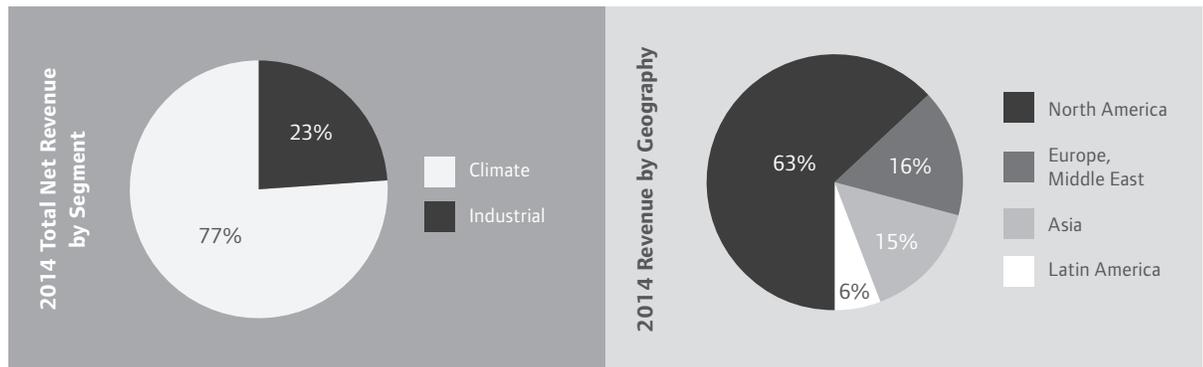
## About Us

### Leading the Way to a Better World

Ingersoll Rand products and services help save energy, transport food and perishables, and spur economic growth. Our business operations reflect a longstanding commitment to innovation, sustainability and exemplary corporate citizenship aimed at leading the way to a better world. Our economic, environmental and social contributions, in turn, enhance the company's financial results, creating value for our employees, shareholders and business partners.



Our people and our family of brands work together to enhance the quality and comfort of air in homes and buildings; transport and protect food and perishables; and increase industrial productivity and efficiency. We are a \$13 billion global business committed to a world of sustainable progress and enduring results. Approximately 40 percent of our net revenues in 2014 were derived outside the United States, and we sold products in more than 100 countries.



Our Climate segment delivers energy-efficient solutions globally and includes Trane® and American Standard® Heating & Air Conditioning which provide heating, ventilation and air conditioning (HVAC) systems, and commercial and residential building services, parts, support and controls; and Thermo King® transport temperature control solutions.

Thermo King enhances quality of life through temperature management in global transportation. Thermo King manufactures transport temperature control systems for a variety of mobile applications, including trailers, truck bodies, buses, shipboard containers and railway cars. Trane solutions optimize indoor environments with a broad portfolio of energy efficient heating, ventilating and air conditioning systems, building and contracting services, parts support and advanced controls.

Our Industrial segment delivers products and services that enhance energy efficiency, productivity and operations. It includes Ingersoll Rand® compressed air systems and services, power tools, material handling systems, ARO® fluid management equipment, as well as Club Car® golf, utility and rough terrain vehicles.

Club Car has been one of the most respected names in the golf industry for more than half a century. The Club Car product portfolio includes golf cars, a mobile golf information system, turf and commercial utility vehicles, multi-passenger shuttle vehicles, rough-terrain utility vehicles and street-legal low-speed vehicles for commercial and consumer markets.

Ingersoll Rand products range from complete compressed air and gas systems and services, to power tools, to material handling systems. The diverse and innovative products, services and solutions enhance our customers' energy efficiency, productivity and operations.

The work we do is crucial to our customers' missions and to the economies of the communities and countries in which we operate. We are committed to creating, deploying and championing environmentally and socially responsible business practices in pursuit of the Ingersoll Rand vision — a world of sustainable progress and enduring results.

**A World of Sustainable Progress and Enduring Results.** The value Ingersoll Rand delivers as an enterprise matters more than ever. Clean, comfortable indoor environments and safe, fresh food are essential to the quality of life. Greater industrial productivity is key to economic prosperity. But in a world confronting accelerating growth in urban populations, increasingly volatile energy costs and the impending threat of climate change, our approaches to meeting these needs must be environmentally and socially sustainable.

At Ingersoll Rand, we are passionate in our commitment to sustainability. As a testament to our commitment, we created the Center for Energy Efficiency and Sustainability (CEES) in 2010 to help our customers and our company leverage best practices in sustainability. Our passion for sustainability is embedded in the way we serve our customers and operate our business, and in the strategic initiatives we pursue in every function across our global enterprise.

## Our Path to Premier Performance

We are executing on three mutually supportive enterprise strategies — growth excellence, operational excellence and a winning culture — in pursuit of Premier Performance for our customers, shareholders, employees and the company's other stakeholders.

**Strategically Focused on Growth.** Ingersoll Rand excelled in sales growth among its peer group companies for the past five years. We are well-positioned to improve on this performance.

World energy demand is projected to be 37 percent higher in 2035 — an unsustainable growth rate in the long run. We play an important role in solving this critical challenge. This is because 40 percent of total energy demand in mature economies comes from buildings, with 40 percent attributed to HVAC systems. In emerging economies, building energy demand is as high as 85 percent. As well, 30 percent of all energy demand comes from the transportation industry, and about 30 percent from industrial use, where sustainability is now a key competitive advantage.

We are leveraging these market dynamics by launching new climate, industrial and transportation products and services that are making vital contributions to the energy efficiency, reliability and productivity that drive sustainable economic progress.

**Continuously Improving to Better Serve our Stakeholders.** Operational excellence through continuous improvement is core to who we are at Ingersoll Rand. It drives growth, fosters customer satisfaction and employee engagement, strengthens margins and cash flow, and ultimately results in value generation for our shareholders and for society.

We think about operational excellence holistically. Although it includes lean transformation and related business process improvement initiatives, our operational excellence strategy also encompasses sales management and supplier relationships, as well as the environmental impact of our products and operations.

**Making a Difference for Ingersoll Rand and the World.** Our winning culture is based on the belief that when employees with diverse backgrounds and skills are fully engaged in the company's work, better outcomes are achieved for our customers and shareholders. This success then further engages our people in our vision and purpose.

We continue to strengthen our winning culture because we understand it is a unique aspect of our competitive advantage and difficult for others to copy. Our strong employee engagement fosters a climate of innovation that leads to products and services that are better for our customers, society and the environment.

## Awards and Recognitions



### FORTUNE magazine ranked Ingersoll Rand on its 2014 World's Most Admired Companies List

FORTUNE magazine ranked Ingersoll Rand on its 2014 World's Most Admired Companies List, and for 2015 Ingersoll Rand ranked as the No. 1 Industrial Machinery company on the FORTUNE World's Most Admired Companies list, and for 2015 Ingersoll Rand ranks as the No. 1 Industrial Machinery company on the FORTUNE World's Most Admired Companies list, climbing to the top following a steady rise over the last three years. We also ranked No. 9 in the Innovativeness category among all FORTUNE list companies, joining Apple, Google, Amazon and Walt Disney in this prestigious key attribute ranking.



### Ingersoll Rand Selected for the 2014 Dow Jones Sustainability World and North American Indices

Ingersoll Rand continued to score high marks in third-party sustainability rankings. Recognition by external organizations documents our improved performance, while also allowing us to benchmark ourselves against peer companies using an objective set of metrics. As an example, for the fourth consecutive year, in 2014 we were honored to be listed on the Dow Jones Sustainability World and North American Indices. Our overall score was improved from 2013 and well above the industry average in all three dimensions — economic, environmental and social performance.



## Wujiang Plant Wins Honor of 2014 Quality Guarantee Enterprise of Jiangsu Province

Our Compressed Air Systems and Services facility in Wujiang, China was recognized by Jiangsu Province with the 2014 Quality Guarantee Enterprise honor. The honor recognizes facilities with an integrated quality management system and quality leading products in their regions or industries, as well as a two-year record of zero disqualified products. The Wujiang plant was the only industrial equipment manufacturer to receive this honor.



## Galway, Ireland, Team Honored with National Safety Award

For the first time in its 38-year history, the Thermo King team in Galway, Ireland, was recognized by the 2014 National Irish Safety Organisation (NISO) for their environmental, health and safety (EHS) performance, including eight years without a lost-time incident. Using the Ingersoll Rand EHS framework, the Galway site has

achieved certification for the OHSAS 18001 Health and Safety Management Standard, ISO 14001 Environmental Management Standard and the ISO 50001 Energy Management Standard.



## Three Ingersoll Rand Women Honored with Manufacturing Institute's STEP Award

Excelling in team sports, sharing their leadership skills with their communities, and bouncing back from setbacks are just a few of the qualities that distinguish the three Ingersoll Rand women honored along with the Manufacturing Institute's 2014 Science, Technology, Engineering and Production (STEP) Awards for their achievements in the manufacturing industry. Katie Boor, program management leader, Thermo King; Lycinda McDaniel, plant manager, Trane; and Sheila Tierney, vice president, product management, HVAC Parts and Supply Solutions joined other women leaders from 110 companies around the world in receiving this honor.



## Ingersoll Rand India Wins 2014 Dream Employer to Work For Award

Announced in Mumbai, India, the 2014 Dream Company to Work For award is part of the Global HR Excellence Awards organized by the World HRD Congress. Ingersoll Rand in India has retained the No. 1 ranking in India for two consecutive years within the manufacturing sector and moved up one spot to No. 3 across all industries.



## Corporate Responsibility Magazine Ranks Ingersoll Rand on 100 Best Corporate Citizens List

In early 2014, Ingersoll Rand ranked on Corporate Responsibility Magazine's "100 Best Corporate Citizens" list. Inclusion on the list is based on a company's disclosure and performance in seven key areas, including climate change, employee relations, environmental, financial, governance, human rights, and philanthropy. This recognition affirms our approach to corporate responsibility;

highlighting our transparency and commitment to helping customers find solutions to critical global needs, such as reducing energy demand and improving productivity.

## Bloomberg Ranks Ingersoll Rand in Top 10 for Best 401(k) Plans

Ingersoll Rand was named to the top 10 on Bloomberg's first-ever ranking of The Best 401(k) Plans at the 250 largest U.S. companies. We ranked ninth in a six-way tie with Abbott Laboratories, Baker Hughes, Freeport-McMoRan, McDonald's and TE Connectivity. Reporters from Bloomberg News spent six months analyzing what companies offer new hires and comparing this benefit according to criteria including company match, investment options and time to vest. Companies considered were also given a boost in ranking if they provided additional contributions, offered low-cost index funds, and made matching payments each payroll period instead of delaying them until the end of the year.

## Ingersoll Rand Recognized as One of the Achievers 50 Most Engaged Workplaces™ in the United States.

An awards panel of 14 judges including academics and thought leaders on employee engagement selected Ingersoll Rand as one of the Achievers 50 Most Engaged Workplaces™ in the United States. This annual award recognizes top employers that display leadership and innovation in engaging their workplaces. The panel evaluated each applicant based on the Eight Elements of Employee Engagement™: communication, leadership, culture, rewards and recognition, professional and personal growth, accountability and performance, vision and values, and corporate social responsibility.



## Monterrey, Mexico, Commercial HVAC Manufacturing Site Wins Greenhouse Gas Emissions Reduction Award for Third Year in a Row

The Commercial HVAC manufacturing site in Monterrey, Mexico, received its third consecutive Greenhouse Gas Emissions Award from the Nuevo Leon state government. With strong commitment from site managers and

supervisors and special support from the maintenance and facilities teams, the site calibrated its paint booth natural gas burner and replaced outdated air conditioning units with the new Trane Stealth Chiller™. These initiatives will reduce the site's CO<sub>2</sub>e emissions by 1,000 metric tons per year.

## Stakeholder Engagement

Stakeholder Engagement			
Stakeholder Group	Engaged By	Engagement Mode	
<b>Customers</b>	Sales managers and personnel in areas such as customer support, field service, distribution, professional services	<i>Annually:</i> <ul style="list-style-type: none"> <li>Executive meetings</li> <li>Annual customer leadership forum</li> </ul>	<i>As Needed:</i> <ul style="list-style-type: none"> <li>Day-to-day conversations and in-person meetings</li> <li>Online through our website</li> <li>Customer help desk</li> <li>Events and conferences</li> <li>Sales and promotional events</li> </ul>
<b>Investors and Investment Analysts</b>	Enterprise Leadership, Investor Relations	<i>Annually:</i> <ul style="list-style-type: none"> <li>Annual General Meeting, Analyst and Investor Day, SEC filings, Annual Report</li> <li>Quarterly earnings calls</li> </ul>	<i>As Needed:</i> <ul style="list-style-type: none"> <li>Events and conferences</li> <li>Meetings and conversations</li> <li>Online through Investor Relations Portal</li> </ul>
<b>Employees</b>	Leadership, People Managers, Human Resources	<i>Regularly:</i> <ul style="list-style-type: none"> <li>Annual Employee Engagement Survey</li> <li>Town halls</li> <li>Performance reviews</li> <li>Training sessions</li> </ul>	<i>As Needed:</i> <ul style="list-style-type: none"> <li>Help desk</li> <li>Team Meetings</li> </ul>
<b>Business Partners/Suppliers</b>	Procurement Managers and Supplier Quality Group	<i>Periodically:</i> <ul style="list-style-type: none"> <li>Governance meetings</li> <li>On-site audits</li> </ul>	<i>As Needed:</i> <ul style="list-style-type: none"> <li>Training Sessions</li> <li>Collaborations and events</li> </ul>
<b>Policymakers and Regulators</b>	Enterprise Leadership, Government Affairs Leadership Team, Product Advocacy teams	<i>Periodically:</i> <ul style="list-style-type: none"> <li>Filings and compliance-based reporting</li> </ul>	<i>As Needed:</i> <ul style="list-style-type: none"> <li>Direct engagement at various events, forums, and policy discussions</li> <li>Online</li> </ul>
<b>Educational Institutions</b>	University Relations, Research and Development Teams	<i>Periodically:</i> <ul style="list-style-type: none"> <li>Filings and compliance-based reporting</li> </ul>	<i>As Needed:</i> <ul style="list-style-type: none"> <li>Collaborative R&amp;D efforts</li> <li>Conferences and workshops</li> </ul>
<b>Local Communities</b>	All employees	<i>Periodically:</i> <ul style="list-style-type: none"> <li>Green Teams</li> <li>Glocal Teams</li> <li>Volunteering</li> <li>Serving on local boards</li> <li>Philanthropy</li> </ul>	
<b>News Media</b>	Enterprise Leadership, Company thought leaders, Company spokespeople	<i>Periodically:</i> <ul style="list-style-type: none"> <li>Media inquiries on company-related issues</li> </ul>	<i>As Needed:</i> <ul style="list-style-type: none"> <li>Direct engagement on thought leadership issues</li> </ul>

## Customers

We are committed to better understanding customer perspectives and refining our offerings to meet and exceed their expectations for reliability and energy efficiency and sustainability. We track customer satisfaction by collecting information—sales, delivery, product and service—on a quarterly basis.

*“At Tesco, we focus on quality first, but always try and offer the maximum value. We believe Ingersoll Rand provides us with machines and equipment that help us improve our energy efficiency and reduce our carbon footprint. This innovation drives new processes to make things simpler and sustainable.”*

– Chatchai Pintavirooj, Engineering Manager.

## Investors

We regularly meet with the investor community to address Ingersoll Rand’s key strategies for delivering total shareholder return. We host two annual meetings—a general shareholder meeting where we provide updates about the company’s progress and relevant developments, and an investor and analyst meeting where members of our senior leadership team address the company’s key strategies for achieving growth through premier performance.

## Policymakers

Ingersoll Rand actively collaborates with a worldwide array of governments, business and trade associations, environmental groups and economic development organizations in efforts to address global challenges. These efforts are implemented by a Government Affairs Leadership Team (GALT), consisting of 9 members, representing our SBUs and operating locations around the world.

The GALT meets quarterly, working with business leadership at the regional level to discuss and integrate their concerns within a companywide policy prioritization framework. The GALT reports to the Government Affairs Steering Committee, which includes the CEO, general counsel and SBU leaders. This committee establishes the company’s overall government affairs policy.

The Climate Commitment we announced in 2014, for instance, positions Ingersoll Rand at the forefront of sustainable solutions and signals to our stakeholders that we are squarely focused on the future and dedicated to helping to solve some of the world’s most pressing challenges.

Among other current policy leadership efforts, Ingersoll Rand is working proactively with government agencies and refrigerant suppliers to lead a global transition to next-generation refrigerants with low global warming potential. We have an established Network of Excellence, which is composed of engineers and chemists charged with analyzing refrigerant technology trends, engaging in improving industry standards, and identifying new products that facilitate our commitment to reduce the direct greenhouse gas potential of our products by 50 percent by 2020.

In addition, the team’s focus areas in 2014 included new European standards related to noise pollution, building energy efficiency, technology transfer to emerging economies, and improved workforce diversity and labor practices worldwide. At the global level, we also support policies that incentivize greater energy efficiency.

## Suppliers

We assess our suppliers on environmental and social dimensions as part of our quarterly risk assessment process, rolled out in 2014. This process requires a quarterly assessment of suppliers in our top 80 percent of spend, across several dimensions, including what percent of business we represent, sustainability, supplier performance and criticality to the business. This process helps strengthen our supplier relationships. We added supplier diversity baselines into the Ingersoll Rand Business Partner Code of Conduct in 2013. As part of our larger procurement sustainability metric, we launched our conflict minerals program in 2013. This program seeks to responsibly source conflict minerals and derivative metals by aiding our supply chain in education, development and implementation of conflict minerals policies. During 2014, Ingersoll Rand revised and strengthened its conflict minerals policy and implemented enhancements to its program as a result of a comprehensive third party review.

*“We work in a partnership with Ingersoll Rand. We consider the people we work with, colleagues, not suppliers.”*

– Graeme Brand, Air Products Manager at Fisher Offshore, integrated service company for the oil and gas industry.

## Governance, Ethics and Compliance

### Overview

The core values of Ingersoll Rand — Integrity, Respect, Teamwork, Innovation and Courage — are the foundation of our enduring success. Integrity leads this list of values because it is fundamental to our 144-year reputation as a company that can be trusted by customers, suppliers, shareholders and the communities in which we operate. It also is fundamental to our philosophy of corporate governance, which is not only to operate in accordance with the law and the highest standards of ethical conduct, but to do what is right for our stakeholders, for the environment, and for society.

**Business Ethics.** Our commitment to act with integrity is core to the [Ingersoll Rand Code of Conduct and Global Human Rights Policy](#), which frame the ethics and legal practices that we expect all of our employees to uphold, wherever they are located around the world, as well as our corporate standards for working conditions and human rights, as modeled after international organizations such as the International Labor Organization and the United Nations. While some of these standards and rules reinforce legal imperatives in the places where we operate, each one of them reflects our commitment to fairness, honesty and ethical business practices.

Our Code of Conduct embodies our approach for managing employment, labor relations, human rights, diversity, and equal opportunity, as well as company policies on equal employment opportunity, affirmative action, and harassment. Every employee receives a copy of the Code, which is available in multiple languages and can be accessed under the “Our Company” tab on our website.

Our salaried employees participate in an annual Code of Conduct training program and complete a certification agreeing to compliance. Ingersoll Rand has a 100% response rate target for salaried staff completing the Annual Compliance Training Program. In 2014, 100 percent of such employees completed the training and certification. Training for our Code of Conduct, which mirrors many of the objectives of the Ingersoll Rand Global Human Rights Policy, consists of a two hour online training program with a questionnaire for all employees to complete.

**Global Anti-bribery and Corruption Policy.** Ingersoll Rand is committed to winning business on the value proposition of our brands and the superiority of our product and service offerings. Therefore, we require our employees around the world to comply with our Global Anti-Corruption Policy, which is also a part of our Code of Conduct. Our Board of Directors has oversight responsibilities for this policy which, in essence, prohibits the giving and even the offering of anything of value in exchange for a commercial or governmental business advantage.

The Global Anti-Bribery and Corruption Policy underscores our commitment to compliance with the anti-corruption laws of all countries in which Ingersoll Rand and our agents, consultants and affiliates operates. In case they occur, all alleged incidents of corruption are promptly escalated to and investigated by the company’s Ethics and Compliance Group. In the event that an investigation were to confirm the corruption allegation, prompt remedial and corrective actions would be taken, including but not necessarily limited to, termination of responsible employees and/or third parties, as well as enhancement of internal controls and processes. In addition, the company may choose to self-report the violation to the appropriate regulatory authorities.

We communicate our Global Anti-Bribery and Corruption Policy to all our employees around the world through our yearly Code of Conduct and Antitrust training programs. We also address the potential for bribery and corruption when conducting due diligence in qualifying acquisitions and new business partners. We evaluate disclosure of matters in light of applicable regulatory requirements (including applicable SEC rules and regulations and the listing standards of the NYSE) and the materiality of such matters to our company. The company has made no such disclosures in the past year.

**Political Activities and Contributions.** The laws of many countries prohibit or strictly limit contributions by corporations to political parties and candidates. Although our employees may engage in personal political activity, they are prohibited from doing so on behalf of Ingersoll Rand or in their capacity as a company employee. In the United States, Ingersoll Rand manages a nonpartisan Political Action Committee (PAC) which is compliant with all applicable laws and is regulated by the Federal Election Commission (FEC).

Under the FEC, all funds received by the PAC and resulting contributions to federal candidates are publicly disclosed. For a list of federal contributions, [see here](#). Although Ingersoll Rand employees may make personal contributions to political parties and candidates, they are not permitted any type of reimbursement from the company. Where corporate giving to political candidates or causes is permitted, contributions on behalf of the company must be made by our PAC, which is funded exclusively through voluntary contributions by salaried employees.

Ingersoll Rand Federal Political Action Committee Total Contributions (U.S. only)			
2014	2013	2012	2011
\$37,500	\$7,500	\$17,500	\$2,000

**Ethics HelpLine Reporting Platform.** Our third-party, global Ethics HelpLine is a whistle-blowing mechanism through which employees and external stakeholders, including our business partners, may report any known or suspected violation of laws, regulations or the Code of Conduct. The Ethics Helpline also serves as an instrument to conduct human rights reviews.

Employees may telephone or access the Ethics HelpLine through a secure website and country-specific, toll-free telephone numbers any time and can remain anonymous, unless restricted by local privacy laws. The availability of the Ethics HelpLine and instructions for its use are covered in detail in the Code of Conduct. The Ethics HelpLine is overseen by the Audit Committee of the Board of Directors and managed by an independent third party organization. We take violations of the Code of Conduct seriously. All reports to the Ethics HelpLine are investigated and actions are taken immediately to ensure compliance.

**Global Human Rights Policy.** Our commitment to employees, business partners, customers and communities is strengthened by our Global Human Rights Policy. The policy covers non-discrimination and harassment, prohibitions against child and forced labor, freedom of association and the right to engage in collective bargaining. Although many of the adopted standards align with basic concepts regarding working conditions and human rights advanced by international organizations such as the International Labor Organization and the United Nations, the policy represents Ingersoll Rand minimum standards in these areas.

While local laws or regulation may necessitate a different interpretation or application of the policy, we believe that the fundamental values it embodies should serve as our global minimum business standards. Our Code of Conduct employee training program, which mirrors many of the objectives of the Ingersoll Rand Global Human Rights Policy, is conducted annually. This training encourages employees who believe this policy has been violated to report the suspected violations through the company's Ethics HelpLine. The Ingersoll Rand Global Human Rights Policy is also posted online, including instructions on how to report suspected violations through the Ethics HelpLine.

In 2014 no grievances related to human rights were known, filed, or reported to the Ethics HelpLine. Additionally there have been no incidents involving violation of indigenous rights among our own employees, and in communities near existing operations.

Ingersoll Rand is committed to complying with laws pertaining to freedom of association, consultation, and collective bargaining. Ingersoll Rand respects its employees' right to individually decide to join or refrain from joining any lawful organization. The company's Global Human Resources Policy emphasizes freedom of association. To our knowledge there were no operations whereby employees' right to exercise freedom of association or collective bargaining was violated in 2014.

**Risk Management.** The Ingersoll Rand Board of Directors has oversight responsibility for the processes established to report and monitor systems for material risks applicable to the company. Our Executive Leadership Team (ELT) functions as Risk Counsel for the company. The Board focuses on the company's general risk management strategy and the most significant risks facing the company and ensures that appropriate risk mitigation strategies are implemented by management.

The company has identified and regularly evaluates strategic, operational, financial and compliance risks, and has established a corresponding control mechanism that enables management to respond effectively to risks in these areas as they may arise. The Board has delegated to its various committees the oversight of risk management practices for categories of risk relevant to their functions as follows:

- The Audit Committee oversees risks associated with the company's systems of disclosure controls and internal controls over financial reporting, as well as the company's compliance with legal and regulatory requirements.
- The Compensation Committee considers risks related to the attraction and retention of talent and risks related to the design of compensation programs and arrangements.
- The Corporate Governance and Nominating Committee oversees risks associated with sustainability.
- The Finance Committee oversees risks associated with foreign exchange, insurance, credit and debt.

The Board considers enterprise risks and succession planning at each Board meeting, receiving reports from each Committee as to risk oversight within their areas of responsibility. Presentations are made to Audit Committee regularly summarizing key risks across the enterprise and ranking enterprise risks based on the Enterprise Risk Management Integrated Framework as published by the Committee of Sponsoring Organizations (COSO), which measures vulnerability, severity of impact and speed of onset. We also reference the COSO framework in communicating risk internally to ensure that it is consistently managed across the enterprise.

Our Chief Financial Officer, who reports directly to the Chief Executive Officer, has been appointed as the company's Chief Risk Officer. In this role, the Chief Financial Officer periodically reports on risk management policies and practices to the relevant Board committees or to the full Board for the purpose of decision making regarding the Board's enterprise risk oversight and the company's risk management and mitigation strategies. These strategies, including those focused on Environmental, Social and Governance (ESG) risks, are described in the Ingersoll Rand Code of Conduct.

**Board of Directors.** The responsibility for our governance and direction is in the hands of a Board of Directors composed of 12 members — 11 of whom are considered “independent” according to New York Stock Exchange standards. Two of the company’s directors are women, and two are non-U.S. citizens. Each of the Board’s four committees — Audit, Compensation, Finance, and Corporate Governance & Nominating — has a written Board-approved charter detailing its responsibilities. Only non-employee directors serve on these committees.

The Board’s core responsibilities are as follows:

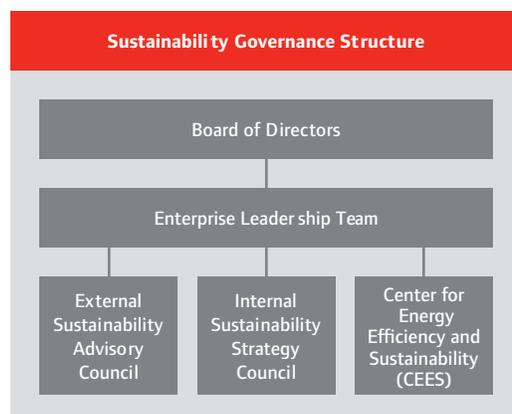
- Oversee the management of enterprise risk.
- Review financial controls and reporting practices.
- Monitor corporate performance and evaluate results against strategic plans and other long-term objectives.
- Evaluate the company’s ethical standards and legal compliance programs.
- Assess relations with shareholders, employees and the company’s host communities.
- Determine compensation for senior management.
- Nominate individuals for Board membership and evaluate the performance of the Board and its committees.
- Review the company’s governance practices to ensure that we remain current with, and operate in accordance with, all applicable legal and New York Stock Exchange requirements.

**Role of the Chairman and CEO.** Our Chairman and Chief Executive Officer, Michael W. Lamach, is responsible for the management of the company under the guidance of the Board, and is the only company employee serving as a director. The Board delegates to the Chief Executive Officer, and through that individual to other senior management, the authority and responsibility for managing the company’s business. The Board’s role is to oversee the management and governance of the company and to monitor senior management’s performance.

**Corporate Governance Guidelines.** Ingersoll Rand is managed under a corporate governance framework and guided by Corporate Governance Guidelines, which ensure that we operate within applicable legal statutes and New York Stock Exchange requirements, and in a manner that is consistent with ethical global business standards and aligned with stakeholder interests. These guidelines detail the Board’s responsibilities, policies, procedures, practices and committee structure. Click [here](#) to access comprehensive information about corporate governance at Ingersoll Rand.

## Sustainability Governance

We have established a sustainability governance structure, as outlined below, in order to enable the achievement of our long-term sustainability goals.



Sustainability governance and direction at Ingersoll Rand is the responsibility of our Board of Directors and the Enterprise Leadership Team, with assistance from internal and external advisory and strategy councils. The Corporate Governance and Nominating Committee of the Board is responsible for overseeing our environmental health and safety performance, energy consumption, carbon footprint and waste streams. The Committee meets at least once per year to evaluate the company's sustainability performance.

**Advisory Council on Sustainability.** Our external Advisory Council on Sustainability is comprised of global thought leaders in infrastructure, energy policy and technology. Their expertise helps us better understand emerging global issues, which in turn spurs product innovation and opens new opportunities to reduce our operational footprint.

## 2014 Council Members

- **Roberta Bowman**, Duke Energy, Senior Vice President and Chief Sustainability Officer (retired)
- **Marian Chertow**, Yale University, Industrial Environmental Management Program, Professor and Director
- **Stuart Hart**, The University of Vermont, Grossman Chair in Sustainable Business
- **Peter Madden**, Future Cities Catapult, Chief Executive
- **Claus Stig Pedersen**, Novozymes, Head of Corporate Sustainability
- **Katherine Sierra**, Brookings Institution, Senior Fellow
- **Daniel Vermeer**, Duke University's Center for Energy, Development, and the Global Environment, Professor & Executive Director
- **Terry Yosie**, World Environment Center, President and CEO
- **Marcia Avedon**, Ingersoll Rand, Senior Vice President, Human Resources, Communications & Corporate Affairs
- **Paul Camuti**, Ingersoll Rand, Senior Vice President, Innovation and Chief Technology Officer
- **Ginny Mackin**, Ingersoll Rand, Vice President, Communications and Brand Management, Corporate Affairs
- **Gary Michel**, Ingersoll Rand, Senior Vice President and President, Residential HVAC
- **W. Scott Tew**, Center for Energy Efficiency & Sustainability at Ingersoll Rand, Executive Director

*"Ingersoll Rand is a great enabler that develops business solutions for its customers and civil society. Its products, services and continuous innovation help make communities more sustainable and improve the quality of life."*

**- Terry Yosie, Ingersoll Rand Sustainability Advisory Council, President and CEO of World Environment Center**

**Sustainability Strategy Council.** Reporting to, and sponsored by, the Enterprise Leadership Team, our internal Sustainability Strategy Council is composed of company leaders representing priority geographies, our Strategic Business Units and all function areas. Their role is to provide guidance and endorsement on social and environmental issues that represent opportunities to drive growth, enhance reputation and ensure the long-term economic viability of Ingersoll Rand and our stakeholders.

**Center for Energy Efficiency and Sustainability.** We launched the Ingersoll Rand Center for Energy Efficiency and Sustainability (CEES) in 2010 as an initial strategic effort to instill sustainability into our corporate culture. Serving as a strategic catalyst for change since then, CEES has led a growing range of initiatives designed to help our employees across the company to develop a broad understanding of sustainability, its importance to our corporate mission and — at the individual level — best practices for incorporating sustainability into their jobs. Additional CEES programs enable employees to help customers and other Ingersoll Rand stakeholders understand and implement new approaches to meet their sustainability goals.

Scott Tew co-founded CEES and serves as its executive director. He reports to Paul Camuti, senior vice president, innovation, and chief technology officer.

**CEES focuses its efforts in the following four areas:**

- **Innovation and Product Stewardship** — working with customers to see values such as reliability, energy efficiency and sustainability through their eyes, enabling us to design products that meet their most critical challenges.
- **Issues and Advocacy** — collaborating with policy and industry stakeholders on initiatives related to next-generation refrigerants with low global warming potential and smarter energy usage, including product standards and assessing product life cycles.
- **External Partners** — engaging with thought leaders, nongovernmental organizations, technology experts, academia, and industry leaders to foster sustainability research and education and share the findings with the business and scientific communities.
- **Community and Employee Engagement** — sponsoring programs that bring our employees and neighbors together to channel their passion and commitment in activities that improve the health and well-being of the communities where we work and live.

Building energy efficiency and the life cycle environmental impact of Ingersoll Rand products were key priorities for the CEES in 2014. Energy-efficient buildings create better environments for work, use less energy, and have lower operating and ownership costs. Reducing the resource intensity of our products from manufacturing to end-of-life contributes to global environmental sustainability. The CEES is working to promote legislation and industry standards that lead to better product performance in each of these areas.

Click [here](#) to learn more about CEES.



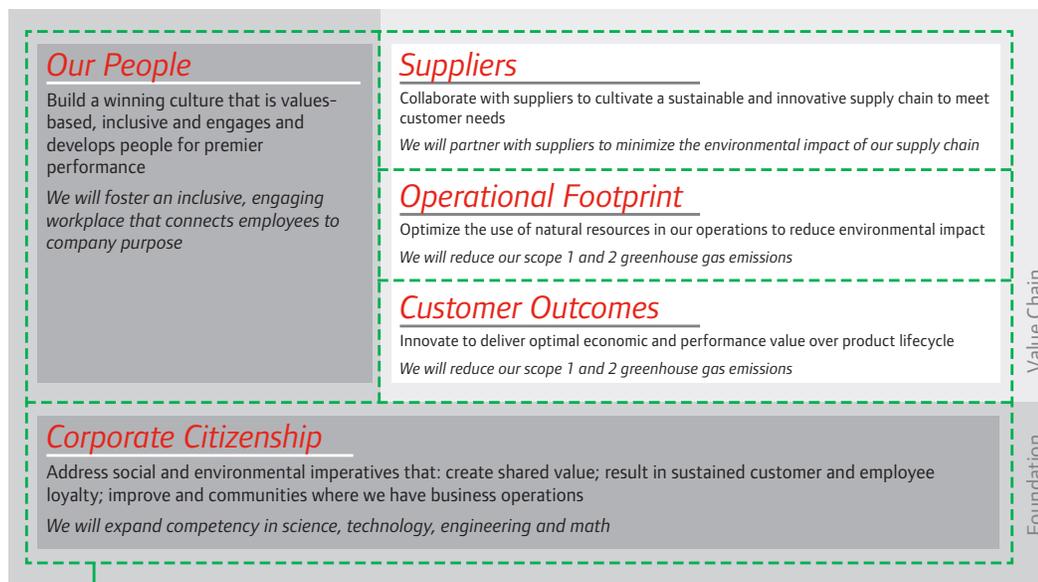
# Sustainability at Ingersoll Rand

## Embedding Sustainability across the Enterprise – 2020 Targets

At Ingersoll Rand, our passion for sustainability is embedded in the way we serve our customers and operate our business, and in the strategic initiatives we are pursuing in every function across our global enterprise. Sustainability is a core value that is ingrained in how we work every day and everywhere in the organization. In 2009 we established long-term sustainability goals for achievement in 2013. Click [here](#) for more information about our performance in achieving these goals.

A world facing resource scarcity, rapid urbanization and the threat of climate change expects more from the corporate sector than compliance with traditional energy, waste and safety standards. With our materiality assessment as the foundation, in 2014 we developed new long-term goals for 2020. Engaging our stakeholders, we identified the issues of greatest importance to the company, the environment and society, as well as key opportunities for improvement in each area.

These opportunities cut across our global organization and span our entire value chain and are designed to be transformational, industry-leading and progressive. We plan to set new baselines and begin tracking and comprehensively disclosing our progress against these goals in 2015:



### Governance

To enhance efforts to uphold our standards for ethical business conduct, transparency, compliance and oversight

## Growth Excellence

### Growth Vision and Strategy

Ingersoll Rand products and services help save energy, transport food and perishables, and spur economic growth. Our business operations reflect a longstanding commitment to innovation, sustainability and exemplary corporate citizenship aimed at leading the way to a better world. Our economic, environmental and social contributions, in turn, enhance the company's financial results, creating value for our employees, shareholders and business partners.

At Ingersoll Rand, everything starts with the customer. Our mission is to exceed our customers' demands for reliability, energy efficiency and productivity whenever and wherever in the world they need us. Our sales and customer relationships are managed through a powerful network of Ingersoll Rand offices, distributors and dealers across the globe in nearly 60 countries. We track customer satisfaction by collecting feedback on our sales and delivery performance and the quality and reliability of our products and services on an ongoing basis.

**Market Dynamics.** Ingersoll Rand has excelled in sales growth among its peer group companies for the past five years. We are well-positioned to improve on this performance. World energy demand is projected to be 37 percent higher in 2035 — an unsustainable growth rate in the long run. We play an important role in solving this critical challenge. This is because 40 percent of total energy demand in mature economies comes from buildings, with 40 percent attributed to HVAC systems. In emerging economies, building energy demand is as high as 85 percent. As well, 30 percent of all energy demand comes from the transportation industry, where sustainability is now a key competitive advantage.

*“Trane helps us with one of our biggest challenges today, to improve service to our customers and installers. By keeping product quality, technical support and lead times optimal, we are able to consistently deliver quality products and service and maintain excellent relationships with our customers.”*

- Gerardo Gonzalez, Founder and Owner of Proveedora de Climas, the #1 distributor of Trane products in Latin America

We are leveraging these market dynamics by launching new climate, industrial and transportation products and services that are making vital contributions to the energy efficiency, reliability and productivity that drive sustainable economic progress. Reflecting the more than 200 products and services launched into our markets in 2013 and 2014, the percentage of revenue that we generate from new offerings has more than doubled since 2009.



## Trane Expands Chiller Portfolio with Breakthrough Systems Designed for European Markets

Trane introduced five new chilled water systems with capacity ranges from 20kW to 14,000kW to meet the cooling, efficiency and acoustics needs of markets in Europe. These innovative systems are available with advanced controls and designed for optimal energy efficiency for part- and full-load performance, and in compliance with the most stringent local standards and performance ratings to meet customer requirements for capacity and sustainability. The photo above shows one of the first chillers being shipped from our facility in Charmes, France.

Acquisitions are also important to our growth strategy, as demonstrated by our purchase of the assets of Cameron International Corporation's Centrifugal Compression Business, which became part of our compressed air business in January 2015, and FRIGOBLOCK, which became part of our Thermo King business in March 2015.

**Customer Focus and Value.** Ingersoll Rand wins new business organically by delivering customer productivity — as the customer defines it. We work hard to instill a customer-focused and service-oriented mindset throughout the organization. Our product and service development process starts with an understanding of what productivity means for each one of our customers.

## Trane Grows Business Through Exemplary Customer Service

The Trane Supply group's Scot Leas, parts area leader for Roanoke and Lynchburg, Virginia, and Kingsport, Tennessee, embodied our commitment to exemplary customer service when Southern Air, one of our largest customers in the Mid-Atlantic region, called saying they needed a heat exchanger by evening. The unit was unavailable locally, so Scott drove more than eight hours in a borrowed truck to pick up the nearest available unit in Charlotte, North Carolina, deliver it to the job site in Bluefield, West Virginia and return home to Roanoke. "I just wanted to thank you for making sure that we received the heat exchanger ordered so that we could take care of our customer. I know that after a long day it must have been exhausting to pull off what you did. Even finding another part was a miracle, then logging countless hours of driving just to get that part to us. This is why we like working with Trane!" Brendan Nowlin, Service Manager, Southern Air, Inc.



## Power Tools Business Launches Global Brand Day

Ingersoll Rand Power Tools celebrated its first Global Brand Day to help employees understand how to represent and deliver on the brand. Employees engaged with end-use customers to identify with the Power Tools brand and gain firsthand experience using our products. Global Brand Day included Power Tools auto racing program activities for end users and a North American tour to demonstrate our QX Series of assembly power tools, in addition to development of a new Power Tools brand and product launches. Global Brand day originated with employee ideas in one region that were leveraged around the world.

We develop this understanding not only through our sales and service interactions with customers, but also by inviting them to serve on Ingersoll Rand advisory boards and executive forums. In addition to providing us with feedback on our performance, these interactions enable our customers to demonstrate thought leadership in conceptualizing future Ingersoll Rand products and services.

At the core of our value proposition are two fundamental product attributes: energy efficiency and reliability. Reducing energy use is integral to sustainability. Across our product portfolio, we are at the forefront in energy efficient design, and we focus on helping our customers understand their choices in light of the energy impacts of the products we manufacture and sell. We believe that energy efficiency is a factor that differentiates Ingersoll Rand products in the markets they serve.

Reliability, as our customers define it, means they can consistently and profitably execute their mission-critical activities because of the solutions Ingersoll Rand provides. We are raising the bar for reliability across the enterprise to create a better customer experience and differentiate our offerings from those of our competitors. This includes going beyond product reliability to include service and sales support.

Reliability signifies more than product performance. It encompasses the buying process, delivery, installation, operation and product serviceability. We see reliability through our customers' eyes — as a combination of uptime, speed of repairs and overall maintainability. We not only design our products and service operations with these factors in mind, but also deploy remote monitoring and analytics to detect and solve problems. One of our key objectives for 2015 is to execute at least one major growth program in each strategic business unit that focuses on improving our reliability from the customer's perspective.

*“Suppliers like Ingersoll Rand are the experts in their field and their customers rely on their sustainability expertise to inform and educate them about potential risks around the use of their products, such as pending regulations.”*

*- Lee Kindberg, Ph.D., Director, Environment & Sustainability, MAERSK LINE /  
Maersk Agency USA*

**Product Growth Teams.** Product growth teams bring together an engineering, a global integrated supply chain (GISC), and a product management leader to align on a strategy and deliver the same goal: to grow market share and expand margins for their product line or portfolio.



### **New Product Success Story Idea for Trane Unitary Equipment**

For the people at Trane's manufacturing plant in Clarksville, Tennessee, the prospect of starting with a clean sheet of paper and creating a new offering for the Unitary business was an exciting one for them. A global team from other U.S. locations and plants in Mexico, China and India developed what became the Trane Foundation™ — a light commercial rooftop unit.

These leaders leverage their expertise in their function's standard work — customer focus and competitive expertise from product management; engineering discipline and technology expertise; and manufacturing, distribution and sourcing expertise of GISC — to work collaboratively from ideation to launch to satisfy customers and drive market growth and margin expansion. They use analytics to make clear strategic choices on what markets to focus on and how to succeed.

Our accelerated growth through our product growth teams builds on our proficiency in operational excellence — lean organizational efforts through successful value stream transformations — and applies it to the full customer experience. It's a programmatic, end-to-end customer process. Ultimately, a growth-led value stream delivers a structured, lean approach to achieving growth and maximizing customer value.

**Ingersoll Rand Product Development Process.** The Ingersoll Rand Product Development Process (IRPDP) applies standard work to the product development life cycle, to ensure we are meeting customer needs, assessing risk, embedding sustainability and developing intellectual property — and ultimately meeting our objectives. Over the past two years IRPDP has improved the way we develop and launch new product and service offerings from initial concept to point of sale. IRPDP has generated or improved more than 60 product development projects during this period, more than doubling our product development improvement metrics.

One example where we have successfully embedded sustainability is in the area of life cycle assessments LCAs. We use both streamlined LCAs and full LCAs in our product development process to identify hot spots, or areas of high environmental impact which can then be addressed directly. To date products with LCAs account for over \$870 million USD of revenue.

*“We’re in a competitive market, so wherever we can lower our costs and get good value for the price is extremely important. Trane has helped out with that. We work with our customers on predictive maintenance, lowering energy operating costs and life cycle planning. These all tie into our core values of partnership, collaboration, reliability, integrity and advocacy, which are shared values with our Trane team.”*

**- John Eldridge, Service Sales Manager, PSF Mechanical, Inc., a 100 year old, design build contractor based in Seattle, Washington**

Customer health and safety is integrated into this standard new product development process. Phase 2 of our new product development process includes specific deliverables where the product team identifies risks related to environmental health and safety and/or sustainability in compliance with related codes that affect the product.

### **Ingersoll Rand Collaborates with UL Environment to Create Exclusive Design for Sustainability Certificate Program**

Our Center for Efficiency and Sustainability (CEES) has partnered with UL Environment to develop the exclusive Design for Sustainability (DfS) Certificate Program. A development opportunity targeted to our engineering, product management and sourcing functions, the DfS promotes sustainable thinking and builds competency across the Ingersoll Rand Product Development Process (IRPDP). While UL Environment traditionally certifies products, the DfS is the first to certify individual participants to advocate for sustainability thinking and build sustainability-related competencies in a global industrial company.

**Product and Process Innovation.** One way to improve reliability is to deliver product and process innovation. With this goal in mind, and we are making more pervasive use of information technology, including machine-to-machine communication and data analytics, in our manufacturing and supply chain functions, as well as enhancing our service capabilities with remote service offerings.



## Thermo King Delivers Peace of Mind with CARB Compliant Precedent™ S-Series Models

Thermo King introduced its line of Precedent™ S-Series models, including the Precedent S-600 — the only unit in the industry compliant with California Air Resources Board (CARB) Ultra-Low-Emission Transport Refrigeration Unit In-Use Performance Standards. It also is the only greater-than-25 horsepower solution in the industry to meet Tier IV final emissions certification by the U.S. Environmental Protection Agency, as well as the only evergreen CARB

compliant unit requiring no additional diesel particulate filters or engine emissions systems. As the most sustainable trailer temperature control platform in the market today, the Precedent S-Series has been engineered to create peace of mind for refrigerated trailer fleet operators and owner operators.

## Next-Generation Furnace Platform to Meet New Demands for Energy Efficiency and Performance

Engineering teams at Trane and American Standard are designing a next-generation gas furnace platform that provides increased energy and cooling efficiency and supports new U.S. regulatory requirements, including the 14 Seasonal Energy Efficiency Ratio (SEER) minimum effective January 1, 2015. The Ingersoll Rand Residential HVAC group collaborated with a group of 12 dealers to improve serviceability and ease of installation, and it's the group's largest project ever to use the lean production preparation process to engineer the product for efficient manufacturing with high levels of safety and quality.



## AIR India Reaches 250th Installation Milestone

2014 marked the 250th installation of oil-free rotary air compressors. The AIR Naroda facility developed assembly and testing capabilities to support the continued interest within the oil-free market space. Several factors have been instrumental in achieving the milestone including:

- Technological differentiation
- Capabilities to take on complex projects
- Passionate and knowledgeable team
- Services and execution excellence

“It is a privilege to be a part of the entire process in building up the base of 250 oil-free rotaries installed in India. It would not have been possible without the vision and able guidance of the leadership and cohesive cross-functional teams,” said Ragjesh Fotedar, Product Manager, Rotary Oil-Free India

In addition, we are expanding our advanced materials science capabilities in product engineering, and continuing to explore the use of 3D printing in product manufacturing. We also are making progress in our efforts to incorporate next-generation smart technology in building HVAC management.



### Ingersoll Rand Adds Small Rotary Compressors to R-Series Line for Enhanced Reliability

Ingersoll Rand extended its R-Series line of compressed air solutions to include small rotary compressors with V-Shield™ technology to reduce leaks and improve reliability. Built on a common platform, the new compressors became available for order in Western Europe, Latin America and the United States in 2014. The compact design of the R-Series makes it the ideal workplace compressor with a 20 percent reduction in footprint and sound levels as quiet as a dishwasher.

### Thermo King Offers New Choices to Reduce GHG Emissions in Transport Refrigeration

Thermo King put the finishing touches on a plan to offer its transport customers in Europe, the Middle East, and Africa a choice on how and when to reduce their greenhouse gas footprints. The plan centers on a new line of trailer and self-powered truck units that are energy efficient and reliable and use a next-generation refrigerant that has about half the global warming potential of the refrigerant currently used. Thermo King will continue to offer and service its current line of transport refrigeration products until customers are ready to transition.



### Club Car Precedent Electronic Fuel Injection Engine Launch

Club Car unveiled its Electronic Fuel Injection (EFI) engine for the Precedent at The Villages Golf Cars in Florida, the largest U.S. retail golf car dealership and a Club Car dealer. In developing the EFI engine, Club Car partnered with world-renowned automaker Subaru, a leader in building small engines with EFI. The EFI engines in Club Car vehicles feature more precise ignition timing, better fuel efficiency, improved reliability and enhanced customer experience.

At the center of our innovation strategy are the Networks of Excellence we established two years ago, bringing together internal experts and specialists on technologies of critical importance across the enterprise. This shared-expert team approach enables us to capitalize on cross-segment synergies in fields such as modeling and simulation, materials and chemistry, metallurgy, brazing and machining processes.

As a result, we have improved our ability to conceptualize innovative solutions for emerging customer problems. Our priorities for 2014 included initial work to develop new Networks of Excellence focused on product architecture and reliability, which are scheduled to be launched in 2015.

We engage in research and development activities in an effort to introduce new products, enhance existing product effectiveness, improve ease of use and reliability as well as expand the various applications for which our products may be appropriate. In addition, we continually evaluate developing technologies in areas that we believe will enhance our business for possible investment or acquisition.

We anticipate that we will continue to make significant expenditures for research and development activities as we look to maintain and improve our competitive position. Research and development expenditures were approximately \$212.3 million, or 1.6 percent of revenue, in 2014, \$218.2 million, or 1.7 percent of revenue, in 2013 and \$235.4 million, or 2.0 percent of revenue, in 2012.

**Sales Excellence.** We are making a significant, long-term investment in our sales people, capabilities, and processes. The effort combines learning and development, coaching, and best practices to create a world-class sales function that delivers profitable growth for our businesses and wins in our markets. To take our sales capabilities to the next level, we are transforming how we approach the sales process, as well as the tools with which we manage the sales pipeline.

We are boosting the productivity of our sales organization by adopting standard work flows and processes along with lean. As a result of these initiatives, we are closing and converting more opportunities and thus growing faster than underlying market growth. At the same time, our value selling and price management initiatives are helping to fuel continued margin expansion at the enterprise level.



## Trane Acceleration Now Tour Logs 18,000 Miles Visiting 39 Locations across North America

To drive growth and innovation, Trane completed more than 18,000 miles on the road in 2014 bringing our commercial HVAC solutions directly to customers across North America. Our Acceleration Now tour visited nearly 70 locations in 39 weeks, featuring three semi-trucks full of the newest Trane chillers, air handlers, controls, terminal and variable refrigerant systems, aftermarket offerings and services. More than 10,000 key customers and prospective customers attended, learning about our newest innovations and generating significant revenue and market share opportunity for Trane.

## Office Building in Panama is First in Central America to Install Trane Wireless HVAC Controls

The Trans Panama Team demonstrated to an international developer how installing Trane's wireless HVAC control technology in a new office building would save money and create a more comfortable environment. As a result, the developer scrapped initial plans to install stand-alone chillers and air handlers, instead opting for a more energy-efficient and sustainable solution that applies the full extent of Trane's wireless technology for the control of an HVAC system.

**Services Mindset.** Now that smart, connected products are becoming the norm, the traditional transactional product sales model is giving way to innovative models focused on end-to-end, customized solutions that integrate products with services. Adopting a services mindset across the organization is crucial to our growth strategy.

**Analytics.** We are making significant investments in our analytics capabilities with an eye toward guiding where we play and how we win in various markets. This disciplined approach helps us to better understand our customers and more accurately estimate the life cycle costs and potential value of new offerings. These new capabilities also strengthen our ability to exceed customer expectations for on-time delivery and product and service quality.

## Residential HVAC to Use New SEER Requirements to Drive Growth

The Ingersoll Rand Residential HVAC business is taking a new approach to developing products to meet the U.S. Department of Energy's Seasonal Energy Efficiency Ratio (SEER) requirements — pursuing opportunities to reduce costs to improve margins, while allowing for more aggressive pricing in the marketplace to drive growth. "Instead of developing new components for our existing systems, we're engineering whole new systems and designing both indoor and outdoor components simultaneously. We're developing new HVAC products all the way up to 16 SEER for consumers looking for higher levels of efficiency with a lower cost basis that will make us more competitive in terms of both pricing and marketing," said Matt Barga, portfolio leader, air conditioners and coils.



## Trane Debuts First Chiller to Receive Environmental Product Declaration at Greenbuilding Brasil International Conference

The new Trane EarthWise™ CenTraVac™ centrifugal chiller was the first commercial chiller to receive an Environmental Product Declaration (EPD) from the Institute for Construction and Environment. A third-party EPD program operator based in Germany, the Institute is committed to increasing sustainability in the construction sector. The Trane EarthWise CenTraVac chiller with EPD certification uniquely qualifies and contributes toward a LEED v4 Building Product Disclosure and Optimization point under the materials and resources credit category in the U.S. Green Building Council's LEED green building rating system. Trane introduced the new chiller at the Green Building Brasil International Conference and Expo in Sao Paulo.



## Thermo King SLXe Spectrum™ Whisper Units Will Help Asda Achieve Sustainability Goals.

Asda, one of the United Kingdom's leading retailers, purchased 16 Thermo King low-noise SLXe Spectrum™ Whisper refrigeration units to help achieve its goal of reducing emissions from transport operations 60 percent by the end of 2015. These multi-temperature units are designed for operators who want to minimize environmental impact without compromising performance, capacity or cargo protection. In addition, their reduced sound levels make SLXe Spectrum Whisper units ideally suited for distribution of goods and perishable products in urban environments. "This is a great example of new thinking that supports our sustainability agenda and considers environmentally friendly deliveries in our urban areas," said Chris Hall, head of transport, Asda Logistics Services.

**Product Responsibility.** Product sustainability and safety are key elements of our value proposition. The IRPDP, along with a rigorous gate process review, helps us achieve higher levels of sustainability and customer safety. The process integrates customer interest, cost reduction, environmental impact improvement and customer health and safety.



## Pursuing Operational Excellence

### Operational Excellence Vision and Strategy

Operational excellence through continuous improvement is core to who we are at Ingersoll Rand. It drives growth, fosters customer satisfaction and employee engagement, strengthens margins and cash flow, and ultimately results in value generation for our shareholders and for society. We think about operational excellence holistically. Although it includes lean transformation and related business process improvement initiatives, our operational excellence strategy also encompasses sales management and supplier relationships, as well as the environmental impact of our products and operations.

As a global provider of products and services that reduce energy and resource consumption and mitigate the threat of climate change, we have a responsibility to deliver value in each of these dimensions. Operational excellence is our path to creating this value for all of our corporate stakeholders.

Over the past five years our operational excellence strategy has evolved to include every element of lean. It started with the implementation of our business operating system and has matured dramatically. The operating system is what makes our operational excellence and growth strategies work — we do a better job with quality, customer service, on-time delivery and incremental margins by virtue of the operating improvements in the company.

#### Cross-SBU Collaboration Delivers Win for Hoist Design Team

When an engineering team from the Material Handling Strategic Business Unit (SBU) set out to develop a food-grade hoist that meets stringent U.S. Food and Drug Administration requirements, they tapped into trusted and experienced resources without looking outside of Ingersoll Rand. They reached out to the engineers in the Power Tools SBU, who had recently tackled the challenge of developing a motor that runs without lubrication, eliminating the potential for lubrication material to contaminate the food packaging plant environment. After trialing the first prototype food-grade hoist with Fresh Express, a lettuce and salad packaging customer, the team is working to incorporate additional requirements into the product's next iteration.

## New Tools Streamline and Strengthen Open Innovation at Ingersoll Rand

Each year, approximately 2 million patents are filed, reflecting approximately \$1.4 trillion in global research and development investment. Although Ingersoll Rand represents a small share of this investment, we are looking for new and creative ways to leverage global sources of original thinking — including the concept of open innovation. Now teams from across our organization have easy access to standard work to guide them through the stages of open innovation and to identify opportunities for external collaboration. Collaborating on technology with third-party inventors brings extra complexity and risk. To address these concerns, a cross-functional team has spearheaded an enterprise-wide approach, in tandem with the Ingersoll Rand Product Development Process (IRPDP), to provide the tools and process that our engineers and product managers can use to engage with external inventors and organizations.

**Value Streams.** The operating system is how we run the company. And as a result, our people better understand value streams — the process of delivering value as defined by the customer. We are using goal deployment principles to manage and achieve breakthrough performance. Each function is now responsible for delivering excellence by standardizing its own work flows and processes.

## Clarksville and Lynn Haven Step Up the Pace with MDI Board

When the Trane Unitary Equipment business began using the value stream approach for the Voyager™ rooftop unit, the operations team started moving at a faster pace, driving change throughout the organization. Although all facets of the value stream approach have made a difference at both the Clarksville and Lynn Haven facilities, perhaps the most important tool is the MDI — managing for daily improvement board. It allows the teams to quickly identify problems and their significance. This experience helps explain why the Precedent product, which is manufactured at Lynn Haven, has been the model value stream at Ingersoll Rand.

Our focus on value streams started four years ago with a narrow scope—from customer order to order shipment. By the end of 2014, 60 percent of the conversion costs were in value streams under lean transformation. We are tracking five metrics—market share, margin expansion, organic growth, price and the net present value of our innovation portfolio—to evaluate the performance of our value streams under lean transformation. Results in all five improved in 2014.

## Columbia Team Deploys 9-Step Process to Reduce Coil Manufacturing Costs

The I2 coil manufacturing cell at our Commercial HVAC plant in Columbia, South Carolina, was challenged with improving production line performance. The team rose to the challenge by using the 9-step problem solving process to identify \$600,000 per year in material and productivity savings. Highlighting the project, led by Value Stream Engineer Jason Ressler, was the hourly associates' total commitment to the 9-step process and excitement in seeing their input develop into new solutions. By the end of the project, the team had reduced production and material costs approximately 28 percent and 9 percent, respectively.

## Lynn Haven Creates Model Value Stream to Refine Ingersoll Rand Business Operating System

The end-to-end, model value stream being created at our Lynn Haven, Florida, facility demonstrates our commitment to making Ingersoll Rand a world-class, lean organization. Focused on our Commercial HVAC North America and EMEA Strategic Business Unit Light Commercial Unitary Precedent Replacement Market Product Line, the model value stream serves as the testing ground for elements of our Business Operating System prior to rollout in other value streams. It incorporates sales, manufacturing and distribution, and aims to result in higher market share and shorter lead times both in sales and production.

**Sales Performance.** We believe operational excellence is as relevant to sales as it is to our other functions. We are boosting the productivity of sales management by equipping our sales managers with the tools and resources needed to develop and sustain a winning sales organization and culture. We are making sales management best practices and proven ways of winning a regular part of how we work, thus enabling us to grow faster than underlying market growth. At the same time, our value selling and price management initiatives are helping to fuel continued margin expansion at the enterprise level.

## Suppliers

Suppliers		
Objective	Targets	Indicators
Collaborate with suppliers to cultivate a sustainable and innovative supply chain to meet customer needs	Ensure alignment of business partners to a common set of ethical beliefs and expectations	100% of suppliers have agreed to our business partner code of conduct
	Leverage supplier innovation to deliver advanced solutions	
	Maximize marketplace connectivity by fostering supplier diversity	Extend supplier diversity program to spend with diverse companies globally
	Partner with suppliers to minimize the environmental impact of our supply chain	<ul style="list-style-type: none"> <li>100% of value streams have packaging reduction goals</li> <li>Reduce emissions due to freight by 5%</li> </ul>
	Minimize impacts on our customers by ensuring a viable supply chain	Designate 80% of spend assessed on a quarterly basis for risk

**Supplier Relationships.** The ability to establish mutually beneficial supplier relationships is a key success factor in our business. We aim to engage local suppliers globally as much as possible, provided they meet our cost and quality expectations. We have systematic processes in place to govern these relationships, ensuring our suppliers share our values and adhere to our standards of business ethics, health and safety, sustainability and social responsibility.

As part of our enterprise risk management processes, we periodically assess the sustainability and business continuity risks associated with our supply chain. [Our Business Partner Code of Conduct](#), which includes our Global Human Rights Policy, is now integral to our standard purchase agreement and communicates the social, environmental, quality and compliance related expectations that we have from our supply chain partners. Ingersoll Rand employs more than 2,500 contract security guards worldwide, who are under the management of our Global Security function. All security personnel are contract employees and are required to comply with our Business Partner Code of Conduct, which includes the Global Human Rights Policy.

**Supplier Diversity.** Supplier diversity is integral to our global supply chain strategy not only because it is consistent with our values, but because it enhances competitiveness and drives market connectivity. The diversity program, launched in 2012, embraces suppliers whose ownership is primarily minority, woman, or veteran. The goal of the program is to maximize marketplace connectivity and corporate sustainability by focusing on three pillars: 1) increased utilization of diverse suppliers; 2) supplier development and mentoring; 3) strategic outreach that drives increased brand awareness. We purchased more than \$300 million of goods and services from diverse-owned businesses in 2014, a 26 percent increase from 2013.



### City Officials Attend Memphis Distribution Center Supplier Diversity Event

The Trane HVAC Parts & Supply distribution center (MDC) in Memphis, Tennessee, is enrolled in a payment-in-lieu-of taxes program with the city of Memphis. The plan results in a potential \$2.8 million tax savings over eight years and is based on the percentage of its outlays for goods, services and construction to minority-, woman-, or locally-owned small businesses. Attended by 20 local suppliers and Memphis city and Shelby county officials,

a Business Opportunity Review event held at the facility enabled the MDC team and the supplier community to better understand the opportunities available for diverse-owned and small businesses to develop relationships with Trane. One attendee wrote, “My take away from this event is that I got to actually see how a huge organization such as Ingersoll Rand really cares about smaller companies.”

**Supplier Engagement.** In 2014 we launched our Market Connectivity Ambassador Program (MCAP), which focuses on engaging our Employee Resource Groups (ERGs) in our supplier diversity initiatives. Each of our seven ERGs companywide is a grassroots initiative led by local employees and managers with the support of our Diversity and Inclusion Team. As champions for diversity within the enterprise, ERG members are ideally positioned to help with outreach to supplier firms led by minorities, women and veterans.

In 2014 we increased our spend with diverse-owned businesses from \$241 million in 2013 to \$303 million, a 26 percent increase.

Leading up to 2020, we have set the following targets for Ingersoll Rand:

- Ensure alignment of business partners to a common set of ethical beliefs and expectations
- Leverage supplier innovation to deliver advanced solutions
- Maximize marketplace connectivity by fostering supplier diversity
- Partner with suppliers to minimize the environmental impact of our supply chain
- Minimize impacts on our customers by ensuring a viable supply chain

By the year 2020:

- 100% of suppliers have agreed to our Business Partner Code of Conduct.
- We will extend supplier diversity program to spend with diverse companies globally.
- We will reduce emissions due to freight by 5%.

**Conflict Minerals.** Ingersoll Rand launched its conflict minerals program and adopted a conflict minerals policy in 2013. The company's program seeks to responsibly source materials from countries covered by the SEC's conflict mineral rules and to avoid supporting the armed groups causing human rights violations. The Ingersoll Rand conflict minerals policy applies to suppliers of products and materials that are incorporated into the company's products, regardless of where the supplier is located. Thus, we expect our suppliers to:

- Source conflict minerals responsibly and to provide sufficient data, including supporting due diligence records, demonstrating they have ensured that, to the extent they use conflict minerals in the products they provide to Ingersoll Rand, the procurement of those conflict minerals does not support these armed groups and are DRC Conflict Free;
- Establish conflict minerals compliance policies, survey their suppliers and establish a due diligence process to support their conflict minerals data collection efforts; and
- Document thoroughly their efforts to determine the source of any conflict minerals or derivatives and be prepared to provide Ingersoll Rand with evidence of the origin of any conflict minerals contained in products supplied to Ingersoll Rand.

During 2014, Ingersoll Rand revised and strengthened its conflict minerals policy and implemented enhancements to its program as a result of a comprehensive third party review.

## Environment, Health and Safety

**Philosophy and Objectives.** Eliminating injuries and improving the well-being of our employees makes Ingersoll Rand more competitive by increasing productivity, enhancing employee engagement, retention and reducing healthcare costs. Creating an open reporting culture and sustaining a safety-focused, zero-incident philosophy is a top priority for all of us.

Our injury reduction strategy is focused on three elements: ergonomic improvements; recognizing, reporting and correcting at risk behaviors; and recognizing, reporting and correcting unsafe conditions. Creating standard work and training provides employees with the tools and knowledge they need to perform their work safely and without injury. MDI or visual management is used in our plants to mature and evolve standard work and safety programs. In 2014, we continued to address the challenge of ergonomic risk for our field service technicians and factory employees through equipment, work station and product redesign, employee education and predictive analysis of at-risk work activities.

Our Environment, Health and Safety (EHS) policy is signed by Michael Lamach, Chairman and CEO, and EHS commitment and accountability begins with him. Our corporate EHS group creates standard work through the Business Operating System (BOS), training and coaching, which assists our business managers and facilities in executing EHS solutions that address their specific needs. EHS committees meet regularly to create standard work for the service organization. Todd Wyman, Senior Vice President of Global Integrated Supply Chain, serves as the executive sponsor of EHS programs across all Ingersoll Rand operations.

Operational Footprint		
Objective	Targets	Indicators
Optimize the use of natural resources in our operations to reduce environmental impact	Optimize energy use	
	Reduce our scope 1, 2 and 3 greenhouse gas emissions	<ul style="list-style-type: none"> <li>• Reduce scope 1 and 2 emissions by 35%</li> <li>• Measure and reduce scope 3 emissions</li> </ul>
	Improve waste management in our operations	<ul style="list-style-type: none"> <li>• Reduce non-hazardous waste to landfill by 30%</li> <li>• Reduce hazardous waste by 20%</li> </ul>
	Improve water management in our operations	Reduce water used at sites located in water stressed areas by 25%
	Minimize impacts on our customers by ensuring a viable supply chain	Designate 80% of spend assessed on a quarterly basis for risk

**EHS Management.** All of our facilities and service organizations are implementing and maturing our EHS management systems or BOS. Employee engagement and EHS committees are critical to effective EHS programs and improvements. Direct employee involvement is used in strategic planning, assessing performance status, and as a means to ensure continuous engagement on the part of leadership, subject matter experts and production associates. These committees generally meet at least monthly.

### Ft. Smith Lighting Upgrades Reduce Energy Costs, Improve Work Environment and Reduce Emissions

The Residential HVAC manufacturing facility in Ft. Smith, Arkansas, upgraded its lighting system to reduce energy costs, improve the work environment and reduce its carbon footprint. Plant leaders worked with IDG, our North America MRO supplier, and the local utility company and contractors to create a plan for replacing existing lighting with energy-efficient fluorescent fixtures and occupancy sensors. The project resulted in more than a \$210,000 energy rebate, the largest utility company issued rebate in the state of Arkansas.

In 2014, we adopted Gensuite, a new, web-based organizational data management and compliance tool. Previously, a number of different systems tracked the company’s various EHS metrics, making it difficult to evaluate the data. As a result, we decided to find a solution that would allow all of the information to be tracked and stored in one place. Gensuite’s automated system provided this solution, improving data accuracy and visibility, and providing mobile tracking and enhanced data mining and reporting capabilities.

Gensuite is currently supporting nearly 3,000 registered users across the company. The EHS staff uses the Gensuite output to provide monthly reports on EHS progress to the executive leadership team. In a self-sustaining cycle, the insights in these reports lead to training and programming initiatives that drive continuous improvement in our EHS performance.

Our EHS management systems focus on performance monitoring and improvement in the following areas, among others:

- Pollution prevention, environmental management, and integrated permitting
- Air emission management
- Water supply management
- Hazardous substance management
- General safety and health management
- Personal protective equipment
- Wastewater discharges management
- Waste management
- Dangerous substances
- Physical hazards
- Mechanical hazards
- Fire protection

Our corporate EHS group regularly monitors facility-level performance in these areas against global EHS standards and applicable regulatory requirements. We use a combination of third-party consultants and EHS staff to arrange independent audits of each Ingersoll Rand site at least once every three years. We also conduct annual self-assessments following a standard protocol to identify opportunities to improve EHS performance. All personnel directly related to GISC and Services activities receive EHS training annually. Indirect and enterprise personnel receive EHS training upon initial hire, and then periodically thereafter based upon individual risk and exposures.

Our foundation for recording and reporting accidents is the U.S. Occupational Safety and Health Organization (OSHA), regulation 29CFR1904. This standard is applied to Ingersoll Rand sites globally. Additionally, sites will comply with local regulations when they are stricter than the US OSHA standard. Our EHS data is assured annually by a third party. The results of our 2014 assurance can be found [here](#).

The company's EHS policies are endorsed by the Chief Executive Officer and communicated broadly, and employees have a number of ways to be involved in health and safety programs. Global health issues are addressed through multiple mechanisms. These issues include, among others, high-risk travel destinations, global crisis emergency planning, practices for emergency medical responders, and company health programs. Additional awareness training is planned for service personnel who perform work in medical healthcare facilities.

Ingersoll Rand offers employees a comprehensive health care benefits program, including a range of medical treatment options. Employees who have enrolled themselves and their family members in these programs have numerous opportunities to become educated and proactively prevent diseases.

During acquisitions, Ingersoll Rand executes a formal due diligence process that includes EHS considerations. Formal change management programs are implemented for new operations and/or the introduction of new or redesigned products. EHS risk assessments are implemented at multiple levels, including pre-task, pre-project, within change management, and when evaluating overall enterprise risks.

Key Measures		
	2014	2013
Percentage of sites with OHSAS 18001 certification	9 %	9 %
Percentage of sites having validated EHS management systems	100 %	100 %
Percentage of Recordable cases related to ergonomic factors	31.60 %	33.00 %
Percentage of employees engaging in open discussions related work hazards and safety issues	99 %	89 %
Percentage of employees who agree on Company commitment to employee safety	96 %	90 %
Workforce represented in formal joint management worker H&S committees that help monitor and advise on OHS programs	Up to 25 %	Up to 25 %

**Safety.** Creating and sustaining a safety-focused, zero-incident culture is a top priority for all of us at Ingersoll Rand. The company experienced zero work-related fatalities in 2014.

We manufacture a variety of products per the business portfolio. Typical manufacturing sites will have 234 to 240 production days per year. Ingersoll Rand also offers service and installation and may be called upon 24/7 and 365 days per year. The company’s total number of workforce days for 2014 was 365, and the total number of working hours for the year was 86,461,257, including Ingersoll Rand employees as well as contract employees under the company’s supervision.

General safety of the working environment is the responsibility of Ingersoll Rand employees. Purchased services contractors provide their own safety leadership, depending on scope and complexity of the job. In 2014, there were no independent contractors working on-site liable for the general safety of the working environment in Asia Pacific, Latin America, or the Europe/Middle East and Asia region.

In 2009 we established the aggressive goal of reducing our Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR) by 67 percent by 2013. We continued to work toward this goal in 2014. Our injury reduction efforts in 2014 focused on the following areas:

- Introduction of a structured Risk Identification and Control Program
- Implementation of a new EHS Framework Business Operating System
- Standardizing our EHS requirements globally
- Mitigating ergonomic risk factors in manufacturing and service operations

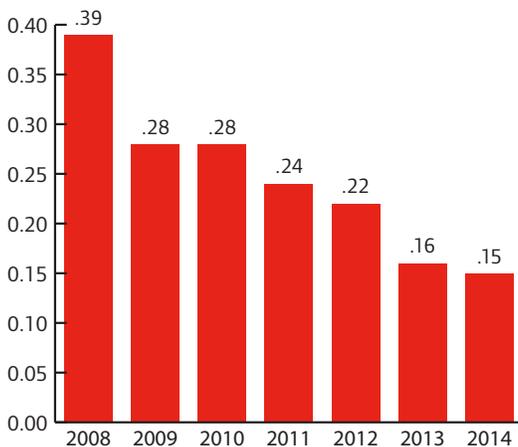
Our injury reduction strategy includes persistent safety training to provide employees with the tools and knowledge they need to work safely in their jobs. We communicate our safety expectations through quarterly CEO town hall meetings as well as monthly EHS meetings at both the facility and service organization levels.

These meetings raise awareness of safety compliance issues and provide our employees with opportunities to share best practices. In 2014, for instance, nearly 32 percent of our TRIR cases were related to ergonomic factors, largely involving our field service technicians and factory employees. We made it a priority during the year to continue addressing this risk through equipment and product redesign, employee education and predictive analysis of at-risk work activities.

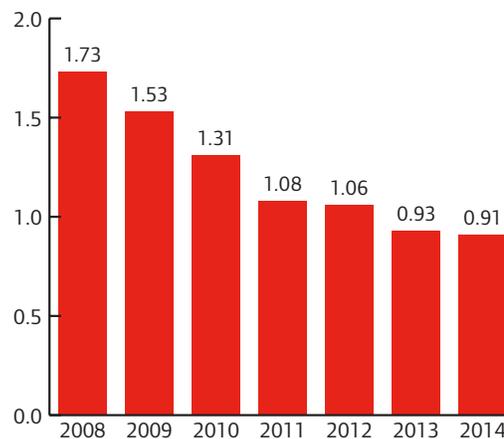
Essentially all of our employees worldwide engaged in open discussions with management regarding work-related hazards and safety issues in 2014. In responding to this year's employee engagement survey, an equally high percentage agreed that Ingersoll Rand is committed to employee safety.

Since 2008, our companywide lost time incident rate has decreased 47 percent and our total recordable incident rate has decreased 62 percent. Along with overall reduction in quantity of injuries, the severity of the injuries has decreased significantly. Since 2008, the number of days employees were out of work due to injuries has decreased by 4,900 days, which is a 58 percent reduction.

Program Recipients					
	Education / Training	Counseling	Prevention / Risk Control	Treatment	
<b>Workers</b>	Yes	Yes	Yes	Yes	
<b>Workers' Families</b>	Yes	Yes	Yes	Yes	
<b>Community Members</b>	No	No	No	No	



**Lost Time Incident Rate**



**Total Recordable Incident Rate**

Incident Metrics					
	North America	Europe, Middle East, India, Africa	Asia	Latin America	Total
<b>2013</b>					
<b>Total Recordable Cases</b>	315	35	19	11	380
<b>Total Lost Workday Cases</b>	45	10	4	5	64
<b>Total Days Away from Work</b>	1,412	139	89	170	1,810
<b>2014</b>					
<b>Total Recordable Cases</b>	301	47	22	11	381
<b>Total Lost Workday Cases</b>	43	11	6	2	62
<b>Total Days Away from Work</b>	2,179	901	382	18	3,480

## Energy and Climate

Ingersoll Rand is strategically focused on helping to solve some of the world's most pressing challenges — chief among them the unsustainable demand for energy resources and its impact on greenhouse gas (GHG) emissions. We are pursuing challenging environmental targets related both to the products we provide to our customers and the way we manage our business.

Beyond closely managing and reporting energy consumption and GHG emissions related to our business operations, we also monitor and disclose our performance related to environmental metrics such as water consumption, natural resources and land use, and waste and recycling management. In addition, we work with our suppliers to reduce their environmental impacts and thus improve sustainability across both our supply and value chains.

For more on Ingersoll Rand's climate change strategy, read our [CDP Disclosure](#)

Total Energy Consumption (MWh)					
	2014	2013	2012	2011	2010
<b>Total Energy Consumption</b>	926,372	904,737	918,765	959,136	1,089,895
<b>Fuel Purchased/Consumed</b>	507,827	491,649	509,494	548,147	599,028
<b>Electricity Purchased/Consumed</b>	418,545	413,089	437,669	439,388	490,867

Normalized Energy Consumption (thousand MWh per billion USD of net revenue)					
	2014	2013	2012	2011	2010
<b>Total Energy Consumption</b>	71.86	73.25	76.64	75.16	90.58

Fuel Consumption by Type (MWh)					
	2014	2013	2012	2011	2010
<b>Natural gas</b>	222,481	210,226	231,224	280,029	342,212
<b>Diesel/Gas oil</b>	49,939	64,182	64,506	62,083	60,227
<b>Motor gasoline</b>	212,403	200,184	198,148	190,014	183,665
<b>Propane</b>	20,994	17,057	15,616	16,021	12,924

We believe that making responsible use of Earth's limited resources and reducing our GHG emissions is integral to achieving operational excellence. Translating this belief into action, we continued to make progress in 2014 reducing the environmental footprint of our global facilities. As an example, we reduced our total energy use, normalized by net revenue, by approximately 2.5 percent in 2014 and 6 percent from 2010. In 2014, we reduced our GHG emissions by 5.7 percent. During the five years from 2010 to 2014, we reduced absolute greenhouse gas emissions by 28 percent, or 190,000 metric tons CO<sub>2</sub>e.

**Climate change related public policy.** At Ingersoll Rand, we are actively engaged with policymakers to bring solutions to topics such as climate change that are material to our business, our customers and to the communities in which we operate. Energy efficiency and refrigerant policy are two areas where the company is most active. Although this complicated issue continues to evolve, key elements of the Ingersoll Rand position on climate change are summarized below.

### Ingersoll Rand's Position on Climate Change:

*"We continue to look for ways to drive resource efficiency and to further support our Climate Commitment. In 2014 we reduced our own operational footprint by decreasing absolute water withdrawals by 12%, absolute hazardous waste generated by 27%, and 190,000 metric tonnes in absolute GHG emissions since 2010."*

- Paul Camuti, Senior Vice President, Innovation and Chief Technology Officer

- We support government policies that recognize the importance of managing future greenhouse gas (GHG) emissions. This provides an incentive for technology investments in energy efficiency that would reduce future GHG emissions.
- We believe that enforceable global governmental agreements which provide clear direction for all domestic GHG policies are necessary to effectively reduce and manage future GHG emissions.
- Refrigerants are a key component that impact the performance of our products, but current refrigerants have relatively high global warming potential (GWP). We are already launching new products with significantly less GWP that are safe, energy efficient, cost effective and environmentally sound, ahead of regulations. We actively participate in international forums, such as the United Nations Framework Convention on Climate Change and the Montreal Protocol, to help create an organized approach to global refrigerant transitions. We are also working proactively with government agencies and refrigerant suppliers to help identify alternatives and facilitate a practical transition that reduces GHG emissions as early as possible.
- Ingersoll Rand supports cost effective policies that facilitate market transition to more energy efficient technologies. We believe that improving energy efficiency in commercial, residential and industrial buildings can significantly contribute to solving some of our most pressing global challenges. We support strong energy efficiency requirements for new and existing construction and are working with governments in the United States, European Union, China and India to facilitate adoption and enforcement of such programs.

### Michael Lamach announces the 2014 Climate Commitment at the Clinton and U.N. Events

Ingersoll Rand Chairman and Chief Executive Officer Michael W. Lamach announced this environmental commitment as part of the Clinton Global Initiative (CGI) and United Nations Climate Summit. Established in 2005 by President Bill Clinton, the CGI is a nonpartisan initiative that convenes global leaders to create and implement innovative solutions to the world's most pressing challenges. The 2014 United Nations Climate Summit served as a public platform for leaders of all UN Member States, as well as finance, business, civil society and local leaders from public and private sectors — to catalyze action on the ground to reduce emissions and strengthen climate resilience and mobilize political will for a far-reaching global agreement by 2015 that limits the world to a less than 2-degree Celsius rise in global temperature.

## Ingersoll Rand 2014 Climate Commitment

Ingersoll Rand aims to act as a catalyst to spur progress in reducing GHG emissions industry-wide far into the future. In September 2014 we made a public commitment to significantly increase energy efficiency and reduce environmental impacts from our operations and product portfolio by 2030, with key milestones specified for 2020.

### The Ingersoll Rand Climate Commitment includes three elements:

- We will reduce the climate impact related to the refrigerant used in our products by 50 percent before 2020, and will incorporate lower global warming potential (GWP) refrigerant alternatives across our product portfolio by 2030. To accomplish these goals, we will introduce products that are energy and operationally efficient, that use refrigerants with dramatically lower GWP, and that do not compromise the safety, performance or efficiency that end users expect.
- We will reduce the greenhouse gas (GHG) footprint of our own operations by 35 percent by 2020.
- We will invest \$500 million in product-related research and development over the next five years to fund long-term GHG emissions reductions.

This ambitious roadmap will create more sustainable product choices for our customers, reduce the climate impact of our operating footprint globally, and spur the development of lower GHG emissions options in applications where none exist today. It will result in the avoidance of approximately 21 million metric tons of CO<sub>2</sub>e globally before 2020, which is equivalent to the energy used by nearly 2 million U.S. homes for one year.

### Ingersoll Rand Leaders Take Center Stage at Global Climate Change Events

Ingersoll Rand leaders played prominent roles at climate change events in 2014. Chairman and CEO Mike Lamach joined President Obama in May as the President announced executive actions to advance energy efficiency, boost solar deployment and reduce carbon pollution. Lamach was invited through his membership on the Executive Committee of the National Association of Manufacturers which, like Ingersoll Rand, actively supports a range of public energy efficiency initiatives.

Later that month, Manlio Valdés, president — Compressed Air Systems and Services, and Paul Camuti, senior vice president — Innovation and Chief Technology Officer, shared insights on sustainability and energy efficiency with thought leaders and policymakers at the Alliance to Save Energy's EE Global forum and the World Environment Center's Gold Medal Colloquium, respectively.

In December, W. Scott Tew, executive director for the Center for Energy Efficiency and Sustainability (CEES) at Ingersoll Rand, and Nanette Lockwood, global director of climate policy for CEES at Ingersoll Rand, addressed the United Nations Climate Change Conference in Lima, Peru. Tew spoke at an event entitled "Accelerating Energy, Emissions Savings in Urban Built Environments today. Lockwood took part in a discussion titled, A Climate Twofer — Integrating Sustainable Energy and Resilience.



## Teirlinck Celebrates Climate Accomplishments, Promotes Energy Efficiency, Connects with European Policymakers.

Climate Executive Vice President Didier Teirlinck, visited Europe in late 2014 to celebrate the business' accomplishments, promote energy efficiency, and solidify relationships with policy makers. Teirlinck spoke at several key events during his visit, including a talk at the Euracity

Workshop in Brussels, as well as hosting a panel discussion on urban growth and responsible energy at a United Nations library talk in Geneva. At both events Teirlinck highlighted Ingersoll Rand as an innovative thought leader on energy use and transport, reminding attendees that "the cheapest energy by kilowatt is the energy we don't use." He also addressed approving food safety through constant monitoring and reporting of refrigerated units, ensuring products constantly remain at required temperatures; and of solving the energy usage problem of dense urban areas by retrofitting existing buildings with modern HVAC systems. He concluded his visit with an Epinal Media Day at Trane facilities in Charmes and Golbey, France, with several French dignitaries and members of the media in attendance.

Our Climate Commitment is unique because it is global, comprehensive, and involves every function at Ingersoll Rand. It addresses all of our operations in more than 60 countries, from manufacturing to office buildings to fleet. The commitment encompasses our entire product portfolio and includes refrigerant and energy efficiency initiatives. It is backed with significant corporate financial resources and is fully integrated into our financial and business strategies.

For instance, recent innovations such as the Thermo King truck and trailer refrigeration product sold in Europe use a refrigerant with approximately 50 percent less global warming potential than the current refrigerant and are safe, reliable and efficient. We have engineered an upcoming Trane screw chiller to use a refrigerant with less than half the GWP of current screw chillers using R-134a refrigerant, while delivering industry-leading energy and operational efficiency. Trane is also working on a new air-cooled scroll chiller demonstration project in a high ambient temperature region that provides maximum energy efficiency while using a refrigerant with a fraction of the GWP of current scroll chillers using R-410A refrigerant.

We have created the EcoWise™ portfolio of products for our climate and industrial refrigerant-bearing products that are designed to lower environmental impact with next generation low global warming potential (GWP) refrigerants and high efficiency operation. These products are compatible with and can use next generation low GWP refrigerants, reduce environmental impact by lowering greenhouse gas (GHG) emissions, and maintain or improve safety and energy efficiency through innovative design.

*"The Ingersoll Rand EcoWise portfolio is a demonstration of our commitment to reducing the impact on the environment, and providing more sustainable product choices for our customers — particularly as they make the transition to products using next generation, low GWP refrigerants."*

– Didier Teirlinck, executive vice president for Climate businesses of Ingersoll Rand.

Our goals for reducing the environmental impact of our own operations are equally ambitious. Complementing our product-related sustainability initiatives are actions that reduce the environmental impact of our own operations and business policies, processes and practices. Our performance target for these initiatives is an aggregate 35 percent reduction in GHG emissions from our office buildings, manufacturing and vehicle fleet by 2020.

**Climate Change Approach.** We will reduce our operational emissions by continuing to retrofit our facilities with new equipment that is energy and operationally efficient. To improve fleet fuel efficiency we are making vehicle choices available that significantly increase our fuel economy, we are designing smaller more efficient mobile workplaces and we're introducing alternate fuel vehicles with improved fuel economy. We are reducing the use of high GWP foam blowing agents in our operations. We are further engaging our employees in Green Teams and other sustainability initiatives. And at the same time, we are continuing our work with a third party to develop tools to quantify and measure our progress.

In line with our 2014 materiality assessment, core to our plan for improving our performance in these areas are innovative products that perform reliably for the customer, save energy, conserve resources and reduce GHG emissions from the time they are manufactured through end-of-life.

We will address all factors that contribute to our products' GHG: energy consumption, leakage, charge, and refrigerant technology. Ingersoll Rand will standardize its approach to minimizing refrigerant leakage in product design and reliability, and in manufacturing and servicing practices. Although heating, ventilation, and air conditioning (HVAC) products are designed to prevent leaks, products can leak refrigerant during manufacturing, shipping, and during or following installation from loose joints and repetitive service.

### Trane Designs Ducted Split Air-conditioning System in India

Trane India initiated a Light Commercial Unit development program to cater to the small commercial unitary market. Although most countries are moving away from HCFC refrigerant, usage of R22 refrigerant is still prevalent in India. In line with the company's global initiative and thinking ahead of the curve with respect to changing global scenarios pertaining to usage and effect of refrigerants on the environment, the Ingersoll Rand India Leadership Team mandated the product development team at ETC to create and develop a product based on R410A refrigerant – product that would not only be green but also meet India's market requirements with competitive pricing and performance consistent with Trane's global standards. The team designed and developed an innovative Ducted Split Air-conditioning Platform that meets customer requirements in India. Using R410A green refrigerant, it delivers best-in-class performance with high energy efficiency, is suitable for India's extreme climate conditions, and is capable of withstanding significant power supply fluctuations.

Standardized leakage design processes will minimize the number of joints and increase reliability. The company will enhance its leak testing practices and offer further training of field service employees. We will add criteria to our new product development to reduce the refrigerant charge size, as there is a direct correlation between the amount of refrigerant used and refrigerant leakage.

The company's commitment involves both internal and external cooperation. Engineering and product management will develop and commercialize new products that consider varying end user differences and demand in each world region. Marketing and sales will capture and convey the value of environmentally responsible designs, and refrigerant-related supply chains will secure alternates to existing refrigerants. We will offer end users the choice of when and how to phase out of products that have high GWP.

In our efforts to accelerate GHG reductions throughout the industry, we will spend \$500 million on research and development by 2020 to continue to develop safe and efficient technologies that reduce GHG emissions. We recognize that climate change is a global challenge and that no one company or institution has all the answers. We will act as a convener to help identify a lower GWP roadmap for areas without other viable options, particularly areas with high ambient temperatures. This includes working with universities to develop and test alternative technologies to address issues such as heat transfer properties and overall performance. We also will work with building owners and industrial and transport customers to better understand their needs and accelerate the development of next-generation sustainability solutions.

**Climate Change Action Plan.** Achieving the goals of this commitment requires active engagement of all Ingersoll Rand businesses, brands and functions. Functions include engineering, product management, business and corporate communications, sustainability, operations, supply chain, environmental health and safety, government affairs, and advocacy. Many internal cross-functional teams are being formed to manage this initiative.

## Key Dates and Targets

### 2015 – 2016

- Launch at least five products that incorporate lower GWP alternatives ahead of regulatory requirements.
- Establish new branding and marketing to drive demand for climate-responsible products.
- Convene stakeholders to discuss refrigerant technology needs around high ambient temperature HVAC solutions.
- Invest \$200 million in research and development to identify global solutions.
- Set more stringent standards for higher fuel economy in fleet.
- Increase employee education and engagement to reduce energy consumption.

### 2017 – 2019

- Launch at least seven additional products that incorporate lower GWP alternatives ahead of regulatory requirements.
- Improve design and product development processes to drive reduced refrigerant charge and leaks.
- Invest \$300 million in research and development to identify and demonstrate global solutions.
- Begin transition from high GWP foams.
- Improve refrigerant-related leak testing equipment.

Total Direct Emissions (Metric Tons CO <sub>2</sub> e)					
	2014	2013	2012	2011	2010
<b>Total Direct GHG Emissions (SCOPE 1)</b>	414,391	441,046	442,530	461,487	432,878
<b>North America</b>	319,596	362,221	305,646	363,192	376,031
<b>Latin America</b>	3,316	2,129	6,907	4,665	3,618
<b>Europe/Middle East</b>	29,073	39,077	17,340	21,314	29,146
<b>Asia</b>	62,405	37,619	112,637	72,316	24,084

The data for 2013 - 2010 is being restated due to a change in reporting scope from operational to financial control. Refer to the [protocol document](#) for further information.

Total Indirect Emissions (Metric Tons CO <sub>2</sub> e)					
	2014	2013	2012	2011	2010
<b>Total Indirect GHG Emissions (SCOPE 2)</b>	243,252	256,589	240,623	246,944	276,507
<b>North America</b>	195,273	207,597	202,157	209,597	244,008
<b>Latin America</b>	203	246	185	192	183
<b>Europe/Middle East</b>	12,916	14,618	15,098	13,270	12,933
<b>Asia</b>	34,860	34,127	23,183	23,884	19,383

The data for 2013 - 2010 is being restated due to a change in reporting scope from operational to financial control. Refer to the [protocol document](#) for further information.

Normalized Direct and Indirect GHG Emissions (Metric Tons CO <sub>2</sub> e Per Million USD Net Revenue)					
	2014	2013	2012	2011	2010
<b>GHG Emissions</b>	51	56	57	56	59

Volume of Significant Air Emissions of Volatile Organic Compounds (VOC) (Metric tons CO <sub>2</sub> e)					
	2014	2013	2012	2011	2010
<b>Volatile Organic Compounds (VOC)</b>	2,730	3,673	2,770	4,169	4,011

## Statement of Refrigerant Use and Safe Handling

Ingersoll Rand provides refrigeration, cooling and air conditioning solutions for our customers globally. Therefore, we take responsibility for managing materials in a manner that protects our environment, employees, customers and communities. Some refrigerants used in Ingersoll Rand products are considered ozone-depleting substances and, although we have strict guidance around handling these materials, leaks and spills can result in emissions as well as other environmental and safety hazards.

Absolute Refrigerant Emissions (metric tons CO <sub>2</sub> e)					
	2014	2013	2012	2011	2010
Refrigerant emissions	294,603	323,363	325,298	341,972	293,597

Normalized Refrigerant Emissions (metric tons CO <sub>2</sub> e per billion USD revenue)					
	2014	2013	2012	2011	2010
Refrigerant emissions	23.0	26.2	27.1	26.8	24.4

## Water and Natural Resources

At Ingersoll Rand, we are deeply committed to environmental stewardship, natural resources conservation and environmental compliance. Executing on these business priorities, we strive to use best practices in waste management, source reduction and recycling at all of our manufacturing facilities and at our office locations globally.

We engage and empower our employees to identify opportunities for process improvement and drive the needed changes.

## Water Footprint

The world is running out of clean, fresh water, making it vital to reduce water consumption in our operations. We have reduced our absolute water withdrawals by approximately 6 percent, and by 12 percent on a normalized basis since 2010. Many parts of the world face more immediate needs for fresh drinking water, and in these water-stressed regions we have reduced our absolute water withdrawals by approximately 17 percent, and by 23 percent on a normalized basis.

Absolute Water Withdrawals (cubic meters)		
	Water Used	Process Water
2014	4,011,383	385,392
2013	3,710,583	357,345
2012	4,059,706	413,034
2011	3,984,818	527,785
2010	4,252,954	353,065

Normalized Water Withdrawals (cubic meters/billion USD of net revenue)		
	Water Used	Process Water
2014	311,177	29,896
2013	300,428	28,932
2012	338,647	34,454
2011	312,265	41,359
2010	353,441	29,341

Wastewater Permit Exceedances (number of exceedances)	
2014	4
2013	16
2012	16
2011	5

## Waste and Recycling Management

At Ingersoll Rand, we are deeply committed to environmental stewardship, natural resources conservation and environmental compliance. Executing on these business priorities, we strive to use best practices in waste management, source reduction and recycling at all of our manufacturing facilities and at our office locations globally.

We engage and empower our employees to identify opportunities for process improvement and drive the needed changes.

Generating less waste not only contributes to environmental sustainability, but improves operating margins and enhances the life cycle cost profile of our products. We are committed to reducing the amount of waste produced at all Ingersoll Rand facilities around the world.

Ingersoll Rand executes on this commitment in four ways. The first is to prevent the generation of waste by reducing the amount and toxicity of materials used in packaging, manufacturing and handling of our products throughout their life cycles. Second, we work to extend the life of our products and reuse items when possible. Third, we identify and deploy methods for recycling our various waste streams. And fourth, we maximize our conversion of waste to energy as an alternative to disposal.

Since 2010, we have achieved a 27 percent absolute reduction in non-hazardous waste sent to landfill at our facilities around the world. In 2014, the amount of non-hazardous waste recycled, reused or sent for energy recovery exceeded three times the amount sent to landfill. In 2014, we reduced the amount of hazardous waste generated by 1 percent and a 36 percent reduction when compared to 2010. The company recorded no spills in 2014.

Non-Hazardous Waste to Landfill (metric tons)				
2014	2013	2012	2011	2010
7,154	6,895	8,302	8,928	11,720

Non-Hazardous Waste Recycled (metric tons)				
2014	2013	2012	2011	2010
23,252	22,344	19,396	21,925	17,641

Hazardous Waste Generated (metric tons)				
2014	2013	2012	2011	2010
954	966	998	1,242	1,557



## Winning Culture

### Making a difference for Ingersoll Rand and the World.

Ingersoll Rand is dedicated to the long-term endeavor of creating a winning culture. We strive to be truly progressive, diverse and inclusive, and to foster an inspirational environment for all employees. We want our people to understand that what we do as an enterprise — and what they do as individuals — really matters. This is why we engage and empower our employees to inspire progress for our stakeholders every day — as well as for themselves.

We are committed to creating a safe and healthy work environment, while offering our employees opportunities to build successful and rewarding careers. Our winning culture reflects the company's commitment to best practices in corporate citizenship and building our reputation. Our employees lead this effort by giving and volunteering their time in our communities.

*“What continues to strike me is the level of dedication I see as I interact with Ingersoll Rand employees from around the globe. I believe the company's culture, specifically its emphasis on open communication, and its global commitments have a measurable impact on the dedication of employees. Regardless of level, I see each employee working toward the same goals, and they are eager to exceed performance measures.”*

**- John Bruton, Ingersoll Rand Board of Directors, former EU Commission Head of Delegation to the United States and Former Prime Minister of Ireland**

We expect each of our leaders to inspire their employees to achieve ambitious goals, delight our customers, and contribute to the growth and profitability of our business. We track our performance by conducting an annual global employee engagement survey. We have a target of 95% response rate on our annual global employee engagement survey as a percent of total employees. We extended our record of improved survey scores in 2014. Reflecting feedback from more than 95 percent of our worldwide workforce, our level of employee engagement rose four percentage points from 2013, placing Ingersoll Rand in the top quartile of manufacturing companies.

Our People		
Objective	Targets	Indicators
Build a winning culture that is values-based, inclusive and engages and develops people for premier performance	Attract and retain top-quality diverse talent and leadership	
	Develop people and processes to build strategic capabilities	
	Foster an inclusive, engaging workplace that connects employees to company purpose	<ul style="list-style-type: none"> <li>• Achieve employee engagement rate of 80%</li> </ul>
	Provide a safe and secure workplace that supports employee well-being and productivity	<ul style="list-style-type: none"> <li>• Achieve world class performance in lost time incident rate, 60% reduction from 2013 base</li> </ul>



### Ingersoll Rand Kicks Off Race Day Series

Ingersoll Rand Race Day series was kicked off to engage, excite and educate employees and customers about Ingersoll Rand power tools, with a particular focus on the racing program. To celebrate the launch of the series, Ingersoll Rand donated a full suite of vehicle power tools to Hunterdon County Polytech Career and Technical High School in Flemington, New Jersey. The donation directly benefitted the student technicians in attendance at the Race Day event at Ingersoll Rand Power Tools headquarters in Annandale, New Jersey. The donation was part of the student program initiative that donates tool packages and offers a discount to students registered in vocational and technical programs for high schools or colleges. “Ingersoll Rand Race Day events are a great opportunity to enhance our customer partnerships, demonstrate our product and service capabilities, and recognize our employees for their efforts to innovate and service our customers,” said John Evans, president of Power Tools at Ingersoll Rand.

## Progressive, Diverse and Inclusive.

Our work to create a progressive, diverse and inclusive environment stems from the five core values of Ingersoll Rand: Integrity, Respect, Teamwork, Innovation and Courage. These values are more than aspirational. Our leaders strive to live the values of Ingersoll Rand — leading by example in their decisions and actions and encouraging their employees to do the same.

With more than 40,000 employees globally, having a progressive, diverse and inclusive environment is not only a strategic imperative, it also drives growth and innovation, enhances operational excellence, and generates value for all of our stakeholders. We are committed to creating an environment where all employees can thrive and are encouraged to grow in their careers.

Our broad range of diversity and inclusion efforts continued to gain momentum in 2014. Some were enterprise-wide, but many others, such as our employee resource groups (ERGs), were local or country-specific initiatives. We now have seven ERGs companywide, including the Women's Network, Black Employee Network, New Net for newly hired employees, Veterans Employee Resource Group, Asian Employee Resource Group, Group of Latinos, and the PRIDE Employee Resource Group, which encompasses lesbian, gay, bisexual and transgender employees and their allies. In addition to fostering innovation and engagement within Ingersoll Rand, the ERG activities result in talent acquisition and retention as we continue to attract growing numbers of military veterans, women and minorities.

In the United States, for instance, in 2014 the Ingersoll Rand Foundation donated \$135,000 to the National Association of Manufacturers to help create a leadership program designed to help develop female talent in the manufacturing industry. In Europe, we launched a Women's Network initiative that partners mentors from third-party organizations with Ingersoll Rand women employees across the continent. Our Women's Leadership program, which for the past two years has enhanced retention and increased promotions for our female employees in Europe, launched in North America in 2014.

## Learning and Development

Ingersoll Rand is committed to personal and organizational learning and development. In 2014, 90 percent of our salaried employees had a documented development plan. More than 10,000 of our employees completed classroom learning programs and courses globally in 2014, and 27,000 participated in online courses. At the same time, we continued to execute on our longstanding priority of leadership development.

We strive to develop inspirational, courageous leaders with the skills to achieve results through teamwork and collaboration. We expect our leaders to serve as coaches, helping their employees improve their skills and competencies, and as role models for the personal behaviors that underpin a winning culture. Our employee ratings on whether our leaders model Ingersoll Rand values rose 4 points in 2014. In addition, our performance management process is a critical activity that ensures employees receive feedback on their objectives and competencies throughout the year. In 2014, more than 97 percent of our salaried employees completed a performance review with their manager.

Employees early in their careers gain exposure to leaders, experience leadership training and build their technical and functional skills. For experienced professionals and executives, we offer learning solutions that focus on skill-building in areas such as innovation, collaboration and business strategy. The centerpiece for these initiatives is Ingersoll Rand University (IRU). Founded in 2003, IRU offers a range of leadership development solutions, including custom executive programs developed in partnership with some of the top higher education partners in the world.

## Sustainability through our Green Teams

Ingersoll Rand employees around the world have long been engaged and empowered around sustainability. Since we founded our employee “Green Team” network in 2011, the teams have focused on organizational awareness, education and operational improvement by working internally and partnering with community groups to advance our sustainability efforts.

In 2014 we exceeded our goal of 35 percent engagement in sustainability-related activities finishing the year at 52 percent engagement. This represents the number of instances of engagement in a sustainability-related activity per the total global employee population. Working internally and with community partners, Green Team members initiated a wide range of activities focused on sustainability awareness, education and operational improvement.

Our employee sustainability initiatives saved an estimated 4.7 billion BTUs of energy and 2,700 metric tons of CO<sub>2</sub> emissions, while also avoiding more than 1 million pounds of waste to landfill in 2014. Also this past year, more than 200 employees enrolled in a unique “Design for Sustainability” training certificate program created with Underwriters Laboratories and aimed at better integrating sustainability concepts into our future product designs.

### What are YOU doing for Earth Day 2014?

Employees from Charlotte, North Carolina, to Chennai, India, came together with a number of activities in support of Earth Day on April 22, 2014. From riding bicycles to work instead of driving, or recycling and reusing materials versus creating unnecessary waste, the support was overwhelming. Everyone was encouraged to make a difference by starting their own Earth Day activity, at work, at home or in their community. And, as many employees pledged, Earth Day was not just one day in the year, but a chance to celebrate progress toward the company’s 2014 goal of achieving 35-percent employee engagement in sustainability-related activities. All activities were captured on an Earth Day portal where everyone could share their ideas and information was updated regularly, making the 2014 effort one of the most successful in recent years. “Whenever I can, I commute half the distance from home to work on my bike (32 miles both ways). Besides using half the gas, putting out half the tailpipe emissions, and half the wear and tear on my vehicle, the health benefits are undeniable extras,” said James Klein.

### 2014 Green Team Accomplishments

Total Waste Diverted from Landfill (Pounds):	<b>1,083,176</b>
Total CO <sub>2</sub> e Reduced (Metric Tons):	<b>2,701</b>
Total Energy Saved (Btu):	<b>4,685,097,669</b>
Total Water Saved (Gallons):	<b>2,473,289</b>

## Labor Partnerships

Ingersoll Rand’s global workforce is a mix of represented and non-represented employees. Represented employees may be members of a works council or a trade union, even where collective bargaining agreements may not be in place. Globally, employees at 29 of our manufacturing plants are covered by collective labor agreements, and many employees throughout our service businesses around the world are also covered by collective labor agreements.

In Europe, there are approximately 30 local works councils, which the company informs and consults on local matters including reductions in force and restructurings. Ingersoll Rand has, for many years, had a European Works Council representing employees across Europe, with which the company regularly informs and consults on transnational matters.

Whether an employee population is represented or unrepresented, Ingersoll Rand engages employees in organizational restructurings and makes efforts to redeploy impacted employees, seek voluntary retirements, and otherwise take steps to minimize the impacts on affected employees. Most of our collective bargaining agreements include a 60-day notice for negotiating a new collective bargaining agreement.

While there is not a global standard in place, Ingersoll Rand aims to provide employees with ample notice before implementing significant operational changes. Severance is offered routinely to those employees impacted by these changes. Many of our collective labor agreements require a minimum notice period before enacting significant operational changes and vary based on individual agreements.

## Wellness

Ingersoll Rand is committed to helping employees and their families make well-being a priority. In 2014, we offered employees in the United States and China biometric health screenings and well-being assessments so employees could “know their numbers” and take action against their health improvement goals through company-provided programs and resources. In addition, we provide employees with preventive health care and health improvement programs that are tailored to individual needs. We also recognized World No Tobacco Day globally with education and program resources.

Corporate Citizenship		
Objective	Targets	Indicators
Address social and environmental imperatives that: create shared value; result in sustained customer and employee loyalty; improve the communities where we have business operations	Expand competency in energy and other resource efficiency	
	Expand competency in science, technology, engineering and math	Sponsor 20,000 girls in stem-related competitions to increase career interest
	Address nutrition and food waste reduction	
	Support housing and shelter needs	Volunteer 40,000 hours related to housing and shelter



## Kent Employee Wellness Initiatives Promote Lasting Healthy Habits

More than 35 employees at our Material Handling facility in Kent, Washington, participated in a “Biggest Loser Weight Loss and Healthy Habits Challenge.” The 12-week challenge encouraged participants to use internal and external resources to track their activity and diets. It also provided them with tips, tricks and challenges for achieving their health and fitness goals. The program included coordinated lunch walks, a 5K training program, bi-weekly check-in meetings and weekly weigh-ins.

## Philanthropy and Volunteerism

### Ingersoll Rand Global Citizenship Council

Ingersoll Rand strives to embody best practices in corporate citizenship. We work tirelessly to ensure that the impacts of our business activity, together with the involvement of our employees as friends and neighbors, contribute to a better quality of life in all of the communities in which we operate. The Ingersoll Rand Global Citizenship Council aligns our businesses and employees with this vision. The council’s mission is to make recommendations that focus resources on areas where we truly can make a difference.

This mission reflects our preference for making charitable contributions and involving employees as volunteers to achieve targeted results. Instead of providing charitable support for “worthy causes,” our objective is to make resource investments that lead to measurable, observable changes in people, communities and our environment.

### Ingersoll Rand Foundation

Complementing the Council’s work, the Ingersoll Rand Foundation serves as the focal point for our corporate philanthropic activity. The Foundation’s purpose is to develop charitable partnerships that advance the quality of life by fostering safety, comfort, sustainability, education and the efficient use of energy and natural resources at the local community level. These partnerships help make our communities better places to live and work, while building employee morale and engagement and nurturing trust in Ingersoll Rand.

The Ingersoll Rand Foundation is engaged in five programs that align with our business and extend our enterprise vision — a word of sustainable progress and enduring results — into the communities where we live, work and operate.

- **Priority Issue Grants.** This program makes available general grants, and is open to requests from all employees and 501(c)(3) designated nonprofit organizations. Grants for consideration must address at least one of the Foundation’s four priority issues: energy and natural resource efficiency; housing and shelter; science, technology, engineering and mathematics (STEM) education; and nutrition and food waste reduction.
- **Matching Gifts.** All Ingersoll Rand locations have the opportunity to set up a United Way annual employee giving campaign. Money donated by employees during campaigns will be matched dollar for dollar by the Foundation. Although United Way campaigns are primarily held within the United States, our locations in India and Puerto Rico have also taken part in the program. In addition, the Foundation will match contributions to educational institutions made by eligible employees up to an annual, aggregate maximum of \$15,000.

- **Natural Disaster Relief.** Ingersoll Rand is a longstanding partner with the American Red Cross. This partnership accelerates support for disaster relief efforts worldwide, and ensures that our employees will receive relief from the Red Cross in the event of a natural disaster. It also facilitates employee giving to Red Cross relief efforts in disaster-stricken areas.
- **Educational Scholarships.** The Ingersoll Rand Scholarship Program fosters employee goodwill by rewarding, recognizing and supporting the academic success of our employees' children throughout their college careers. High school juniors and seniors are eligible for merit scholarships of up to \$2,500 annually for one to four years per recipient. The program is available on a global basis. In addition to academic accomplishments, financial need is an important factor in selecting award recipients.
- **Volunteerism.** Named "Dollars for Doers," our volunteer program rewards individuals and employee teams who donate their time to community causes with a gift from the Foundation to eligible nonprofit organizations. The amount of the donation corresponds with the number of hours volunteered and the needs of the organization selected.

Through the Ingersoll Rand Foundation, in 2014 we donated more than \$5.8 million in philanthropic gifts and donations, a 24 percent increase from 2013.

Our culture of giving advances the quality of life in communities around the world, while building employee morale and engagement and nurturing trust in Ingersoll Rand.

By establishing priorities and guidelines for our charitable giving both the Ingersoll Rand Global Citizenship Council and Foundation translate the following core principles into action:

- **Achieving Impact:** Our objective is to make resource investments that lead to measurable, observable changes in people, communities and the environment.
- **Advancing Business-Community Synergy:** Corporate citizenship for its own sake is intrinsically valuable. Our philanthropic efforts are responsive to both our communities and our business interests, and effectively utilize our unique resources.
- **Community Responsiveness:** Our philanthropic efforts are responsive to identified needs in the community that are appropriate for our involvement.
- **Employee Preference:** The interests and preferences and volunteer efforts of our employees are recognized in the community programs we support.
- **Globalization and Diversity:** Awareness of people, issues, communities and environments around the world, is an important element of our corporate citizenship responsibility.
- **Inspiring Progress and Sustainability:** Working toward sustainable solutions requires an integrated view of a community and the various issues and indicators that link that community's environment, society and economy.

## Engaged with Our Neighbors

Ingersoll Rand employees strive to match their engagement in the workplace with involvement in the communities in which we live and do business. We believe a winning culture is one that assists employees in contributing both time and financial support to local philanthropies and community organizations. In keeping with this belief, we encourage our fellow employees to align their work as volunteers with our priority areas that improve communities around the world: energy efficiency; science, technology, engineering and math; nutrition and food waste reduction; and housing and shelter.

Employees volunteered more than 15,800 hours in 2014, a 28 percent increase over 2013, to strengthen our communities and provide assistance and relief to our neighbors around the world.



## Asia Pacific “Glocal” Employee Teams Invest in People and Communities

Combining the global resources of Ingersoll Rand with the hands and passion of our Asia Pacific employees is fueling the success of a new global strategic program — Glocal (global + local) Green Teams. Our CEES launched the program to encourage community involvement through employee volunteerism as a way to address regional social challenges and strengthen local enterprise relations. For example, Glocal team members have worked with more than 1,300 school children in Wujiang. Glocal Green Teams are now in place at our Wujiang plant, Taicang campus and Engineering and Technology Center Asia Pacific, all located in China.



## Trane Partners with St. Jude Children's Research Hospital®

What began as the personal mission of a single Ingersoll Rand employee has grown into a movement of support for the St. Jude Children's Research Hospital® across our Trane residential HVAC business internally and externally. Territory manager Angie McCann first kicked off a connection with St. Jude in 2013, successfully orchestrating a regional equipment donation in three states. This connection grew to become a national St. Jude Dream Home® Giveaway sponsorship in 2014, with Trane contributing HVAC systems for nearly 30 custom-built homes that were given away during the year, making it one of the largest single-event fundraisers for St. Jude nationwide. Additionally, more than 260 Trane employees, distributors, dealers and strategic partners participated in supporting and attending St. Jude Give Thanks. Walk™ events to fight childhood cancer.

## Partnerships and Associations

### Industry Associations

Air-Conditioning, Heating and Refrigeration Institute (AHRI)  
American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)  
Association of Energy Engineers (AEE)  
British Compressed Air Society (BCAS)  
Compressed Air and Gas Institute (CAGI)  
Hydraulic Institute  
Manufacturers Alliance for Productivity and Innovation (MAPI)  
Material Handling Institute (MHI)  
National Association of Environmental Management (NAEM)  
National Golf Course Owners Association (NGCOA)

### Peer Groups

Business Roundtable  
Corporate Eco Forum (CEF)  
Green Biz Executive Network

### Governmental Group Partners

American Chamber of Commerce in India (AMCHAM)  
United Nations Framework Convention on Climate Change (UNFCCC)

### NGO Partners

Alliance to Save Energy (ASE)  
EU Alliance to Save Energy  
Business Council for Sustainable Development (BCSD)  
Canada Green Building Council (CaGBC)  
Clinton Global Initiative  
Forum for the Future  
Indian Green Building Council (IGBC)  
The Energy and Resources Institute (TERI)  
U.S. Green Building Council (USGBC)  
Verband Deutscher Maschinen and Anlagenbau (VDMA)  
World Environment Center

# Leading the Way to a Better World

2014 Sustainability Supplement



# Leading the Way to a Better World

2014 Sustainability Supplement



# Leading the Way to a Better World

2014 Sustainability Supplement



# GRI Content Index

2014 Sustainability Supplement



Profile	Disclosure	Reported	Location
<b>1. Strategy and Analysis</b>			
1.1	Statement from the most senior decision-maker of the organization	Fully	<a href="#">Message from Our Chairman and CEO</a>
1.2	Description of key impacts, risks, and opportunities.	Fully	<a href="#">10-K, Risk Factors</a>
<b>2. Organizational Profile</b>			
2.1	Name of the organization.	Fully	<a href="#">10-K, About Us: Leading the way</a>
2.2	Primary brands, products, and/or services.	Fully	<a href="#">10-K, Our Market-Leading Brands</a>
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	<a href="#">10-K, Business segment information- Page F44</a>
2.4	Location of organization's headquarters.	Fully	<a href="#">10-K, 170/175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Ireland Swords, Co. Dublin, Ireland</a>
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	<a href="#">10-K Operations by Geographic Area - Page 5, Ingersoll Rand sells products in more than 100 countries. We operate principal plant facilities in 14 countries: Brazil, Canada, China, Czech Republic, France, Germany, India, Ireland, Italy, Malaysia, Mexico, Slovenia, Spain and Thailand.</a>
2.6	Nature of ownership and legal form.	Fully	<a href="#">10-K Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters - Page 44</a>
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	<a href="#">10-K Business segment information- Page F44</a>

Profile	Disclosure	Reported	Location
2.8	Scale of the reporting organization.	Fully	<a href="#">10-K Organization -Page 5, Properties - Page 14</a>
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	<a href="#">10-K Liquidity and Capital Resources- Page 30, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>
2.10	Awards received in the reporting period.	Fully	<a href="#">Awards and Recognition</a>
<b>3. Report Parameters</b>			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	<a href="#">About Us: Leading the Way</a>
3.2	Date of most recent previous report (if any).	Fully	Our 2015 Annual Report and Online Supplement were published in spring 2015
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Annual
3.4	Contact point for questions.	Fully	Back cover of Sustainability Supplement
3.5	Process for defining report content.	Fully	Reporting Process
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	<a href="#">About Us: Leading the Way</a>
3.7	State any specific limitations on the scope or boundary of the report (see completeness Principle for explanation of scope).	Fully	<a href="#">About Us: Leading the Way</a>
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	<a href="#">About Us: Leading the Way</a>
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Fully	<a href="#">About Us: Leading the Way</a>
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	<a href="#">About Us: Leading the Way</a>
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	<a href="#">About Us: Leading the Way</a>
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Content Index

Profile	Disclosure	Reported	Location
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	We use a third party to assure reported EHS data in our sustainability report. The data assessment includes document reviews, data collection, site visits and interviews with key Ingersoll Rand personnel. <a href="#">About Us: Leading the Way</a>
<b>4. Governance, Commitments, and Engagement</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	<a href="#">2015 Proxy Corporate Governance - Page 17, Committees of the Board - Page 20, Director Nominees - Page 2, Corporate Governance and Nominating Committee - Page 22, Governance, Ethics and Compliance</a>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	<a href="#">2015 Proxy Statement Board Leadership Structure : Page 19</a>
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	<a href="#">2015 Proxy Statement Corporate Governance Guidelines : Page 16</a>
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	<a href="#">2015 Proxy Statement Board and Board Committee Performance Evaluation : Page 18</a>
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives.	Fully	<a href="#">2015 Proxy Statement Compensation of Directors: Page 23</a>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	<a href="#">2015 Proxy Statement Director Nomination Process : Page 18</a>
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	<a href="#">2015 Proxy Statement Director Nomination Process : Page 18</a>
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	<a href="#">Corporate Governance</a>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	<a href="#">Governance, Ethics and Compliance</a>

Profile	Disclosure	Reported	Location
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	<a href="#">2015 Proxy Statement Board and Board Committee Performance Evaluation</a>
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Ingersoll Rand does not subscribe to Article 15 of the Rio Principles and therefore currently does not address the precautionary approach and principle
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Ingersoll Rand participates in several voluntary partnerships and initiatives, including: <ul style="list-style-type: none"> <li>• Better Buildings, Better Plants Program</li> <li>• Ingersoll Rand participates in the U.S. Department of Energy program, pledging to reduce our energy intensity worldwide by 25 percent over a 10-year period.</li> <li>• SmartWay: Ingersoll Rand is a partner in U.S. EPA's collaboration between the freight industry and government.</li> </ul>
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Fully	<a href="#">Partnerships and Associations</a>
4.14	List of stakeholder groups engaged by the organization.	Fully	<a href="#">Stakeholder Engagement</a>
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	<a href="#">Stakeholder Engagement</a>
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	<a href="#">Stakeholder Engagement</a>
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	<a href="#">Materiality Assessment</a>

Profile	Disclosure	Reported	Location
<b>Disclosure of Management Approach and Performance Indicators</b>			
<b>Economic</b>			
DMA EC	Economic performance	Fully	Form 10-K, 2015 Proxy Statement, Message from Our Chairman and CEO
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Partially	10-K, Message from Our Chairman and CEO, Annual Incentives, Determination of Payout, Consolidated Statements of Cash Flow, Engaged with our Neighbors, Contractual Obligations
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	10-K Risk Factors - Page 7, Climate Change Commitment
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	2015 Proxy Statement, 10-K Retirement Programs and Other Benefits
EC4	Significant financial assistance received from government.	Not	
DMA EC	Market presence	Fully	Message from Our Chairman and CEO
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Not	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Supplier Diversity, Supplier Engagement
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Supplier Relations
DMA EC	Indirect economic impacts	Fully	Message from Our Chairman and CEO, Philanthropy and Volunteerism
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Philanthropy and Volunteerism
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Philanthropy and Volunteerism, Supplier Diversity
<b>Environmental</b>			
DMA EN Materials	Fully		Waste and Recycling Management

Profile	Disclosure	Reported	Location
EN1	Materials used by weight or volume.	Not	
EN2	Percentage of materials used that are recycled input materials.	Not	
DMA EN	Energy	Fully	Energy and Climate
EN3	Direct energy consumption by primary energy source.	Partially	Energy and Climate, CDP Response: Energy
EN4	Indirect energy consumption by primary source.	Fully	Energy and Climate, CDP Response: Energy
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Energy and Climate, CDP Response: Energy
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Center for Energy Efficiency and Sustainability, Embedding Sustainability across the Enterprise - 2020 Targets, Ingersoll Rand 2014 Climate Commitment, CDP Response: Energy
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Energy and Climate, CDP Response: Energy
DMA EN	Water	Fully	Water and Natural Resources
EN8	Total water withdrawal by source.	Fully	Water Footprint, Annual CDP Water Response: Water Withdrawals – volume by sources
EN9	Water sources significantly affected by withdrawal of water.	Partially	Water Footprint, Annual CDP Water Response: Water Withdrawals – volume by sources
EN10	Percentage and total volume of water recycled and reused.	Not	Water Footprint
DMA EN	Biodiversity	Not	This aspect has been excluded from the report based on our assessment of topics material to Ingersoll Rand’s stakeholders.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not	
EN13	Habitats protected or restored.	Not	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not	

Profile	Disclosure	Reported	Location
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	
DMA EN	Emissions, effluents and waste	Fully	<a href="#">Energy and Climate Change</a>
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	<a href="#">Energy and Climate Change: Key Targets and Dates, Annual CDP Response: Emissions Methodology</a>
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	<a href="#">Energy and Climate Change: Key Targets and Dates, Annual CDP Response: Emissions Methodology</a>
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	<a href="#">Energy and Climate Change: Key Targets and Dates, Annual CDP Response: Emissions Methodology</a>
EN19	Emissions of ozone-depleting substances by weight.	Partially	<a href="#">Energy and Climate Change: Key Targets and Dates, Annual CDP Response: Emissions Methodology</a>
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	<a href="#">Energy and Climate Change: Key Targets and Dates, Annual CDP Response: Emissions Methodology</a>
EN21	Total water discharge by quality and destination.	Partially	<a href="#">Water Footprint, Annual CDP Water Response: Water Discharge</a>
EN22	Total weight of waste by type and disposal method.	Fully	<a href="#">Non-Hazardous Waste Recycled (metric tons)</a>
EN23	Total number and volume of significant spills.	Fully	<a href="#">Waste and Recycling Management</a>
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	<a href="#">Total Weight of Hazardous Waste Transported</a>
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	
DMA	EN Products and services	Fully	<a href="#">Ingersoll Rand 2014 Climate Commitment, Customer Focus and Value</a>
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	<a href="#">Ingersoll Rand 2014 Climate Commitment</a>

Profile	Disclosure	Reported	Location
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	<a href="#">Waste and Recycling Management</a>
DMA EN	Compliance	Fully	<a href="#">Governance, Ethics and Compliance, 10-K Contingent Liabilities</a>
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	No, we have not violated any legal obligations/regulations related to the environment or ecological issues
DMA EN	Transport	Fully	<a href="#">Analytics, Product and Process Innovation</a>
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	All significant impacts are disclosed in Annual CDP Climate Change Response.
DMA EN	Overall	Fully	<a href="#">Sustainability through our Green Teams</a>
EN30	Total environmental protection expenditures and investments by type.	Fully	<a href="#">10-K Commitments and Contingencies - Page F 41, Annual CDP Climate Change Response</a>
<b>Social: Labor Practices and Decent Work</b>			
DMA LA	Employment	Fully	<a href="#">Making a difference for Ingersoll Rand and the World</a>
LA1	Total workforce by employment type, employment contract, and region broken down by gender.	Not	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Not	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	<a href="#">Benefits Overview, 2015 Proxy Statement</a>
LA15	Return to work and retention rates after parental leave, by gender.	Not	
DMA LA	Labor/management relations	Fully	<a href="#">Governance, Ethics and Compliance</a>
LA4	Percentage of employees covered by collective bargaining agreements.	Partially	<a href="#">Labor Partnerships</a>
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	<a href="#">Labor Partnerships</a>
DMA LA	Occupational health and safety	Fully	<a href="#">Environment, Health and Safety</a>

Profile	Disclosure	Reported	Location
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.	Fully	We estimate that 60% of our workforce participates in a joint health and safety committee. We do not formally track participation.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender.	Partially	<a href="#">Environmental Health and Safety Management</a>
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	<a href="#">Environmental Health and Safety Management</a>
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	Safety and employee safety committees are frequently covered by the Ingersoll Rand's collective labor agreements. Even in the absence of a collective labor agreement, the company has a commitment to the highest levels of safety.
DMA LA	Training and education	Fully	<a href="#">Learning and Development, Progressive Diverse and Inclusive</a>
LA10	Average hours of training per year per employee by gender and by employee category.	Partially	We calculate the hours of training/development per employee. Including Enterprise training and development, functional training and development, and business-specific training and development, our employees average 30 hours of training per year.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	<a href="#">Learning and Development</a>
LA12	Percentage of employees receiving regular performance and career development reviews by gender.	Not	
DMA LA	Diversity and equal opportunity	Fully	<a href="#">Progressive, Diverse and Inclusive, Supplier Diversity</a>
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	<a href="#">2015 Proxy Board Diversity and Director Nomination Process, Progressive, Diverse, and Inclusive, Supplier Diversity</a>

Profile	Disclosure	Reported	Location
DMA LA	Equal remuneration for women and men	Fully	Progressive, Diverse and Inclusive
LA14	Ratio of basic salary of men to women by employee category.	Not	
<b>Social: Human Rights</b>			
DMA HR	Investment and procurement practices	Fully	Supplier Engagement
HR1	Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening.	Fully	Supplier Engagement
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening and actions taken.	Partially	Embedding Sustainability Across The Enterprise - 2020 Targets, Business Ethics
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	Business Ethics
DMA HR	Non-discrimination	Fully	Governance, Ethics and Compliance
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	Ingersoll Rand covers incidents of discrimination through its Global Human Rights Policy. In 2014 no grievances related to human rights were known, filed, or reported to the Ethics Helpline. Additionally there have been no incidents involving violation of indigenous rights among our own employees, and in communities near existing operations
DMA HR	Freedom of association and collective bargaining	Fully	Governance, Ethics and Compliance
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not	
DMA HR	Child labor	Fully	Governance, Ethics and Compliance
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Not	
DMA HR	Prevention of forced and compulsory labor	Fully	Governance, Ethics and Compliance

Profile	Disclosure	Reported	Location
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not	
DMA HR	Security practices	Fully	Governance, Ethics and Compliance
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Supplier Relationships
DMA HR	Indigenous rights	Fully	Governance, Ethics and Compliance
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	Global Human Rights Policy
DMA HR	Assessment	Fully	Governance, Ethics and Compliance
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not	
DMA HR	Remediation	Fully	Governance, Ethics and Compliance
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	Fully	No grievances known or reported to the global Company Ethics and Compliance hotline.

### Social: Society

DMA SO	Local communities	Fully	Community and Employee Engagement, Sustainability through our Green Teams, Ingersoll Rand Foundation, Engaged with Our Neighbors
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Not	
SO9	Operations with significant potential or actual negative impacts on local communities.	Not	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not	
DMA SO	Corruption	Fully	Governance, Ethics and Compliance
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	We analyze 100 percent of our businesses for corruption.

Profile	Disclosure	Reported	Location
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	<a href="#">Governance, Ethics and Compliance</a> , 100 percent of all salaried staff completed the Annual Compliance Training Program and Code Certification.
S04	Actions taken in response to incidents of corruption.	Partially	All alleged incidents of corruption are promptly escalated to and investigated by the Ethics and Compliance Group. In the event that an investigation were to confirm the corruption allegation, prompt remedial and corrective actions would be taken, including but not necessarily limited to, termination of responsible employees and/or third parties, as well as enhancement of internal controls and processes. In addition, the Company may choose to self-report the violation to the appropriate regulatory authority.
DMA S0	Public policy	Fully	<a href="#">Climate Change related Public Policy, Policymakers, Political Activities and Contributions</a>
S05	Public policy positions and participation in public policy development and lobbying.	Fully	<a href="#">Climate Change related Public Policy, Policymakers, Annual CDP Climate Change Response</a>
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	<a href="#">Political Activities and Contributions</a>
DMA S0	Anti-competitive behavior	Fully	<a href="#">Governance, Ethics and Compliance</a>
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	In FY 2014 we were not involved in any antitrust investigations, were not convicted of anti-competitive behavior and did not pay any fines.
DMA S0	Compliance	Fully	<a href="#">Governance, Ethics and Compliance</a>
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not	

Profile	Disclosure	Reported	Location
<b>Social: Product responsibility</b>			
DMA PR	Customer health and safety	Fully	Customer Health and Safety is integrated into our standard new product development process. In Phase 2 of our new product development process there are specific deliverables where the product team identifies Environmental Health & Safety risks and/or sustainability risks. In phase 2 we also identify the applicable Environmental Health & Safety /Sustainability related codes that affect the product.
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	<a href="#">Product Growth Teams, Ingersoll Rand Product Development Process, Waste and Recycling Management</a>
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	<a href="#">About Us: Leading the Way</a>
DMA PR	Product and service labelling	Fully	It is our standard process that we seek to comply with regulations and various voluntary codes concerning product and service information. Each business unit has a designated legal counsel that follows a process for addressing issues of non-compliance.
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Fully	<a href="#">About Us: Leading the Way</a>
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	<a href="#">About Us: Leading the Way</a>
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	<a href="#">About Us: Leading the Way</a>

Profile	Disclosure	Reported	Location
DMA PR	Marketing communications	Fully	Ingersoll Rand Product Development Process and Product Growth Teams, Our Strategic Business Units are responsible for consulting with in-house legal counsel to ensure adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship. Due to market differences, tracking of non-compliance related incidents in the areas of product labeling, marketing communication and customer safety is the responsibility of each business. As such, we do not collect this data or make general statements on this topic at the enterprise level.
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Our Strategic Business Units are responsible for consulting with in-house legal counsel to ensure adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	

Profile	Disclosure	Reported	Location
DMA PR	Customer privacy	Fully	<a href="#">Product Management and Product Growth Teams</a> , Customer privacy is integrated into the sustainability module of IRPDP and addressed during the design phase of products and services.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not	
DMA PR	Compliance	Fully	<a href="#">Ingersoll Rand Product Development Process and Product Growth Teams</a> , Compliance is integrated into the sustainability module of IRPDP and addressed during the design phase of products and services.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not	