Trane Technologies Assigned ESG Evaluation Score Of 78; Preparedness Strong

SAN FRANCISCO, May 25, 2021 /PRNewswire/ -- S&P Global Ratings said today that it has assigned Trane Technologies PLC an ESG evaluation score of 78. The company's ESG evaluation score is the result of an ESG profile of 72 combined with strong preparedness. Higher numbers indicate stronger sustainability performance in our evaluations. See the full report here.

Trane's ESG evaluation score is driven by its leadership in delivering sustainable products and services to customers, as well as addressing and reporting on its own operational impacts. The company also shows an effective ability to identify long-term trends, and spur innovation throughout the company. The company is improving its environmental profile by setting and achieving ambitious sustainability targets and moving toward low-emission, high-efficiency products to support customer sustainability goals. The company demonstrates workforce and safety performance in line with most of its peers and is strengthening its customer-focused approach that will differentiate Trane Technologies among competitors. The governance score reflects greater transparency in terms of disclosures, with a good board structure to develop and follow long-term sustainability strategies.

Trane's ESG evaluation score also reflects its long-term strategy centered on four global megatrends: urbanization, climate change, resource constraints, and workforce dynamics. These trends will necessitate a vastly different suite of products and services and a greater focus on the risks posed by environmental and social factors. The company's leadership and employees are well-prepared to innovate quickly in pursuit of attaining its goals and driving sustainability throughout the organization.

What Is An ESG Evaluation?
S&P Global Ratings' ESG evaluation is a cross-sector, relative analysis of an entity's capacity to continue to operate successfully. It is grounded in how ESG factors could affect stakeholders, potentially leading to a material direct or indirect financial impact on the entity.

Our definition of stakeholders for a particular entity goes beyond shareholders to include employees, the local community, government, regulators, customers, lenders, borrowers, policyholders, voters, members, and suppliers. A high ESG evaluation score indicates an entity is relatively less prone to experiencing material ESG-related events, and is relatively better positioned to capitalize on ESG-related growth opportunities than entities with lower ESG evaluation scores.

First, we establish an ESG profile for a given entity, which assesses the exposure of the entity's operations to observable ESG risks and opportunities, and how the entity is mitigating these risks and capitalizing on these opportunities.

Second, we assess the entity's long-term preparedness, namely its capacity to anticipate and adapt to a variety of long-term plausible disruptions.

S&P Global Ratings currently evaluates over 60 entities across the globe; they have an average score of 68. Since the first ESG evaluation, published in June 2019, we have finalized ESG Evaluations across 19 sectors globally. By region, the highest average score is 72, for companies headquartered in Europe.

Visit spglobal.com/ratings for our latest sustainable finance research and all of our publicly available ESG Evaluations.

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