



Pursuing Excellence

2013 Sustainability Supplement



Message from Leadership

2013 Sustainability Supplement

At Ingersoll Rand, we are focused on advancing the quality of life by creating comfortable, sustainable and efficient environments for our customers, shareholders and employees. Throughout the past few years our operational excellence practices have matured, and we are using this foundation to drive organic and lasting growth through excellence in innovation, emerging markets and services. Key to premier performance is enabling our teams to lead locally and giving them tools to deliver their best, all part of a winning culture. For a recap of this past year and the execution of our three strategies, read the message from our Chairman and CEO, Mike Lamach.



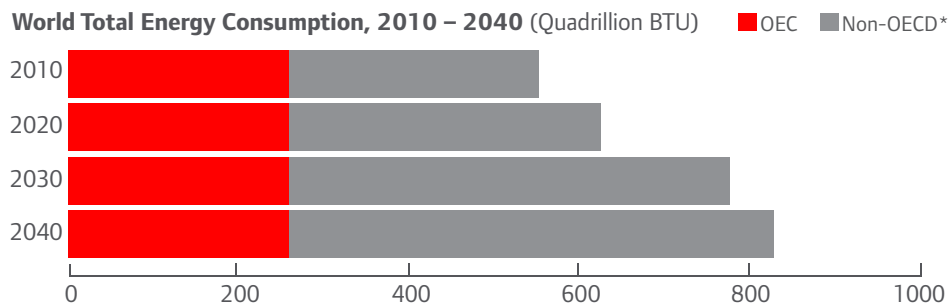
“Innovation at Ingersoll Rand means product development and use that supports the global need for energy conservation and efficiency. Thus, the company’s opportunity is in excellent alignment with high priority societal challenges such as climate change.”

— Marian Chertow, Professor and Director, Industrial Environmental Management Program, Yale University and member of Ingersoll Rand’s Sustainability Advisory Council

Message from Our Chairman and CEO

Our company is helping to solve some of the world’s most pressing challenges—an unsustainable demand for energy resources, the impact of urbanization on the environment, and a constant need for increased industrial productivity with lower resource intensity. These challenges are critical to our customers and at the heart of Ingersoll Rand’s vision—a world of sustainable progress and enduring results.

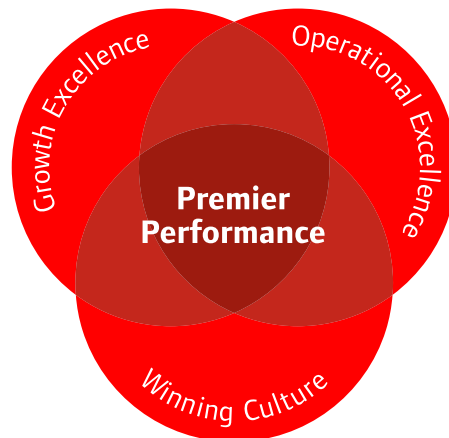
Energy efficiency is often hailed as the smartest approach to the looming global energy consumption crisis, with potential energy savings worth more than \$1 trillion in the United States alone, according to a McKinsey & Company report. We possess the needed expertise to help—and that matters because the increase in global energy demand will reach the equivalent of 2.37 trillion barrels of oil by 2040 if left unchecked. It matters because buildings alone will consume 40 percent of all energy over the next 20 years. In addition, consider that manufacturing and transportation industries will expend another 30 percent and 28 percent, respectively, over the same timeframe, according to the International Energy Outlook 2013. Providing solutions to these challenges is important to our customers, our company and the world we live in.



Source: U.S. Energy Information Administration (EIA), International Energy Outlook 2013

*Organization for Economic Cooperation and Development (OECD) Member Countries

Enterprise Strategies



We are passionate about improving the world, and Ingersoll Rand, every day. Our pursuit of excellence is more than words. It’s a measurable approach to making a difference. Throughout this report you will see progress against our financial, environmental and social impact goals. You will read how our three enterprise strategies—Growth Excellence, Operational Excellence and a Winning Culture—are supportive of each other in our pursuit of premier performance. These strategies offer shared success among our employees, customers and shareholders.

Excellence for Employees

Ingersoll Rand's approach to employee engagement encourages leaders at all levels of the company to demonstrate authentic leadership and drive employee engagement locally. We realized an eight-point employee engagement score improvement during 2013 and have achieved top quartile performance against industry benchmarks for manufacturers. These results are a testament to an environment where employees collaborate, develop, excel and take pride in our company—the essence of our Winning Culture.

Excellence for Customers

Understanding our customers' specific needs is what shapes our ability to offer the right products and services. Ingersoll Rand's Climate and Industrial businesses focus on providing reliable, energy efficient and sustainable solutions to help customers address energy consumption and improve productivity.

This report shares stories about our reliability and energy efficiency leadership, and how our expertise is demonstrated through the more than 100 new products and services introduced in 2013. Products like the Trane Stealth™ air-cooled chiller that delivers low sound levels and is one of the world's most environmentally friendly heating, ventilation and air conditioning systems (HVAC); and the Ingersoll Rand Centac® C800 centrifugal compressor that improves productivity and significantly lowers operational costs for our customers.

In 2013, customers rewarded us for our investments in new solutions with increases in market share. One example is the Thermo King Precedent™, our new transport refrigeration platform that delivers double digit fuel savings and lower life cycle costs. The Precedent has a competitive advantage because it meets stringent North American regulatory standards without requiring add-on diesel particulate filters or engine emission systems. That competitive advantage contributed to a 10 percent year-over-year increase in North American trailer revenue.

Excellence for Shareholders

We delivered another strong year for shareholders, exceeding commitments for revenue, adjusted earnings per share and cash flow. The effective application of our strategies contributed to an adjusted operating margin improvement of 40 basis points over 2012.

Below are 2013 financial performance highlights, adjusted to exclude the impact of Allegion, the commercial and residential security businesses spun off into a stand-alone public company last year:

- Revenue growth of 3 percent
- Full-year adjusted earnings per share (EPS) for continuing operations of \$2.67
- Free cash flow of \$862 million
- Quarterly dividend increase of 31 percent
- Repurchased \$1.2 billion of shares of Ingersoll Rand stock

Our balanced capital allocation strategy has delivered a multi-year record for achieving top quartile EPS growth and shareholder return performance, while fully investing in the long-term success of our business. We have returned more than \$4 billion to shareholders over the past three years and delivered a 378 percent total shareholder return since 2009—almost triple the return of the S&P 500 and more than double the return of the S&P Diversified Industrial Index.

2013: A Transformative Year

Following the spinoff of Allegion, we accelerated elements of our growth strategy while continuing to use our business operating system to guide our operational excellence efforts. We analyzed our capabilities, markets and macro trends, and affirmed that demand for energy efficiency and reliability remain at the forefront of our customers' business requirements.

In support of our strategy, we reorganized and reduced the complexity of our business structure. We restructured from four reporting business segments to two—Climate and Industrial—and designed a business unit structure to further capitalize on growth opportunities, such as geographic market reach and penetration of differentiated service offerings.

Globally, the urban population will nearly double, increasing to 6.4 billion by 2050. To respond to the challenge of rapid urbanization, we will continue to build our local capabilities to compete in high growth markets around the world, and capitalize on our brand strength and diverse customer base.

Services are among the fastest growing businesses we have. We will leverage our large installed equipment base to expand service revenues, use our domain expertise and further invest in analytics that support optimal product life cycle costs for our customers. We are also expanding our energy services organization to meet customer needs for energy reduction, optimizing energy supply costs, energy efficiency monitoring, predictive energy usage modeling, and methods for the continuous optimization of commercial, residential and industrial assets.



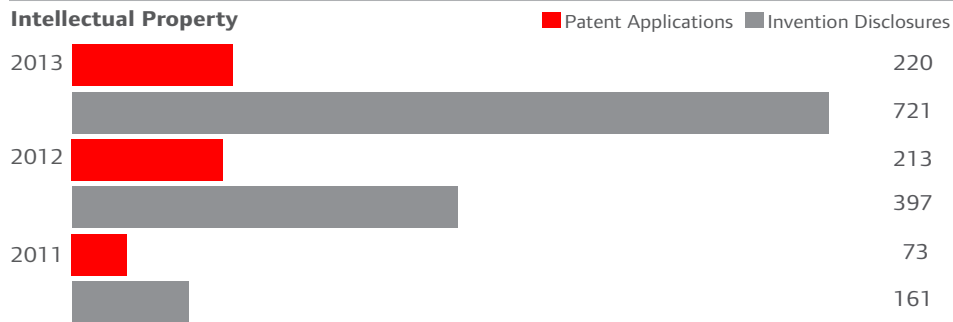
0.9 Percentage Points ↑ from 2011 to 2013

Excludes restructuring costs and impairment charges related to the Hussmann divestiture.



28% ↑ from 2011 to 2013

Excludes restructuring costs, refinancing premium, spin-related costs and impairment charges related to the Hussmann divestiture.



In the last four years, we doubled the contribution of new products and services to our revenue, generating value for our customers and shareholders.

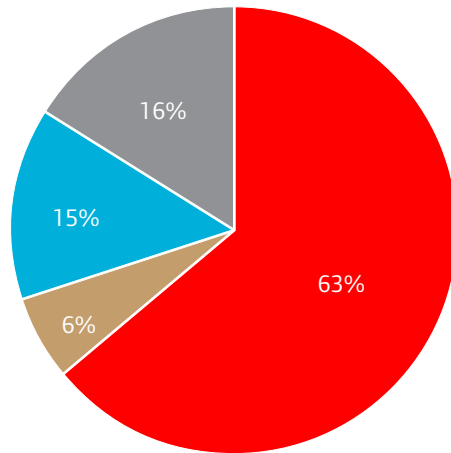
Optimistic About the Future

The imperative to address long-term reductions in energy demand and the continual need to meet increasing industrial globalization with productivity is compelling. We are healthy and strong, and I thank our employees around the world for making our company better, every day. Their inspiration and determination have served our company, customers, shareholders and communities for 143 years and it's why what we do at Ingersoll Rand will make a difference for generations to come.

Sincerely,

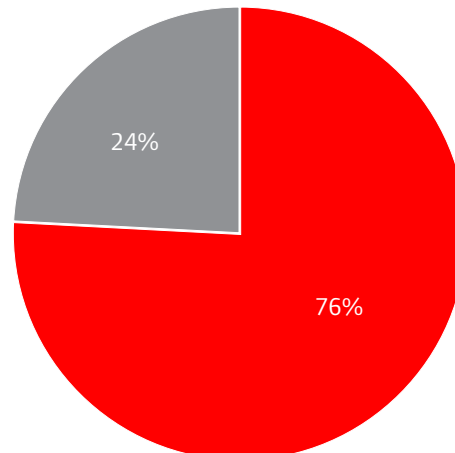
Michael W. Lamach
Chairman and Chief Executive Officer, Ingersoll Rand

2013 Revenues by Geography



■ North America ■ Asia
■ Europe, Middle East ■ Latin America

2013 Total Net Revenue by Segment



■ Climate ■ Industrial



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



About this Report

2013 Sustainability Supplement

Theme: Pursuing Excellence

Ingersoll Rand's three enterprise strategies—Growth Excellence, Operational Excellence and a Winning Culture—enable us to deliver premier performance, inspire progress and advance the quality of life around the world.

For more than four years, we have made remarkable progress, growing in a slow growth market by successfully integrating operational excellence and lean principles throughout the enterprise. We are applying the same intentional discipline to our growth strategy, embedding it into our culture and positioning us for faster, sustainable growth. Pursuing Excellence captures this journey for our Company and our people across the globe.

Report Scope and Boundary

At Ingersoll Rand, we transparently communicate our financial and non-financial performance. We believe reporting in this way provides a more comprehensive view of our performance and serves as a better predictor of future performance. The scope of our report covers fiscal year 2013 and spans our global operations including subsidiaries, leased facilities and joint ventures in which we have a controlling interest.

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. Due to the spinoff, Allegion has been removed from all data represented in this report.

As our data collection system continues to mature and improve, the environmental data we report improves in accuracy and expands in breadth. Rather than identifying all restated environmental data with an asterisk, assume that all previously reported environmental data has been restated due to correcting previous errors as well as strengthening our completeness of global data.

This website 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, 2013, and any further disclosures we make on related subjects in materials we file with or furnish to the SEC. We do not undertake to update any forward-looking statements.

Reporting Process

The Ingersoll Rand reporting process begins with our annual report kickoff meeting. More than 20 leaders from across the Company meet to identify material issues based on significant accomplishments, risks and opportunities from the previous year. This cross-functional team also determines the internal and external stakeholders to interview—those who can help tell our story. This year, we conducted 18 interviews with internal teams and external stakeholders. These interviews helped accurately capture our accomplishments, risks, opportunities and goals.

Since 2007, we have reported on our most significant impact areas through our sustainability report. Our report follows the Global Reporting Initiative (GRI) 3.1 Guidelines. GRI has [verified](#) that the report is prepared according to the GRI Guidelines, at Application Level B+. Visit the GRI Content Index to learn more about our 2013 performance. For more information on GRI, please visit www.globalreporting.org.

We assure our environmental, health and safety data with a third party provider. The results of this assurance can be found [here](#).

Materiality

Engaging our internal and external stakeholders throughout the year and in our annual report kickoff meeting helps to identify what's material to Ingersoll Rand. We plan to conduct a more robust materiality assessment in 2014, but feel certain that this report focuses on impacts, risks and opportunities that are significant to Ingersoll Rand and our stakeholders. In particular, we will speak to the following significant material issues throughout this report.

**Operational
Eco-Efficiency**

A world class EHS management system is critical to operational excellence. Ingersoll Rand's EHS approach encompasses programs, training and auditing to ensure we operate safely and in an environmentally responsible manner.

**Product
Stewardship**

Ingersoll Rand has a responsibility to develop products and services in a manner that protects the environment, our people and future generations. Responsible products and services are those that meet our customers' diverse needs and our stakeholders' expectations for social, environmental and financial performance along with meeting or exceeding state and federal requirements.

In 2013, Ingersoll Rand expanded upon our efforts to understand and capture the full spectrum of our product and service impacts of products by incorporating life cycle assessments (LCAs), customer opportunity assessments, resource consumption, sustainability risk analysis (including emerging regulations and codes) and green portfolio/claims considerations as part of our new product development process (NPD). The sustainability module is included and embedded in the Ingersoll Rand Product Development Process (IRPDP) to help us achieve the goal of using sustainability as a business lever to enhance stakeholder value through revenue growth, increased productivity and risk mitigation.

**Environmental
Product
Innovation**

Energy efficiency remains integral to our global portfolio innovation efforts. With the instability of energy costs and the global challenge of climate change, energy efficiency is key to supporting population growth around the world. We devise energy efficiency and sustainable products and services for our customers through sustainable design principles, total life cycle management processes and responsible use of natural resources. By 2020, we project almost half of our global portfolio will be tailored toward providing energy efficiency solutions, saving customers money and lowering greenhouse gas emissions (GHG).

Business Ethics

High ethical standards are essential to creating a winning culture and achieving premier performance at Ingersoll Rand. The Ingersoll Rand Code of Conduct frames the policies and practices that we expect our global employees to uphold regarding ethical behavior and legal compliance. To demonstrate the materiality of business ethics, our Code of Conduct is available in 20 languages. It is available on the Company's intranet and posted on our external website. In 2013, 100 percent of all salaried staff completed the Annual Compliance Training Program and Code Certification. Our third-party operated Ethics HelpLine provides an outlet for employees to report any known or suspected violation of laws, regulations or the Code of Conduct. The Ethics HelpLine is overseen by the Audit Committee of Ingersoll Rand's Board of Directors, collecting reports and tracking the status of investigations. We take violations of the Code of Conduct seriously and address any confirmed issues through appropriate discipline.

Our commitment to our employees, business partners, customers and communities is strengthened by our Global Human Rights Policy. This policy represents Ingersoll Rand's standards for working conditions and human rights, and is shaped by international organizations such as the International Labor Organization and the United Nations. Our policy covers non-discrimination and harassment, prohibitions against child and forced labor, freedom of association and the right to engage in collective bargaining. The Company's external independent auditors, PWC, audit the Ethics HelpLine two times per year. Additionally, the Company's Internal Audit group annually audits the Company's procedures relative to the HelpLine.

Occupational Health and Safety

A safe work environment is material to delivering positive results for our customers, shareholders and employees. As a result, creating and sustaining a zero-incident culture is a top priority for everyone in the Company. Our efforts to improve safety are a core component of our future success, and we reinforce a zero-incident culture throughout the Company.

Human Capital Management

Engaged and empowered employees, who collaborate in teams to ensure customer needs are met, create a winning culture. And a winning culture further engages employees—it's a circle of success we consider key to achieving premier performance and material to our success.

Each of our leaders has a responsibility to help create a work environment where employees feel engaged and are excited to deliver results, serve our customer needs and grow the business. The focus the Company places on developing, supporting and engaging our employees helps achieve our business goals.

Feedback and Contact Information

Questions about the contents of this report can be directed to Scott Tew, Executive Director for the Center for Energy Efficiency and Sustainability at Ingersoll Rand, at stew@irco.com.



About Us

2013 Sustainability Supplement

Delivering Results Globally

We are passionate about delivering products, services and solutions that make the world a better place—a world of sustainable progress and enduring results.

Vision

A world of sustainable progress and enduring results.

Purpose

We advance the quality of life by creating comfortable, sustainable and efficient environments.

Values

Integrity: We act with the highest ethical and legal standards in everything we do.

Respect: We respect and value the worth of all people, cultures, viewpoints and backgrounds.

Teamwork: We work together and share resources to provide greater value to our customers, employees, business partners and shareholders.

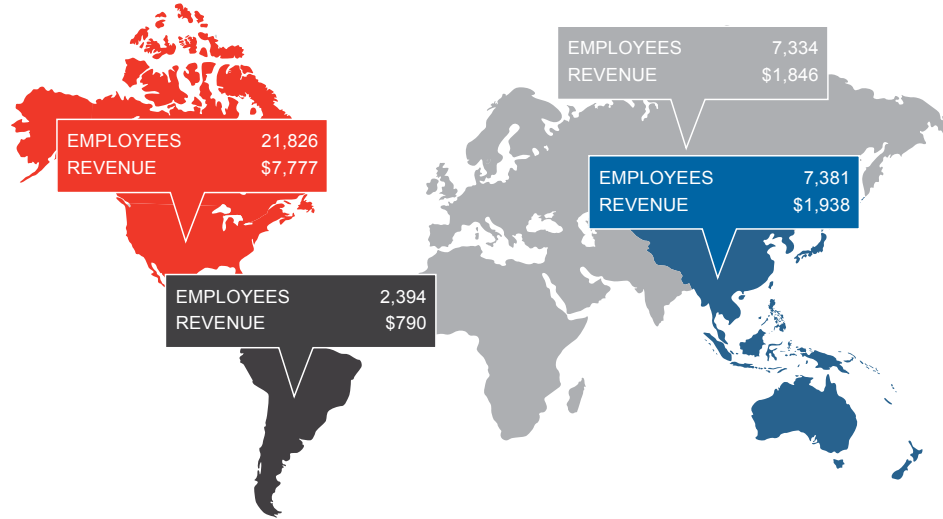
Innovation: We use our diverse skills, talents and ideas to develop customer-driven, innovative and imaginative solutions.

Courage: We speak up for what we believe is right and take measured risks to create progress.

Five values drive the actions and decisions of our employees around the world: Integrity, Respect, Teamwork, Innovation and Courage. These values breed an engaged and progressive culture, focused on making a positive impact in the world and advancing the quality of life for our customers. We strive to excel in five core competencies: Model our Values, Inspire our People, Focus on Customers, Create Long-Term Value and Deliver on Performance.

To learn more, please visit the [Who We Are](http://www.ingersollrand.com) section at www.ingersollrand.com.

Employee / Revenue by Geography
Revenue in Millions



Our Market-Leading Brands

Ingersoll Rand (NYSE:IR) advances the quality of life by creating comfortable, sustainable and efficient environments. Our people and our family of brands—including Club Car®, Ingersoll Rand®, Thermo King® and Trane®—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 \$12 billion global business committed to a world of sustainable progress and enduring results.



Our Business Segments

In 2013, we conducted a rigorous assessment of our Company's strategies and looked at what it would take to accelerate growth in our core Climate and Industrial businesses. We redesigned our organizational structure into Strategic Business Units (SBUs). This enables us to better understand customers' differing perspectives and refine our offerings to suit their common expectations in reliability and energy efficiency /sustainability. Organizing by SBUs increases our focus on growth while reducing cost, accelerating speed and providing our businesses with flexibility, investment and accountability to compete successfully.

Climate

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



Industrial

The 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.



A Long Legacy of Industry Leadership

Leaders from Ingersoll Rand and the New York Stock Exchange (NYSE) celebrated a long legacy of industry leadership for two of our brands—100 years for Trane® and 75 years for Thermo King®—with the ringing of the closing bell at the NYSE on April 29, 2013. These two brands continue to lead the market in innovation, efficiency and reliability in the building and transport industries.

Addressing Our Customers' Priorities

Increasing energy efficient solutions and human productivity in a resource—constrained world with growing demands are common priorities for our customers. Ingersoll Rand is well positioned to help find solutions to these critical needs.



Thermo King Enables Efficient Delivery of Sheetz Baked Goods

The Sheetz Inc. convenience restaurant chain operates throughout the Eastern United States and is committed to sustainability throughout its operations. To support efficient distribution of fresh baked goods from the Sheetz Bros. kitchen bakery and commissary to their more than 450 locations, Company leaders looked at ways to update their delivery fleet. Sheetz worked with Thermo King to equip 52 new Sprinter vans with highly efficient, multi-temperature refrigeration units with electric standby, custom air distribution and an auxiliary cabin heating system. This system delivers dual-temperature zone transportation, enabling the transportation of both fresh and frozen items. Since the refrigeration unit is powered by the vehicle rather than an additional diesel engine, the vans provide a less wasteful solution for metropolitan deliveries where frequent idling occurs. Sheetz's new fleet of Sprinter vans with Thermo King multi-temperature controls increases distribution efficiency, reduces environmental impacts and saves on fuel costs. In their first year of operation, the fleet achieved savings of over \$500,000 in fuel expenditures and 233,000 gallons of diesel fuel.

Reliability

Reliability is more than an engineering concept. It's an integral part of the customer experience—what we call Total Reliability. It means going beyond customer expectations during the buying process, delivery, installation, operation and service of our products. And, ultimately, it means enabling our customers' performance and productivity.

Reliability has been the hallmark of our brand promise since the beginning, and we continue to stake our reputation on it. We know how to think about reliability in the same way our customers think about it—in uptime, speed of repairs and overall maintainability. We adapt product designs for reliability and serviceability, increase the speed of response and issue resolution, and deploy remote monitoring and analytics to detect and solve issues.



Food Safety and Transportation

Thermo King is committed to providing reliable transport solutions around the globe. Our new seagoing refrigerated container provides premier performance at low temperatures, ensuring food safety during marine transport. Yang Ming Marine Transport Corporation leased Thermo King units this year, which has resulted in higher food quality and longer shelf life for their clients.

Energy Efficiency and Sustainability

Solving big problems is part of who we are as a Company and what we deliver. With the instability of energy costs and the global challenge of climate change, energy efficiency is key to supporting population growth around the world. We devise energy efficient and sustainable products and services for our customers through sustainable design principles, total life cycle management processes and responsible use of natural resources.



Club Car's Carryall electric, low speed vehicle has a total capacity of 1,250 pounds.

Energy demand and energy efficiency regulations are driving transformations in the way that commercial buildings are built, how they are retrofitted and how they operate. International Energy Outlook 2013 projects world energy use will grow by 56 percent between 2010 and 2040. HVAC and compressors account for up to 30 percent or more of the energy consumed by commercial and industrial sites. The opportunity to help our customers by offering total efficiency solutions that include HVAC applications and next generation compressor technology is a global imperative. Similar energy demand and regulation transformations are occurring in the transportation industry and in emerging markets around the world.



CDL Receives Trane Award for Republic Plaza Upgrading

Highlighting its commitment to sustainability, City Developments Limited (CDL) upgraded the 66-story Republic Plaza, making it one of the most energy efficient buildings in Singapore. The revamped office tower is estimated to save nearly four million kWh of energy annually. CDL has committed to sustainability across their property portfolio. Trane presented CDL the Energy Efficiency Leader Award. Cheng Sin Yew, Country General Manager for Trane in Singapore, noted, "CDL has reaped tremendous benefit financially and socially from its sustainability efforts and is setting a leading example for other leading developers in Singapore and throughout Asia."

Governance and Ethics

To run a successful and ethical global enterprise, strong governance is essential. At Ingersoll Rand, our business is managed under the direction of the Board of Directors in accordance with our [Corporate Governance Guidelines](#).

Board of Directors Structure and Role

The Ingersoll Rand Board of Directors, consisting of 12 members—11 of whom are independent, two women and one international—preserve the long-term interests of our shareholders through guidance on the management and governance of the Company. The Board, through its four committees—[Audit](#), [Compensation](#), [Corporate Governance and Nominating](#), and [Finance](#)—has the following responsibilities:

- Overseeing the management of enterprise risk
- Reviewing financial controls and reporting practices
- Monitoring corporate performance and evaluating results against strategic plans and other long-term objectives
- Evaluating the Company's ethical standards and legal compliance programs
- Assessing relations with shareholders, employees and the communities where Ingersoll Rand holds operation
- Determining compensation for senior management
- Nominating individuals for Board membership and evaluating the performance of the Board and its committees
- Regularly reviewing 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

All committees have written, Board-approved charters detailing their responsibilities. Only non-employee directors serve on these committees.

The Board of Director's Corporate Governance and Nominating Committee is tasked with supervising sustainability efforts at Ingersoll Rand. The Committee operates with support from the Center for Energy Efficiency and Sustainability (CEES) and is responsible for oversight of the Company's Environmental Health and Safety performance, energy consumption, carbon footprint and waste streams.

Ethical Practices

High ethical standards are essential to creating a winning culture and achieving premier performance at Ingersoll Rand. We value integrity and principled behavior in all interactions. The Ingersoll Rand Code of Conduct frames the policies and practices that we expect our global employees to uphold, regarding ethical behavior and legal compliance. In 2013, 100 percent of all salaried employees completed the Annual Compliance Training Program and Code Certification.

Our third-party operated Ethics Helpline provides an outlet for employees to report any known or suspected violation of laws, regulations or the [Code of Conduct](#). Employees may call any time and can remain anonymous, unless restricted by local privacy laws. The Ethics Helpline is overseen by the Audit Committee of Ingersoll Rand's Board of Directors, collecting reports and tracking the status of investigations. We take violations of the Code of Conduct seriously and address any confirmed issues through appropriate discipline.

Our commitment to employees, business partners, customers and communities is strengthened by our [Global Human Rights Policy](#). This policy represents Ingersoll Rand's standards for working conditions and human rights, and is shaped by international organizations such as the International Labor Organization and the United Nations. Our policy covers non-discrimination and harassment, prohibitions against child and forced labor, freedom of association and the right to engage in collective bargaining.

Sustainability Governance

Center for Energy Efficiency and Sustainability (CEES)

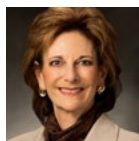
Ingersoll Rand recognizes that sustainability is an important issue to our customers, shareholders, employees and other key stakeholders. Sustainability is also a lever for growth opportunities, risk management and higher productivity. In 2010, the Center for Energy Efficiency and Sustainability (CEES) team was formed and became responsible for integrating sustainability into all facets of the Ingersoll Rand business strategy and culture. Whether focused on reducing emissions, energy costs, material waste or retrofitting a building to improve its energy efficiency, the CEES is carving a path for employees to help customers and critical stakeholders understand and incorporate new approaches to meet sustainability goals.

External Sustainability Advisory Council

Our external Sustainability Advisory Council includes global sustainability thought leaders in infrastructure, energy policy and technology. Their expertise helps us better understand emerging global issues to provide more innovative products and solutions, and reduce our operational footprint.

Members of our Advisory Council include:

- **Marcia Avedon**, Senior Vice President, Human Resources and Communications, Ingersoll Rand
- **Roberta Bowman**, Senior Vice President and Chief Sustainability Officer, Duke Energy (retired)
- **Paul Camuti**, Senior Vice President, Innovation and Chief Technology Officer, Ingersoll Rand
- **Marian Chertow**, Professor and Director, Industrial Environmental Management Program, Yale University
- **Ginny Mackin**, Vice President of Corporate Communications and Brand, Ingersoll Rand
- **Peter Madden**, Chief Executive Officer, Future Cities Catapult UK
- **Gary Michel**, Senior Vice President, Ingersoll Rand & President, Residential Solutions
- **Eric Rankin**, Vice President of Environment, Health & Safety, Ingersoll Rand
- **Katherine Sierra**, Senior Fellow, Brookings Institution
- **W. Scott Tew**, Executive Director, Center for Energy Efficiency and Sustainability, Ingersoll Rand
- **Daniel Vermeer**, Professor and Director, Center for Energy, Development and Global Environment (EDGE), Duke University
- **Terry Yosie**, President and CEO, World Environment Center



“Ingersoll Rand has built an exceptional infrastructure to solve global challenges. They have the tools, roadmap and a culture of sustainability to address these challenges. Now, it is just a matter of executing and continuing to integrate the thinking throughout the Company.”

— Roberta Bowman, Retired Senior Vice President and Chief Sustainability Officer, Duke Energy and member of Ingersoll Rand's Sustainability Advisory Council

Internal Sustainability Strategy Council

Our internal Sustainability Strategy Council provides guidance and endorsement on priorities regarding social and environmental issues that provide opportunities to drive growth, enhance reputation and ensure long-term economic viability of the Company and our stakeholders.

The Council reports to, and is sponsored by, the Ingersoll Rand Executive Leadership Team (ELT). The ELT has appointed a chairperson, Gary Michel, to provide leadership and direction. The Council is comprised of business leaders representing priority geographies, a broad representation of the strategic business units (SBUs) and all functional areas. The Council meets quarterly and provides reports on Ingersoll Rand's sustainability strategy and initiatives, at least annually, to the Executive Leadership Team.

Council Objectives:

- Identify and define issues that are relevant to Ingersoll Rand's commitment to a world of sustainable progress and enduring results
- Endorse enterprise long-term goals and short-term sustainability objectives and provide Ingersoll Rand's ELT with meaningful recommendations and guidance on how to meet these objectives
- Endorse new Company guidelines, policies or processes to support areas of focus

Sustainability Goals and Performance

In 2008, we set nine goals to advance our social and environmental performance. Focusing on these goals brought about tremendous strides that we look forward to building upon.

We are taking a multi-stakeholder approach to establishing our next set of long-term goals. We will start with a materiality assessment, which will include internal and external interviews and a priority ranking of issues. We are seeking advisement of our external advisory council, performing a benchmarking analysis and a full review of our current approach to reducing our impact. We anticipate announcing our 2020 goals in Q4 of 2014. From our 2020 goals, we will establish annual targets.

Long-Term Goal	Status	Performance: From 2009 to 2013
Total Recordable Incident Rate (TRIR)		
67 percent reduction from 2008 to 2013	Below Target	We achieved a 46 percent reduction in TRIR
Lost Time Incident Rate (LTIR)		
67 percent reduction from 2008 to 2013	Below Target	We achieved a 59 percent reduction in LTIR
Energy		
25 percent normalized reduction* over a 10-year period**	Exceeds Goal	We reduced normalized energy consumption by 36 percent over the last five years
GHG emissions		
25 percent normalized reduction* over a 10-year period**	Exceeds Goal	We reduced normalized GHG emissions by 36 percent over the last five years
Non-hazardous waste generation		
15 percent normalized reduction* (excluding scrap metals) from 2009 to 2013	Below Target	We had a 0 percent reduction in normalized non-hazardous waste generation
Hazardous waste generation		
3 percent normalized reduction* year-over-year	Below Target	We did not hit a year-over-year decrease of 3 percent. Our five year progress was a 9 percent normalized increase (per millions of net revenue)
Recycling		
By 2013, 100 percent of sites will have programs for 10 designated waste streams	Below Target	95 percent of sites have programs for 10 designated waste streams

EHS management systems

100 percent of sites will have validated EHS management systems (EHS MS) by 2013

Goal Achieved

100 percent of sites have validated EHS management systems (EHS MS)

**Normalized by revenue*

***Baseline year for energy and GHG emissions is 2009*

Although we are below target on several of our five year goals and as unfortunate as this is, these goals were unmet due to a positive trend in an increasing number of sites now reporting more accurate data on a consistent basis. Concurrently, the spin-off of Allegion and transition to our new web-based data collection and performance monitoring system, GENSUITE, has given us the opportunity to improve our data and ensure a higher level of accuracy. This significant accomplishment will help us more accurately assess our progress on our aggressive 2020 goals which we will set later in 2014.

Awards and Recognition

- In 2013, we were again honored to be listed on the **Dow Jones World and North American Indexes**. Beyond DJSI, our sustainability approach was cited as a best practice in 2013 by media, authors and academia, such as **Andy Savitz** in his new book **“Talent, Transformation, and the Triple Bottom Line”** as well as publications talking about Ingersoll Rand’s culture and sustainability practices in the **Harvard Business Review**.
- 100 years of innovation wins Ingersoll Rand a spot on the **New York Stock Exchange’s (NYSE) Exclusive Century Club**, a special index of 348 companies that have been in business for at least 100 years. The Century Club was launched in July 2012 “to recognize companies that have thrived for over a century” and “have demonstrated the ability to innovate, transform and grow through decades of economic and social progress.”
- Ingersoll Rand was selected as one of the **2013 Achievers 50 Most Engaged Workplaces** and placed on **FORTUNE’S World’s Most Admired** list for our industry category in 2013.
- Ingersoll Rand India bested 440 other companies to be named **“Dream Employer of the Year”** and collect three other top awards as part of the Talent & HR Leadership Awards organized by the World HRD Congress 2013, a leading Human Resources association and ET Now, a leading business news channel. Ingersoll Rand India was ranked as the No. 1 “Dream Employer of the Year” in the Manufacturing industry and No. 4 overall across industries in India.
- Three accomplished Ingersoll Rand women were among 122 women who received the first **Women in Manufacturing STEP (Science, Technology, Engineering and Production) Awards** for their achievements in manufacturing and their contributions to the industry.
- For the fourth consecutive year, Trane Oregon was named one of **Oregon’s 100 Best Companies to Work For**.
- **Tyler Facility Sustains United Way’s Diamond Pillar Status** - Ingersoll Rand/Trane was their largest contributor, raising more than \$332,000 with the Company match.
- Thermo King’s CryoTech range of refrigeration products has won the **European Transport Award for Sustainability 2014** in the category of vehicle cooling and heating systems.
- The **Trane TruComfort 20 SEER product was named No. 1** in the category of forced-air cooling equipment in the 2013 Comfortech Product Showcase Awards.
- Marcia J. Avedon, Senior Vice President, Human Resources and Communications at Ingersoll Rand, is one of six human resource professionals in the **National Academy of Human Resources (NAHR)** twenty-second classes of Fellows, an honor considered the most prestigious in the field of Human Resources.
- Ingersoll Rand’s Vice President of Diversity and Inclusion, Neddy Perez, was selected by **Uptown Professional Magazine as one of Charlotte’s 2013 Catalyst Honorees**. The publication selected and honored 10 individuals in the Charlotte, NC area that they felt were making an impact in the community in the areas of diversity and inclusion.
- HART, a non-profit corporation funded in part by the Federal Highway Administration and New Jersey Transit, awarded Ingersoll Rand’s Annandale, New Jersey facility the **Carpool Impact Award** and the **Smart Workplace Gold Award** for providing sustainable commuting and encouraging flex-time.



Solar Decathlon— People’s Choice Award

Our team partnered with the University of North Carolina Charlotte (UNCC) in the 2013 Solar Decathlon. The prestigious competition challenges teams from around the world to design, build and operate a solar powered house that’s cost-effective, energy efficient and attractive. With support from our Trane, Nexia™ Home Intelligence, Ingersoll Rand and Club Car brands, as well as the Ingersoll Rand Foundation, the UNCC team won the People’s Choice Award for their entry—Urban Eden.

Economic Impacts

Our three enterprise strategies—Growth Excellence, Operational Excellence and a Winning Culture—are delivering results for our customers, shareholders, employees and communities. Even within a down market economy, our pursuit of excellence with these strategies has given way to growth.



“Our 2013 financial results demonstrate our consistent focus on applying our strategies and delivering shareholder value and continuous improvement in our operating performance through the deliberate deployment of our business operating system. 2013 was a strong year with revenue growth, adjusted earnings per share and cash flow at the top of our guidance range, which we accomplished while completing the on-time spinoff of Allegion. Our improving financial performance and solid financial strategy have created significant shareholder value and we have delivered a 378 percent total shareholder return since 2009—almost triple the return of the S&P 500.”

— Michael W. Lamach, Chairman and Chief Executive Officer

Addressing the needs of our customers and delivering shareholder returns are essential to our long-term success. While our daily work contributes to meeting those needs, at the same time we contribute to the economic and societal health of the global communities where we live, work and operate.

2013 Global Direct Economic Impacts (in Millions)

Global Salaries, Wages and Benefits	\$3,216.1
Cost of Goods Sold	\$8,765.5
Provision for Income Taxes	\$189.0
Capital Expenditures	\$242.2
Dividends Paid to Ordinary Shareholders	\$245.5

Trane Mentoring Regional Companies in Clarksville, Tennessee

Trane has been a vital part of the Clarksville, Tennessee community for over 55 years. As a well-established Company in the area with over 1,200 employees working at its 1.2 million square foot facility, Trane was able to advance internal sustainability goals while helping other local businesses implement sustainability initiatives. Beginning in 2012, an employee team comprised of EHS employees, the plant manager and a steering committee implemented changes that led to:

- A reduction in wastewater by 6 million gallons
- Increased recycling, including 30,000 aluminum cans
- A reduction in non-hazardous waste-to-landfill by 11 percent
- A reduction in electricity usage by 4 percent

In addition, Trane experts led workshops to educate and mentor employees from regional companies on hazardous wastes, tracking key metrics, how to normalize data and other aspects of environmental leadership. Trane worked with local governments and companies to form a group of sustainability experts who share best practices and knowledge of environmental regulations and metrics.

Trane Clarksville was awarded the 2013 Clarksville-Montgomery County Green Certification in the large business category for environmental performance in water conservation and waste recycling.

Sustainable Habitat Initiative in India

Ingersoll Rand launched the “Sustainable Habitat” initiative in India converging multiple technologies and applications from various organizations and delivering a comprehensive solution to improve the living standards of the societies where Ingersoll Rand operates. Creating “Sustainable Habitats” takes into account factors such as low energy usage and conserving natural resources while providing comfort, safety and security, and access to data to under-privileged communities. Ingersoll Rand will be supporting the creation of building low cost dwellings that will utilize sustainable materials, solar technologies, water sanitation and other reuse technologies. For this initiative, we have partnered with various academic institutions, for example Cornell University, social enterprises such as Ashoka, industry institutions including TERI (The Energy Research Institute of India) and CII (Confederation of Indian Industry), leading corporates, architects and other experts. The project demonstrates ‘social’ and ‘innovation’ convergence through public-private-partnership that can create a lasting impact on societies in emerging economies.

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM 

Member of Dow Jones Sustainability Indices In Collaboration with RobecoSAM

Our commitment to sustainability leadership is reviewed and recognized by third party sustainability rankings such as the Dow Jones Sustainability Index (DJSI). Recognition by external groups helps drive improved performance internally and facilitates our ability to benchmark ourselves with peer companies through an objective set of metrics. In 2013, we were again honored to be listed on the Dow Jones World and North American Indexes. Our sustainability journey continues, and we are proud of our annual improvements as we make progress integrating sustainability practices throughout our Company. Ingersoll Rand's listing on the DJSI is a key measurement of our sustainability progress as we strive to achieve premier performance. Beyond DJSI, our sustainability approach was cited as a best practice in 2013 by media, authors and academia.



Growth Excellence

2013 Sustainability Supplement

We're intentionally building our capability to profitably grow. Our growth excellence strategy includes building and demonstrating capabilities in product management and product growth teams, strategy and analytics, technology and innovation, and sales excellence.

Product Management and Product Growth Teams

Our product management teams think horizontally, linking together engineering and operations to manage our existing offerings and develop new products, solutions and services for our customers. These teams—known as product growth teams—set the focus for our product lines.

To accelerate growth, we're providing tools and standard processes to create value for our customers. This new foundation of common processes, executed through the Ingersoll Rand Product Development Process (IRPDP) introduced in 2012, is now fully embedded throughout the organization. The process improves how we generate, develop and launch new products. It applies a consistent methodology across the enterprise to achieve our project goals and ensures we are assessing risk, sustainability and intellectual property throughout the entire product cycle.

IRPDP along with a rigorous gate process review ensures that we will be able to drive sustainability to new levels, making it a part of our DNA. While primarily environmental in focus, the sustainability section of the IRPDP process is driven by three key factors:

- 1. Customer Interest**—what can we do to help our customers improve their environmental impacts?
- 2. Cost Reduction**—where in a product or service life cycle can we reduce costs and improve profitability?
- 3. Environmental Impact Improvement**—how might new information on environmental impacts lead to changes in product manufacturing and sourcing or drive new product and service development?

Approximately 30 projects have gone through the IRPDP, some with product development cycles that have been reduced by up to 50 percent.



“We orient our product management teams to better and more clearly understand customers, markets and competitors. It helps us align what we do to rapidly innovate and enables customers to become more sustainable.”

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



Trane introduces the newest addition to its air-cooled chiller product portfolio, the Trane Stealth™ air-cooled chiller.

Trane's Stealth™ Air-Cooled Chillers Undergo IRPDP

Trane's Stealth™ air-cooled chillers deliver reduced energy consumption and improved flexibility and performance. Engineers brought innovation and knowledge to every component of the Stealth, delivering superior performance and reliability to the customer.

One of the first set of products through IRPDP, the Stealth air-cooled chiller is one of the world's most sustainable HVAC systems. Powered by AdaptiSpeed™ technology, the chiller provides an industry-leading combination of part-load and full-load efficiencies. Additionally, the Stealth's InvisiSound reduction option produces the industry's lowest published sound levels.

Design for Sustainability (Dfs)

At Ingersoll Rand, employees are taking action to increase and improve sustainability performance within the organization, with great results to date. With sustainability being an area of increasing interest for customers and end-users and a growth initiative for the Company, we continue to focus on building the competency around sustainable product design.

Ingersoll Rand's Center for Energy Efficiency and Sustainability (CEES) has partnered with UL Environment (ULE) to develop the exclusive **Design for Sustainability (Dfs) Certificate Program**. While ULE traditionally certifies products, this certificate program is a first to distinguish people and enable participants to:

- Advocate for sustainability with product design teams, customers and markets
- Analyze and articulate market-specific value propositions of sustainability
- Expand risk and opportunity assessments to include sustainability
- Incorporate sustainability related attributes into all product design
- Understand the trade-offs and opportunities during product design

Strategy and Analytics

Our product growth teams analyze what's happening in a given market in an intentional and informed way—we refer to this as market analytics. We are building the capabilities of our teams to deeply understand our customers and markets, helping to estimate the economic value of potential new offerings and solutions.

We generate, develop and launch offerings with rigorous analysis and key quality metrics to deliver on time, on budget and exceed our customers' expectations. This focus on analytics is really the North Star in our strategic work to develop a compelling, differentiated set of offerings for our customers.



India Residential Business Growth

The recently launched India Residential business recorded a 900 percent growth in sales over 2012 with expansion into 50 Tier II cities and extension into verticals, including buildings and education. By integrating the Residential business with Climate Solutions, we are now equipped to meet all the air conditioning needs of our customers including a range from 1 ton to large Centrifugal chillers of up to 2,500 tons.

Services Expansion

Our services can help our customers address their efficiency needs by understanding their energy issues and leveraging operating performance information to develop practical and effective solutions.

Our CARE suite of service and maintenance offerings expanded in 2013 to meet the needs of our compressed air customers, including reliability, efficiency, availability and life cycle cost. Our in-house experts work with our customers to provide recommendations and implementation plans that deliver the right solutions.



Customer Solutions at Ocean Spray

In 2013, Ben Steele, an Ingersoll Rand Compressed Air Systems and Services engineer, visited Ocean Spray's Middleboro, Massachusetts plant. The plant engineer, interested in energy efficiency, gave Ben access to perform a facility energy audit. The audit found an opportunity within their current control systems and Ben was able to provide a solution that maximized their equipment using a Trane controls system. Ben's solution demonstrated the technical expertise of our employees, showing how Ingersoll Rand can provide our customers with complete solutions. To date, the Ocean Spray facility has installed an Ingersoll Rand Nirvana Oil Free Variable Speed Drive Machine, Heat of Compression (HOC) Air Dryer and complete controls system. We were also awarded a service contract for the plant.

Technology and Innovation

Energy efficiency remains integral to our global portfolio innovation efforts. By 2020, we project almost half of our global portfolio will be tailored toward providing energy efficiency solutions, saving customers money and lowering greenhouse gas emissions (GHG). We are delivering growth through this focus on innovation.

There are a number of technology trends—information and communication technology, machine-to-machine communication, new materials and large-scale data analytics—that we take advantage of to improve our products and manufacturing processes. These technologies provide an opportunity in the areas of remote services and energy services. Ingersoll Rand works closely with our customers and field engineers to deliver innovative solutions that create value for our customers.



Controls Engineering led a multi-year project to develop Trane™ Wireless Comm — a technology that uses wireless communication, instead of hard wiring, between HVA controls. - See more at: http://www.ingersollrand.com/sustainabilitysupplement/growth/technology_innovation.shtml#sthash.07zBSE9c.dpuf

Thermo King and Trane Innovations Continue to Lead Industries

Over the past year, our brands have continued to lead their industries in innovation. In 2013, Trane innovations include the [Stealth™ Chiller](#), [Wireless Comm](#), [Series S™ CenTraVac™ Chiller](#), [Advantage™ Variable Refrigerant Flow](#) system and improvements to the [Trane Terminal](#) product line. Thermo King unveiled its new [TriPac™ Evolution, T-80 Series](#), and [Precedent™](#), as well as a new [Whisper option for SLXe](#) refrigeration units and wireless fuel sensor for its [CargoLink™](#) system. Thermo King also partnered with two other companies to pilot the first refrigeration unit powered by a light commercial can battery. This innovative new technology provides freedom from noise, emissions and fuel costs, making it an ideal solution for transport in dense regional areas. These products provide the latest technologies in energy efficiency, automation and sustainability, demonstrating continued leadership throughout the Ingersoll Rand series of brands.



Ingersoll Rand's Localized Solutions Drive Emerging Market Growth

Our businesses and brands are driving innovation in their respective industries around the world. At Ingersoll Rand, we are working hard to innovate new and localized technologies to serve our customers in emerging markets. In 2013, Ingersoll Rand India launched new lines of refrigerated air dryers and air compressors. The refrigerated air dryers are designed specifically for tropical conditions and offer unmatched energy efficiency, reliability and low cost of ownership. The units use an eco-friendly refrigerant with zero ozone depletion potential. The dryers comply with ISO standards for air quality and dew point, testing and validation, roadability, noise emissions and vibration. Ingersoll India's new Dempsey air compressor offers energy efficiency and Ingersoll Rand reliability to the lower range of rotary air compressors. With Dempsey's range of 2.2 to 5.5 kW, it offers an ideal solution to markets such as automobile service stations, small fabrication workshops and OEM applications. The Dempsey was designed and built on budget in a six month timeline through cross-functional teamwork and strict quality control. Ingersoll Rand Asia Pacific launched five new tools and an innovative new battery for the IQV20 Series of cordless tools in March 2013. The line unveiled at a launch event was attended by customers and distributors from Korea, Japan, Thailand and Malaysia expanded brand influence in the growing Asia Pacific region.

In 2013, we established our Networks of Excellence to bring together internal experts and specialists on critical technologies shared by multiple Ingersoll Rand businesses. This shared-expert team approach enables us to capitalize on cross-segment synergies in the fields of simulation and modeling, materials and chemistry, metallurgy, plastics and composites, fluids, and coating and corrosion resistance. Our Networks of Excellence and Engineering and Technology Centers continue to create imaginative solutions for global customer problems.



Thermo King Precedent

In 2013, the Thermo King Precedent was introduced as our most environmentally sensitive transport refrigeration system to meet new emissions standards in the United States. During its field trials, airflow was affecting the performance of a rooftop fan used to cool the condenser. Our Minneapolis-based design center, coupled with the modeling and simulation experts from our Network of Excellence in Bangalore, India leveraging virtual models, delivered a design alternative to this obstacle in less than three days. The cross-functional, cross-business team shortened product testing times that increased productivity, improved quality and reliability, and shortened product development cycle time.

We introduced more than 100 new products and services in 2013, and the percentage of revenue that our Company generated from new products and services roughly doubled from 2009 to 2013.



Trane TruComfort™ Variable Speed Air Conditioners

Variable speed technology isn't new for Trane, the first HVAC manufacturer to apply variable speed technology to residential cooling in the 1990s. But with its latest launch, Trane has perfected the technology and set the residential business up for growth in a critical market. In Q4 2013, the team launched the TruComfort line of variable speed air conditioners and heat pumps on time and below cost targets. Trane's state-of-the-art TruComfort system delivers precise and consistent comfort—running its compressors at the exact speed needed to keep homes comfortable. The product line is making waves and drawing attention within the industry. The Trane TruComfort 20 SEER product was named No. 1 in the category of forced-air cooling equipment in the 2013 Comfortech Product Showcase Awards.

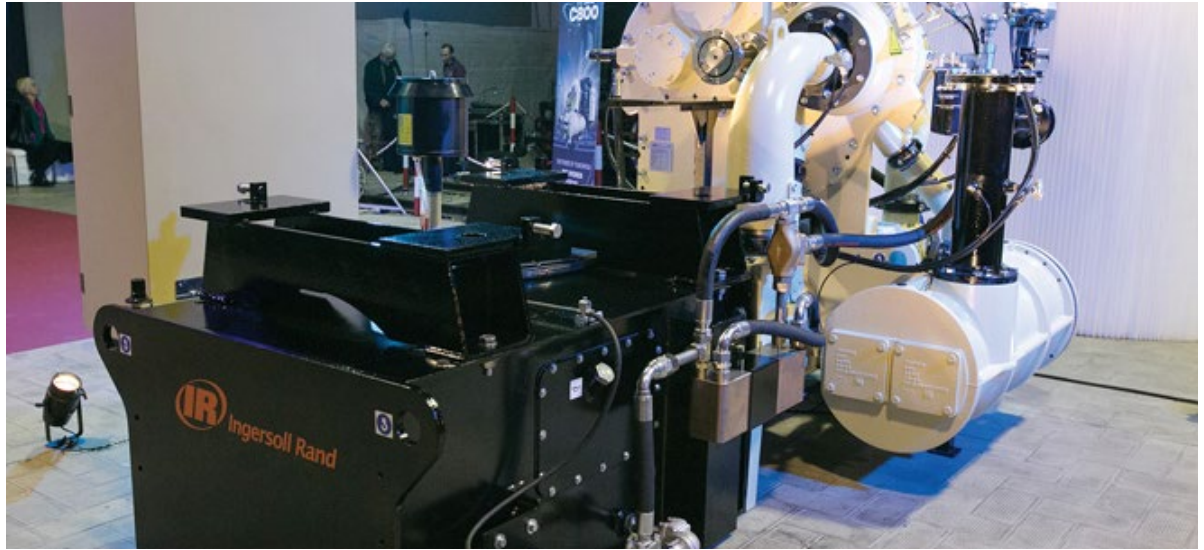
Sales Excellence

We are taking a disciplined approach to identifying and installing standard processes for our sales function. The same skills and tools we understand in an operational environment are applied to a selling environment. This includes improvement in the productivity of our sales resources, effective coverage of our markets, successfully closing opportunities ahead of market growth and continued margin expansion through value selling and price management efforts.



“To prepare our Trane Comfort Specialist Dealers for the launch of our variable systems, we created in-home selling videos to help demonstrate how to convey the many benefits while sitting at the kitchen table. It’s been years since I have seen this much excitement from our sales teams and our dealers on the launch of a new product!”

— Tim Storm, Product Manager



Centac C800 Launch at Leonardo da Vinci Museum, Milan

On November 6, 2013, Ingersoll Rand unveiled the Centac C800 Centrifugal Compressor at the Museo Nazionale della Scienza e della Tecnologia Leonardo da Vinci in Milan, Italy.

The Centac C800 was designed to deliver premier performance utilizing a simplified oil piping system, improved seal capacity and a significant reduction in connections. Built on the latest centrifugal compressor platform incorporating external coolers, the new Centac's integrated gears and bearings reduce vibration and allow for error-proof alignment, leading to minimized downtime, lower operational costs and higher productivity.

Approximately 120 Ingersoll Rand customers, distributors and leaders from across Europe, the Middle East and Africa (EMEA) attended the launch where Chris Ringlstetter, Ingersoll Rand product management leader, together with Luca Doddi, air business leader in EMEA, Alberto Crippa, engineered products product manager and Nicola Piccardo, process completes business leader, moderated a session with the audience.

In contrast to the innovative Centac C800, guests had the chance to see the Ingersoll Rand Imperial Type 10 reciprocating compressor built in 1921 that is on permanent display at the museum, a testament to a proud legacy.



Operational Excellence

2013 Sustainability Supplement

We started our operational excellence journey with the intention of going an “inch wide and a mile deep.”

Over the last four years, our operational excellence strategy has evolved to include value streams, functional excellence, common systems and goal deployment. This is our way of continuously improving the Company—and it’s working. Whether it’s our margin expansion, improved customer metrics or increased cash flow, there is a direct correlation to our operational excellence efforts.



Lean Expert Commends Ingersoll Rand’s Lean Transformation Progress

Jim Womack, founder of the Lean Enterprise Institute, Inc., commended Ingersoll Rand Chairman and CEO Mike Lamach in a September article for the Association for Manufacturing Excellence (AME). In the article, Womack discussed a Gemba Walk he took with Mike in which they “went out and just picked one of their operations and walked through two product families, from the rear of the operation to the front.” The term Gemba Walk comes from the Japanese term for “real place” and refers to walking the floor of a manufacturing operation to observe the work being done.

During the Walk, Womack wrote, “I was impressed on how often Mike and I were seeing the exact same things and saying the same things. We were just looking at each step in the process and at every step saying, ‘Is this valuable? Let’s assume it is valuable. Are we doing it in the best currently known way?’”

Ingersoll Rand began applying a lean Six Sigma program across the enterprise in 2001. In 2009, the Company began a transformation to operational excellence based on lean principles, as part of its goal of achieving premier performance.



Returnable crates helped to eliminate material waste in the shipping process.

Optimizing Inbound Material Delivery Efficiency

In 2013, striving for operational excellence, the Ingersoll Rand Arcibo, Puerto Rico Climate facility optimized their inbound material flow and delivery. The facility receives shipments from our business partner, Martinrea MJ. This material shipping route involved the use of multiple trucks and ships and more than 12 touches. Through the elimination of non-value added materials and reduction of 8 touches in the shipping route, the Arcibo facility achieved a cost savings of \$2 million and removed 288 sea container shipments from their supply chain. The project also eliminated 192 square feet of warehouse storage, decreased on-hand inventory by 20 days and reduced safety risks by decreasing both weight and frequency of lifts.

Value Streams

Our approach has been programmatic from the start. Our “inch wide and a mile deep” philosophy means focusing efforts on concentrated pockets of our business and diving deep. Three years later, we have 40 percent of the organization under our value stream transformation and plan to expand to 60 percent in 2014.



The Ingersoll Rand Compressed Air Systems and Services manufacturing facility in Unicov, Czech Republic, is one of our value streams under transformation as part of our growth and operational excellence initiatives.

Value streams started with a narrow scope—customer order to order shipment—and we are now expanding them to encompass the true definition of lean. We are implementing value streams across the Company led by product growth teams, where product management, engineering and integrated supply chain team members work together to define new products, solutions, services and processes. This coordination also results in faster time-to-market, increased productivity, and improved quality and delivery.

We are tracking five metrics—market share, margin expansion, organic growth, price and the net present value of our innovation portfolio—to compare value streams under lean transformation to those not currently under transformation. These key metrics strengthen and affirm our path toward premier performance.



Model Value Stream in Lynn Haven

Our Lynn Haven, Florida, facility fully incorporates lean principles and is in the process of creating a model value stream (VS) for its Trane Precedent™ Rooftop System. Trane rooftop units and systems, manufactured in various configurations, provide single or multi-zone heating, cooling and ventilation. The Precedent™ Rooftop units range from 3 to 10 tons.

In Lynn Haven, the model value stream extends end-to-end in the supply chain, from sales to distribution, and will serve as a benchmark for the Company. Results to date have led to reductions of 53 percent in cycle time and 68 percent improvement in days past due. Improvements of 20 percent with on-time to customer requests and a 25 percent improvement in inventory turns. The Lynn Haven facility has realized increased revenue for our Precedent product year-over-year and an 11 point increase in employee engagement scores. Our commitment to operational excellence at Lynn Haven demonstrates the power of operational excellence to deliver growth to the Company.



“It’s about empowering [our employees] to utilize their own creativity to solve problems they encounter on a daily basis. They’re the ones that are impacted by the problems, and we want to make sure they feel empowered [to address challenges] to make it better for themselves, for the Company and for the customers.”

— Douglas Uzarski, Plant Manager

Functional Excellence

Each function at Ingersoll Rand—engineering, finance, human resources, information technology, legal, operations, supply chain, among others—is responsible for developing, governing and improving standard work to accelerate their transformation to excellence.

As a result, our functions help enable achievement of the Company's growth, margin expansion and working capital improvements, and enable employees to move more easily to jobs across the businesses or regions.



“It all starts at the top. Ingersoll Rand’s practice of actually engaging people has embedded lean principles from senior management to the plant floor, creating a culture of excitement around finding innovations to reduce material usage, time and waste. It has been a complete transformation of the Company’s culture.”

— Dr. Jared L. Cohon, President Emeritus of Carnegie Mellon University
and member of Ingersoll Rand’s Board of Directors

Common Systems

In 2013, Ingersoll Rand successfully completed the first of a five-phased plan to redesign our global enterprise resource planning (ERP) processes and technologies.

This initiative represents a major business system transformation to improve decision making and efficiency, better serve our customers, meet evolving business needs and accelerate our operational excellence initiatives across our value streams.

Goal Deployment

The Goal Deployment Process (GDP) is a structured process to align and deploy select strategic objectives, yearly initiatives, actions and metrics throughout the organization. GDP provides accountability for selecting, aligning, prioritizing, measuring and monitoring our goals in a consistent way.

For three years, we have been using our GDP to set goals across the Company. The process starts with the enterprise goals and then cascades throughout the organization. This ensures that employees have a direct line of sight as to how their work supports the overall goals of their team, business or function, and the enterprise.

Supplier Management

Managing the quality and reliability of our entire value chain is critical to delivering results to our customers. We aim to partner with suppliers that share our vision of sustainable progress and delivering results.

To improve our supplier management capabilities, we centralized procurement and created more robust supplier controls. All of our contractors, suppliers, subsidiaries and joint venture partners are expected to comply with our Business Partner Code of Conduct, outlining our expectations for complying with all laws and regulations covering:

- Anti-discrimination
- Fair wages and benefits
- Child and forced labor
- Freedom of association
- Human rights
- Health and safety
- Environmental performance
- Antitrust and competition
- Anti-corruption and bribery
- Global trade compliance

In 2013, our Business Partner Code of Conduct was woven into our standard purchase agreement. The goal was to get two thirds of our direct material suppliers globally to have agreed to our Business Partner Code of Conduct, or provided an equivalent Code of Conduct. We exceeded this goal three months early and set a more aggressive goal for 2014.

To improve our supplier relationships, we survey a wide selection of our suppliers and request information regarding sustainability performance, energy use and greenhouse gas (GHG) emissions, participation in the Carbon Disclosure Project, and exposure to risks related to water scarcity.

We focus on building strong relationships with our suppliers to sustain growth, lower costs, design out waste and improve overall productivity.

Conflict Minerals

Ingersoll Rand launched our conflict minerals program in June 2013. The SEC's final rule on conflict minerals applies to Ingersoll Rand; therefore, it impacts suppliers of products and materials that are incorporated into Ingersoll Rand's products, regardless of where the supplier is located.

- Responsibly source conflict minerals and derivative metals from the DRC and neighboring countries in order to prevent a de facto embargo and associated worsening of economic conditions and human suffering in the region;
- Develop policies and procedures toward preventing the use of conflict minerals or derivative metals sourced from mines controlled by armed groups in all items supplied to Ingersoll Rand; and
- Seek and obtain certification for any smelters through the EICC/GeSI Conflict Free Smelter (CFS) program.

All Ingersoll Rand suppliers must document their efforts to determine the source of any conflict minerals or derivatives and should be prepared to provide Ingersoll Rand with evidence of the origin of any conflict minerals in products supplied to Ingersoll Rand.

Beginning in July 2013, we offered weekly training for suppliers to explain the conflict minerals process and allowed them to ask questions. By the year's end, we had offered over 25 of these sessions and received declarations from 45 percent (by spend) of our impacted suppliers.

Supplier Diversity

Our United States supplier diversity program completed its first full year in September 2013. The program includes suppliers whose ownership is primarily minority, woman or veteran. The program focuses on increasing spend with diverse companies, supplier development and mentoring, and strategic outreach. Supplier diversity is an integral part of procurement and business processes that enhance competitive strategies and reduce operational costs.

In 2013, we increased spend with diverse suppliers by 8.5 percent, donated equipment to the Georgia Minority Supplier Development Council and funded three scholarships at the Dartmouth College Tuck Executive Program for Minority Businesses. We spoke at the U.S. Pan Asian American Chamber of Commerce Conference about supplier diversity's role in a global supply chain and hosted a trade mission of minority suppliers to China.



Bennett International Group

We are proud of our 16-year relationship with Bennett International Group. Bennett is a minority-led freight company that ships our large industrial-sized HVAC units. Bennett's long-time President and CEO, Marcia G. Taylor, was named a 2014 finalist for the Influential Woman in Trucking Award. Bennett is part of the Ingersoll Rand Supplier Diversity Program, focused on improving the percentage of procurement dollars we spend with diverse suppliers. Now in its second year, the Supplier Diversity Program exceeded its 2013 spend goals, achieving 5.3 percent of total United States supplier expenditures.



Jackie La Joie, Champion of Supplier Diversity

Our Supplier Diversity Manager, Jackie La Joie, was honored as one of the 2013 Champions of Diversity by *Diversity Plus* magazine. She spearheaded Ingersoll Rand's supplier diversity program to instill a culture of diversity across our value chain.

Environmental Health and Safety

Environment, Health and Safety Management

A world-class EHS management system is critical to operational excellence. Ingersoll Rand's EHS approach encompasses programs, training and auditing to ensure we operate safely and in an environmentally responsible manner.

Our EHS policy commits Ingersoll Rand to sustainable business practices and is posted in all facilities where we have a controlling interest. These requirements assist business managers and facilities in developing and implementing environmental solutions tailored to their needs and cover a broad range of topics.

In 2013, the EHS department continued to develop and update our EHS management system. By the end of 2013, we achieved our five year goal of 100 percent of sites having validated EHS management systems (EHS MS). Our program is segmented into six functional areas: Management Systems, Knowledge Management, Safety, Environmental, Occupational Health, and Functional Excellence. Each of these groups is made up of cross-regional/sector/functional members who enable programs and policies in the respective areas. These functional teams continue reviewing and updating all Ingersoll Rand policies. The EHS requirements are a critical element of the overall management system and are designed to apply to all facilities worldwide, including, but not limited to:

- 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

Ingersoll Rand's EHS group regularly monitors our facilities' performance against our 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.

Ingersoll Rand facilities use a corporate-wide, web-based data collection and performance monitoring system called "Gensuite." This system replaces the historical "IREHS" system that was in place last year and has improved the accuracy, quality and efficiency of our metrics collection process. The system has enabled EHS staff to provide monthly scorecards Company-wide and sector progress on key EHS metrics to the Chairman and CEO and his direct reports. These scorecards help drive management support to achieve continuous improvement in our EHS performance.

We have our EHS data assured annually by a third party, and the results of our 2013 assurance can be found [here](#).

Safety

Creating and sustaining a zero-incident culture is a top priority for everyone in the Company. A safe work environment is essential to delivering positive results for our customers, shareholders and employees.

In 2013, we continued to make progress in our key safety metrics aspiring to the aggressive five-year goal we set in 2009 of reducing our Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR) by 67 percent by 2013. With 2008 as our baseline year and excluding Allegion sites, we achieved a 46 percent reduction in TRIR and a 59 percent reduction in LTIR. Ergonomic risk factors continue to be a challenge for employees in our factories and field service technicians. In 2013, 33 percent of our TRIR cases were related to ergonomic factors. We have made great strides to identify and mitigate ergonomic risk factors in our operations through education, equipment and product redesign, and predictive analysis of our at-risk work activities. Ergonomic improvements will continue to be a high priority for 2014.

Divestiture of the Security division to Allegion in 4Q 2013 led to a reorganization of the EHS groups in parallel with the new Ingersoll Rand business structure. The teams are refocused and positioned to deliver another strong year of injury reductions in 2014. To continue improving our results, we are reinforcing a zero-incident culture throughout the Company. Efforts to improve safety are a core component of our future success. Our injury reduction efforts in 2014 are focused around:

1. A structured Risk Identification and Control Program,
2. Implementation of a new EHS Framework BOS,
3. Standardizing our EHS requirements globally, and
4. Improving our capability to identify and mitigate ergonomic risk factors in both manufacturing and service operations.

The ongoing integration of our management systems and external certifications of our facilities are providing improvements in safety outcomes globally. Our efforts are paying dividends with continued improvement across each of our businesses.

Ingersoll Rand's EHS group regularly monitors our facilities' performance against our 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.

Our injury reduction strategy includes persistent safety training and education across the enterprise. Providing employees with the tools and knowledge needed to operate safely is critical to operational success. One example of this is our Fall Protection Initiative. A team developed processes for our service technicians when working at heights while servicing equipment in the field. Additionally, we are constantly searching for means to design inherently safer work environments and products. Elimination of risks in the workplace and employing robust engineering controls to protect employees complement our extensive education program.

We communicate our EHS expectations and performance through quarterly CEO Townhall meetings, as well as monthly geographic and business-specific meetings. These meetings offer an opportunity to share best practices, heighten awareness around compliance issues and capitalize on regional EHS performance opportunities.

According to our 2013 Employee Engagement Survey, 89 percent of all employees feel free to openly discuss work hazards and safety issues and 90 percent say the Company is committed to employee safety.

Lost Time Incident Rate				
2013	2012	2011	2010	2009
0.16	0.22	0.24	0.28	0.28

46% ↓ from 2008

Total Recordable Incident Rate				
2013	2012	2011	2010	2009
0.93	1.06	1.08	1.31	1.53

59% ↓ from 2008

	North America	Europe, Middle East, India, Africa	Asia	Latin America	Total
2012					
Total Recordable Cases	372	40	23	10	445
Total Lost Workday Cases	66	14	8	6	94
Total Days Away from Work	3,406	685	335	45	4,471
2013					
Total Recordable Cases	315	35	19	11	380
Total Lost Workday Cases	45	10	4	5	64
Total Days Away from Work	1,412	139	89	170	1,810

Ingersoll Rand Mocksville Operations Celebrated 3 Million Hours of Safety

In 2013, Mocksville celebrated 3 million hours worked without a lost time incident at their facility. More than 400 employees enjoyed a congratulatory meal and remarks from plant leadership commemorating the milestone.

“Safety is engrained in our culture at Ingersoll Rand. As we focus on the needs of our customers, we never underestimate the importance of working safely,” said Gilberto Cabello, Ingersoll Rand Mocksville plant manager. “I am proud to celebrate and congratulate the more than 400 Mocksville employees achieving 3 million hours without a lost time incident.”

To reach this safety achievement, Mocksville divided the plant into several sections and trained Behavioral Based Safety (BBS) coaches, who rotate each quarter. Coaches perform a weekly session in their assigned area for a minimum of one hour. They focus on both safe and unsafe behaviors. Positive behavior recognition is a major component of the program. A Safe Act Index score is calculated and posted weekly. The BBS score is tracked on supervisor scorecards.

For Mocksville, the BBS process is very effective at preventing incidents, promoting a positive EHS culture, and keeping everyone focused on behaviors - a major driver of work-related incidents.

Waste and Recycling Management

Focusing on achieving operational excellence and reducing our operating footprint drives us to reduce waste. Reducing waste positively impacts our economic performance, the life cycle costs of our products and the global environment.

Ingersoll Rand daily strives to minimize its global environmental footprint by continually focusing on methods and training opportunities to reduce the amount of waste produced at all of our facilities around the world.

Ingersoll Rand is committed to managing our waste based on the following hierarchy:

- **Reduce**—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 cycle
- **Reuse**—Extend the life of our products and reuse items when possible
- **Recycle**—Find and utilize methods to recycle the different waste streams
- **Disposal**—Convert waste to energy by capturing heat from high temperature combustion

These methods of managing waste save money, energy and reduce our environmental impacts.

Our 2013 fiscal year goals were for a 5 percent absolute reduction of non-hazardous waste to landfill of which we accomplished a 3.7 percent reduction, and a 5 percent absolute reduction of hazardous waste to landfill and we accomplished nearly a 12 percent reduction.

Our five year target was a 15 percent decrease in normalized non-hazardous waste generated. Over this five year period, we ended with a zero percent reduction. As our data collection and management process matures, we are collecting data at more sites and by doing so we have increased the number of different non-hazardous waste streams, such as wood, thereby increasing the amount of metric tons.

Non-Hazardous Waste to Landfill (Metric Tons)			
12% ↓	2013	2012	2011
	8,728	9,067	9,952
Hazardous Waste (Metric Tons)			
14% ↑	2013	2012	2011
	1,434	1,629 ¹	1,255

Our approach to recycling aims to achieve a 100 percent recycling rate of our 10 identified waste streams. These waste streams include aluminum, batteries, cardboard, electronics, glass, oil, paper, plastic, scrap metal and wood. We are recycling these 10 waste streams at 95 percent of our locations worldwide.

Club Car's Zero Waste to Landfill Initiative

In 2013, the Club Car site in Augusta, Georgia underwent a "Zero Waste to Landfill" initiative. They began recycling remanufactured plastic car parts, and the oils and lubricants. Energy efficient hand dryers were installed to eliminate paper waste. The site created sorting areas to ensure waste was properly being sorted. The sorting process allowed for a 48 percent decrease in waste to landfill within the first two weeks of the project.

Through their zero-waste efforts, Club Car engaged employees to find waste solutions and developed relationships with vendors which resulted in increased materials recycling. Approximately 342 tons of waste was diverted from landfill from July - December 2013.

Equipped with new knowledge, Club Car is now providing guidance and resources to suppliers and channel partners, assisting in their sustainability efforts and cost reductions.

Ingersoll Rand Kent Facility Focuses on Recycling

In 2012 and 2013, the Ingersoll Rand Kent facility made a commitment to reduce waste. They expanded their recycling waste streams, strategically placed recycling bins throughout the site, and built and executed a plan to increase recycling. By the end of 2013, IR Kent associates had improved their recycling efforts by an enormous increase, going from 633,474 lbs. of waste sent to the landfill in 2012 to 142,796 lbs. Leadership commitment and associate engagement were key factors in achieving this success.

Although the revenue generated from the original sale of products covered by take-back programs represents approximately 10 percent of the total revenue for the Company, some components, such as refrigerants, golf carts and batteries are taken back regularly, refurbished and returned to the market.

The Trane R'newal™ service program is a Trane-exclusive solution to replace worn materials, restore unit performance and ensure reliability of replaced materials. In 2013, Trane R'newal expanded to include a new line of Trane equipment—the Commercial Self-Contained Air Conditioning unit.

Over 90 percent of our gas furnace material consists of primary metals including steel, copper and aluminum. Ingersoll Rand's dealer base actively works to dispose of replaced equipment through a salvage network where these metals are reclaimed and recycled.

Through our membership in the Thermostate Recycling Corporation (TRC), we support the take-back of mercury based thermostats. In 2013, approximately 180,000 thermostats were recycled through this program, of which Trane contributed 3.6 percent. To simplify the recycling process for our customers, we have collection bins located in every residential distributor location to facilitate the return of these controls.

Energy and Climate Change Management

As a global supplier of premier products and services designed to reduce energy consumption, address rising energy costs and mitigate the threat of climate change, we recognize the value we bring to our customers through leadership in our actions, products and services.

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 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 support a realistic transition to refrigerants with significantly less GWP that are safe, energy efficient, cost effective and environmentally sound. 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 transition to low global warming potential refrigerants.
- 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.

Climate risk and opportunities are evaluated based on GHG emissions from sources we own or control and used on site (Scope 1) and GHG emissions that are a result of our activities, but are generated at sources owned or controlled by other organizations (Scope 2). Our reported data reflects refrigerant emissions and GHG emissions from gasoline, natural gas, diesel, propane, kerosene, No. 2, No. 4 and No. 6 fuel oil, fuels used by our fleet vehicles, volatile organic carbon (VOC) emissions, and emissions from various other carbon-based gases used in our operations. We derive global warming potentials from the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol and other associated standards.

In addition to providing energy efficient and sustainable solutions for our customers, Ingersoll Rand continues to focus on operational excellence and improving our global footprint. In 2013, we reduced energy use, normalized by net revenue, by approximately 8.3 percent over 2012 and absolute energy use by approximately 5.5 percent overall. From 2009 to 2013, we reduced energy use by 36 percent and GHG emissions by 36 percent (normalized by net revenue), exceeding our ten year goals. Our foundation in facility level engagement, rigorous analytics and monitoring drives sustainable results at our facilities around the globe. Maintaining this momentum in the coming years will be increasingly difficult as the opportunities become more challenging to address. However, Ingersoll Rand remains committed to reducing our environmental footprint and maximizing our operational efficiency at our facilities around the world. For more on Ingersoll Rand's climate change strategy, read our [CDP disclosure](#).

Absolute Energy Use (Terajoules)

10% ↓

2013	2012	2011
3,629	3,841	4,020

Normalized Energy Use (Terajoules per Billion Dollars of Net Revenue)

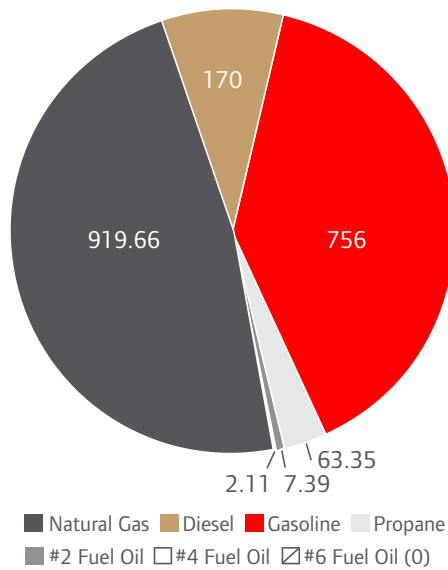
7% ↓

2013	2012	2011
294	320	315

2013 Energy Use by Type (Terajoules)

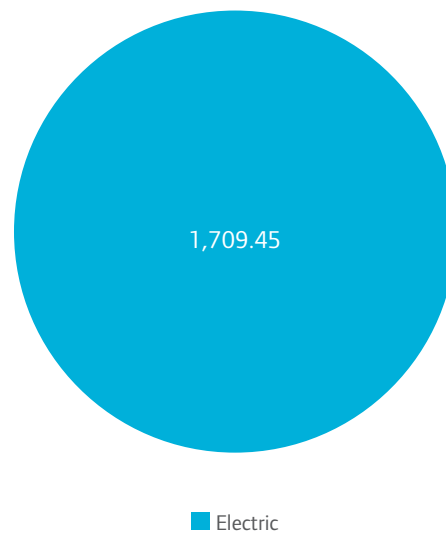
Direct Energy

Total Direct Energy – 1,918.52



Indirect Energy

Total Indirect Energy – 1,709.45



Club Car Energy Efficiency Projects

Club Car is one of the world's largest manufacturers of small-wheel, zero-emissions electric vehicles. Club Car spent approximately \$70,000 per year on lighting costs for their rented warehouse and office space in Augusta, Georgia. Recently, this facility underwent an energy efficient lighting retrofit, and the result was a highly improved quality of light and substantial energy and cost savings.

A consultant performed a comprehensive on-site audit and engineered a solution with a quick payback. The facility was originally filled with inefficient metal halides and T12 fixtures, which were replaced with advanced fluorescent solutions, including T8 and T5 fixtures. The consultant secured a rebate from Georgia Power that reduced first costs by 10 percent. The new efficient fixtures combined with occupancy sensors now saves Club Car more than \$45,000 per year.

The overall environmental impact from this project is a 67 percent reduction in lighting costs and an estimated 570,127 kWh saved annually at the facility.

Club Car's other energy efficiency projects include replacement of an air compressor and dryer with a monitoring system, installation of air conditioning and energy efficient heaters in the Main Plant, removal of radiant heaters and more than 300 fans, and outsourcing their transportation fleet. In 2013, they reduced their energy use by 39 percent with a savings of \$123,992.

Building Our Green Fleet

The Ingersoll Rand Fleet is comprised of nearly 5,400 vehicles including trucks, vans and sedans. Our fleet vehicles are used for transport, sales, services and other operational needs, and each vehicle is tailored specifically to its function. As a sustainability Company, we invest in technology to make our fleet more efficient and less impactful on the environment. In 2013, we worked to achieve at least a two mile per gallon (MPG) benefit for every vehicle replaced. On average, our sedan replacements achieved a two mile boost, trucks improved four miles per gallon and SUVs improved three miles per gallon. With over 2,000 vehicles replaced in 2013, we achieved a fuel savings of over \$2.3 million, achieved a reduction of 682,000 gallons of fuel and a reduced our emissions by 500 tons of CO₂ per year. In 2014, we are planning to bring two electric charging stations to our U.S. Headquarters in Davidson, North Carolina. Additionally, we will have an all-electric Nissan Leaf available for campus and local use. These projects will not only reduce our emissions, but also help our employees become comfortable with vehicle electrification.

Total Greenhouse Gas Emissions (Metric Tons CO₂ Equivalent)

1% ↓	<u>2013</u>	<u>2012</u>	<u>2011</u>
	682,856	594,011	689,122

Normalized Greenhouse Gas Emissions

(Metric Tons CO₂ Equivalent per Million Dollars of Net Revenue)

2% ↑	<u>2013</u>	<u>2012</u>	<u>2011</u>
	55	50	54



Ingersoll Rand: A SmartWay Partner

Ingersoll Rand addresses environmental issues in our supply chain and transportation activities through our participation in the U.S. EPA SmartWayR program. Our inbound and outbound logistics carriers are required to report their SmartWay membership status and FLEET scores (an EPA measure of efficiency).

The SmartWay program is a partnership among trucking companies, rail carriers, logistic companies, manufacturers and others focused on moving goods in the cleanest most efficient way possible. Since 2004, SmartWay partners have eliminated 51.6 million metric tons of CO₂, resulting in savings of 120.7 million barrels of oil and \$16.8 billion in fuel costs.

Ingersoll Rand’s Global Logistics has earned SmartWay “Partner” status for five consecutive years commencing with our 2008 operating report (submitted in 2009). As a shipper versus provider of logistics services, we are in a group that makes up less than 10 percent of SmartWay partners. The bulk of members are logistics/transportation providers, making us an early adopter in this initiative. We have an opportunity to talk with our top 30 carriers (where IR spends from \$800K to +\$15M) that are not SmartWay partners and make this group aware that Ingersoll Rand provides EPA endorsed solutions to emissions reduction.

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 (Pounds)

19% ↓	2013	2012	2011
	400,628	285,610	492,794

Normalized Refrigerant Emissions (Pounds per Billion Dollars Revenue)

19% ↓	2013	2012	2011
	32,309	23,033	39,741

Water Footprint

Water is emerging as the next global resource constraint, making it vital for organizations and communities to be good stewards through monitoring usage, developing strategies to reduce water consumption, particularly in water-stressed regions, and managing discharge.

Ingersoll Rand manages and monitors water consumption, process water and discharges. All intake and discharge permit requirements are carefully supervised to maintain compliance and any deviations from permitted parameters are aggressively corrected. Our “Pollution Prevention Capability Tracker” ensures we proactively manage water discharges.

Absolute Water Withdrawals (Cubic Meters)

	Water Used	Process Water	Sanitary Wastewater
2013	3,705,918	261,193	605,666
2012	4,163,953	412,610	813,864
2011	4,137,455	560,241	643,520
	↓10%	↓53%	↓6%

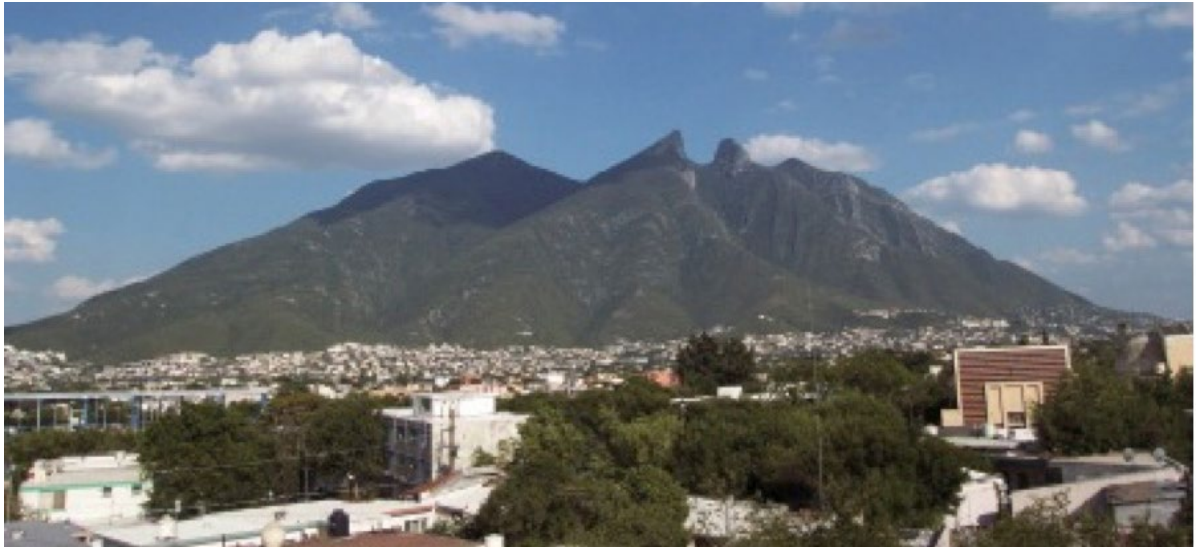
Normalized Water Withdrawals (Cubic Meters per Billion Dollars Revenue)

	Water Used	Process Water	Sanitary Wastewater
2013	300,062	21,148	49,040
2012	347,335	34,418	67,888
2011	324,232	43,903	50,429
	↓7%	↓52%	↓3%

Wastewater Permit Exceedances (Number of Exceedances)

2013		16
2012		16
2013		5

An increased diligence with respect to accurately reporting exceedances resulted in a higher number than we previously reported. We are reinforcing our management system with the goal of eliminating exceedances.



Trane Wastewater Treatment System in Monterrey, Mexico Saves Over 1,000 Gallons of Water Daily

The dry climate and scarcity of water in northeastern Mexico inspired teams at Ingersoll Rand's Monterrey facility to find new ways to maximize water usage. The facility, which opened in 2001 and encompasses over one million square feet, received ISO 14001:2004 certification for environmental performance in 2009.

To further the facility's environmental initiatives, the EHS team created a system to treat and reuse wastewater generated by manufacturing processes, significantly decreasing the amount of water drawn from local wells, wastewater discharged from the facility and associated water costs. The closed-loop system—which processes and reuses wastewater produced from washing parts of reciprocating, scroll and screw compressors—involved the construction of a complete wastewater treatment system within the facility.

The new wastewater treatment system treated over 468,000 gallons of water in its first year and approximately 219,000 gallons were reused in plant processes. On average, the process saves about 1,065 gallons of water per day—a 13 percent reduction in water extracted from wells and a 65 percent reduction in amount of wastewater discharged from the facility.



Drought conditions caused challenges for Ingersoll Rand's Trane campus in Colorado; employees plant drought-resistant Buffalo Grass to manage erosion and save water.

Trane Erosion Control Project Improves Ecosystem and Saves Water

Pueblo, Colorado is home to a 37-acre, 2-building Trane manufacturing facility that has suffered drought conditions since 2008. In 2012, the region received only one quarter the average rainfall. Following the 2013 EHS conference, general managers implemented the Pueblo Green Team's Pollution Prevention and Energy Efficiency (P2E2) project. With a budget of \$10,000, the Xeriscaping erosion control project replaced the existing blue grass mixture with indigenous, drought resistant Buffalo Grass. Buffalo Grass requires only one inch of water per week, naturally reseeds and grows to a maximum height of six inches. The grass forms a dense sod, which impedes soil erosions control and provides more insect resistance than other grasses. As a traditional prairie grass native to the region, Buffalo Grass provides natural habitat for bison, prairie dogs and other wildlife.

In addition to planting Buffalo Grass, the facility installed a zoned sprinkler system with an energy efficient solar-powered controller, which provides more coverage using less water. The project:

- Uses 35,000 fewer gallons of water per week
- Reduces mowing costs by approximately \$6,000 per year
- Decreases erosion and chokes out unwanted vegetation

Strict project management led to a budget surplus, which enabled the installation of a pedestrian walking path along the improved area. Construction was completed in one month.

Collecting and Reusing Rain Water in Vignate, Italy

In our Compressed Air Systems plant in Vignate, Italy, rain water is being collected from the roof of the 1,000 square mile building in two large tanks to be reused for watering gardens and for non-potable use (air conditioning system, etc.). This initiative reduced about 30 percent of the site's water consumption in 2013 compared to 2012.



Winning Culture

2013 Sustainability Supplement

Engaged and empowered employees, who collaborate in teams to ensure customer needs are met, create a winning culture. And a winning culture further engages employees—it's a circle of success we consider key to achieving premier performance.

We continuously strive to improve our culture to promote employee engagement globally. We do this by living the values of the Company in all of our activities and decisions; building a progressive, diverse and inclusive environment; developing our leaders and employees; advancing our sustainability efforts through employee Green Teams; improving the health and wellness of our employees and investing in our communities.



Living the Values

An example of living our Integrity value comes from our 2013 Ethics Champion, Carlos Souza, a Sarbanes Oxley leader for Climate Solutions in Brazil. Carlos was awarded the Ethics Champion Award for his leadership and creativity in promoting the Company's Code of Conduct and engaging employees in a fun way to increase their interest and awareness. Carlos designed Controls Challenges involving a series of questions asked through quizzes and puzzles on various topics, including the Code of Conduct. The program generated significant enthusiasm among employees and provides an open forum for employees to discuss ethics and compliance issues. Participants are encouraged to think about how to proceed in situations that might violate Company policies or the spirit of the Company's Ethics and Compliance program. Employees consistently indicate that the Controls Challenges increase their knowledge.

Employee Engagement

Each of our leaders has a responsibility to help create a work environment where employees feel engaged and are excited to deliver results, serve our customer needs and grow our business. The focus we place on developing, supporting and engaging our employees helps our other strategies of Growth Excellence and Operational Excellence succeed.

In 2013, we achieved a 93 percent response rate on our annual global employee engagement survey. This world-class participation rate matters because it means nearly all employees shared their voice about the Company and their work.

We realized an eight point increase in employee engagement from 2012 to 2013, ranking us among the top of manufacturing companies. This increase is a result of our heightened focus on ensuring that leaders are accountable for engagement and equipping them with skills, tools and development. For example, more than 1,500 leaders who completed our “Engaging Your Employees” course saw significant increases in their engagement scores.



FORTUNE
WORLD'S MOST
ADMIRED
COMPANIES® **2014**

Fortune's Most Admired Companies

For our work in employee engagement, Ingersoll Rand was selected as one of the 2013 Achievers 50 Most Engaged Workplaces and placed on *Fortune's* World's Most Admired list in our category for the second year in a row.

Cultureship

The **A** **C** **B**'s of Business Leadership



Jason Bingham of Trane North America and the author of *Cultureship: The ACBs of Business Leadership* Explains How Trane Leaders Approach Culture

Jason Bingham, a vice president at Trane North America and the author of *Cultureship: The ACBs of Business Leadership*, explains that culture is key to driving business performance. Leaders at Trane use a combination of a culture survey and an employee engagement survey to assess the current state of the Company's culture. This assessment forms the basis of a conversation about the kind of culture they want. First, they identify areas of strength, such as customer focus, and areas for development, such as teamwork. The ideal future culture includes three essential elements:

- 1. Vision:** Where is the organization headed and where does it want to be?
- 2. Mission:** What do the members of the organization seek to accomplish together?
- 3. Guiding behavioral principles:** How do leaders expect all associates to behave?

Leaders must create a clear connection between the target culture and the overarching strategy of the Company. With a clear understanding of the target culture and the associated behaviors, leaders can more effectively influence employees, both with their own behavior and by how they "ARM" — allow, reward and model — the targeted behaviors of associates.

One sales office had the lowest score in the engagement survey for all of North America. A new leader and his human resources business partner analyzed the engagement data and defined the target culture they wanted. They decided it was imperative that employees talk directly to each other about problems rather than behind each other's backs. They called this behavior "direct with respect." To get people to adopt it, they launched training for associates, demonstrated the behaviors themselves as managers and spent time training emerging leaders. As teams improved their behavior, the amount of internal politics decreased and interactions with customers became less confused.

Associates started thinking about how they could improve their work, rather than simply getting it done. The district started a "fix-it" event that allowed associates to identify "quick wins" and major opportunities to improve work. Then the associates were empowered to implement the changes that were approved. The work improvements increased productivity substantially, as measured by increases in operating income.

Trane took a "cultural pulse survey" six months after launching the office turnaround. They experienced a major reduction in attrition, from 12 percent to 6 percent. The behavior changes were visible to customers, too. A customer called the district manager and asked, "What is going on over there? There is something very cool about what you are doing because I see it in how your team is serving me." And the changes showed up in business performance. That year, the office had one of the highest increases in bottom-line profit relative to revenue growth. Overall, Trane grew its market share by two points on some products without introducing any new products or features.

Adapted from an article written by Brad Power for the Harvard Business Review

Building a Progressive, Diverse and Inclusive Culture

A progressive, diverse and inclusive (PDI) culture is essential to being an innovative leader in the market place. One of our goals in this area is to attract and retain diverse talent. In 2013, we established partnerships with national and global professional associations, including the Society of Women Engineers, Society of Hispanic Professional Engineers, Ascend, National Society of Black Engineers and RecruitMilitary.

In addition, our PDI Regional Councils developed a global pipeline of talent. Through these activities we realized the following results in 2013:

Diversity Statistics

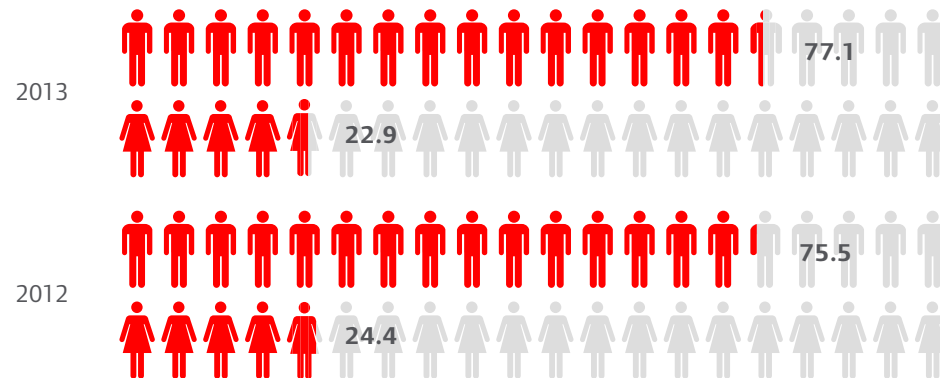
88% ↑
in hiring of
United States veterans

43% ↑
in external hiring of
diverse talent at the
executive level globally

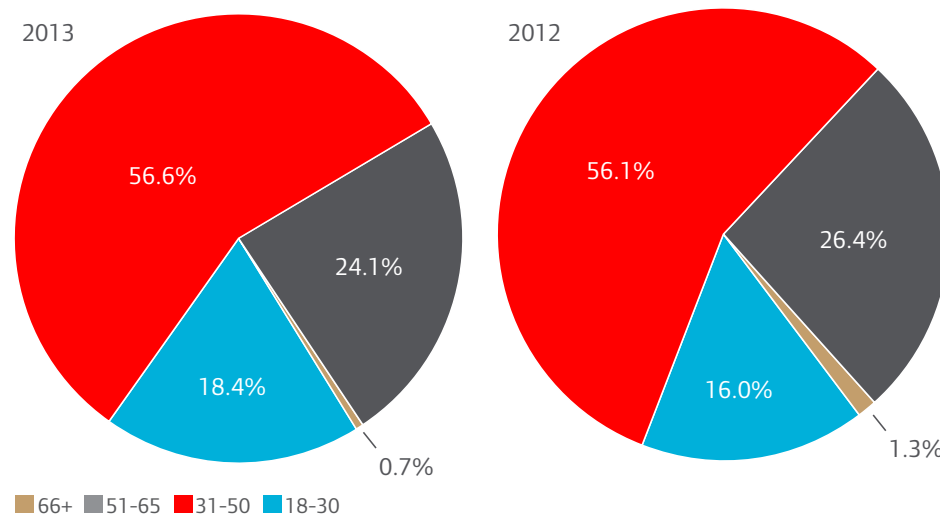
11% ↑
in overall United States
diversity hiring

2013 Employee Profile

Employee Profile by Gender (Total % of Woman and Men)



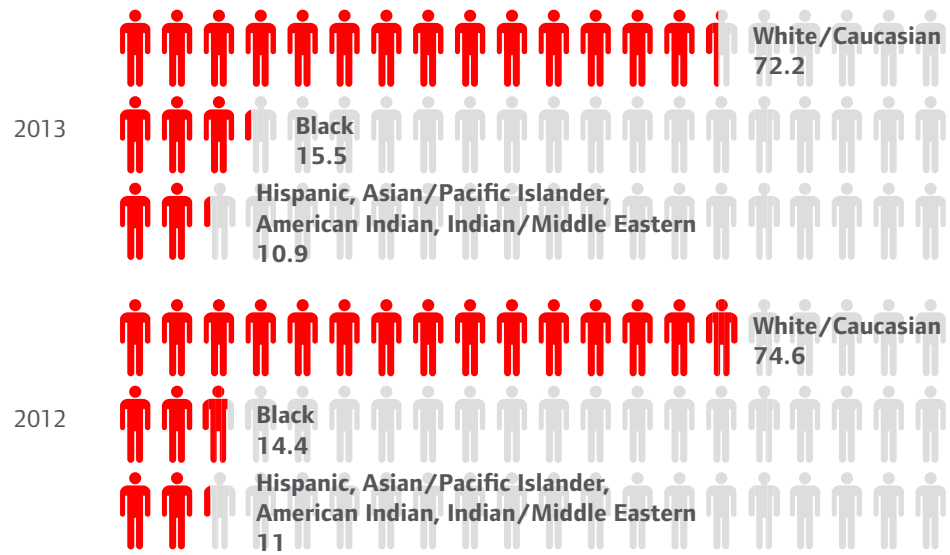
Employee Profile by Age Group



Employee Profile by Race (Total % U.S. Minorities vs White)

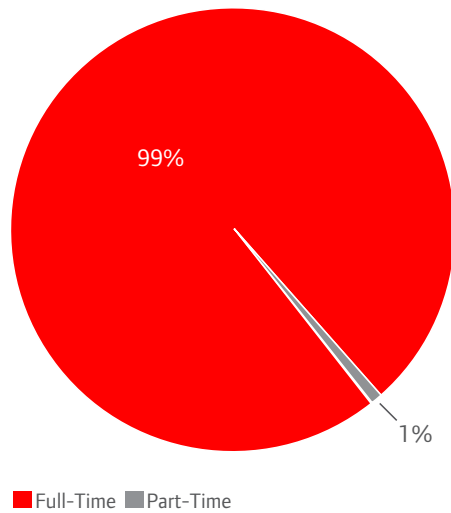


Employee Profile by Minorities (Total % U.S. Minorities)



Part-Time vs. Full-Time Employees

40,135 Total Employees





Club Car's BEN Leadership Team with Earnie Ellison, Director of Business and Community Relations at PGA of America (From Left to Right): Vincent Love; Marvin Jones; George Garner; Earnie Ellison; Sandra Clowney; Isheman Williams; Tyrone Ellis; George Lynch

Club Car Black Employee Network

Club Car Black Employee Network (BEN) focuses on career development, community service and networking. In 2013, they delivered training on public speaking; interviewing and dressing for success; taught elementary students about science, technology, engineering and math (STEM); raised donations for local nonprofit organizations; and engaged with minority community leaders such as the Professional Golfers' Association (PGA) of America's Earnie Ellison.

A key emphasis in 2013 was offering mid-level women managers a way to learn the skills necessary to take on more senior leadership roles. Collaborating with the Center for Creative Leadership, Ingersoll Rand created a nine-month Women's Leadership Program. Supported by the senior leadership team in Europe, the program provided an opportunity for women to connect with mentors and participate in business cases designed to contribute to business growth. Of the original participants in the program, more than 70 percent have been promoted or are in expanded roles.

External Recognition on Diversity and Inclusion:

In 2013, Ingersoll Rand's Progressive, Diverse, Inclusive (PDI) progress was noted by prominent external publications and by industry and professional organizations. The following are some of the highlights of our Company and individual awards.

- *Profiles in Diversity Journal* presented its **Innovation Award** to Ingersoll Rand for the work of its Everest Teams.
- The American Society for Training & Development recognized the **Company's Women's Leadership Program** for mid-level women managers aspiring to senior leadership roles.
- *Diversity Careers Magazine* named Ingersoll Rand one of the **Top 50 Best Places to Work**.
- G.I. Jobs 2013 **Top 100 Military Friendly Employers®** ranked the Company as one of the best military friendly employers.
- Military Families Website recognized the Company as a **Military Friendly Workplace**.
- *Diversity/Careers in Engineering and Information Technology Magazine* named us one of the **Best Diversity Companies**.
- National Business Group on Health honored Ingersoll Rand as one of 65 U.S. Employers with **"Best Employers for Healthy Lifestyles™" Awards**.
- *Winds of Change Magazine* ranked Ingersoll Rand No. 22 on its list of The **Top 50 Workplaces for Native (American Indian and Alaska Natives) STEM (Science Technology, Engineering and Mathematics) Professionals**.

- Ingersoll Rand India bested 440 other companies to be named **“Dream Employer of the Year”** and collect three other top awards as part of the Talent & HR Leadership Awards organized by the World HRD Congress 2013, a leading Human Resources association and ET Now, a leading business news channel. Ingersoll Rand India was ranked as the No. 1 ‘Dream Employer of the Year’ in the Manufacturing industry and No. 4 overall across industries in India.
- Club Car was recognized by the PGA (Professional Golfers Association) for its work with the **PGA diversity efforts partnership**. This was followed by an appearance on the Golf Channel about Club Car’s commitment to diversity.
- Three accomplished Ingersoll Rand women were among 122 women who received the first **Women in Manufacturing STEP (Science, Technology, Engineering and Production) Awards** for their achievements in manufacturing and their contributions to the industry.
- *Back to PWI Magazine*, the journal of Professional Women International (PWI), a Brussels-based, multi-national networking forum for women in business, recognized two Ingersoll Rand leaders in Europe for their **commitment to the Company’s PDI progress**.

Benefits Overview

We provide benefits for each country based on the local market of the country Ingersoll Rand operates within. We are working to harmonize our benefits offering to ensure that all employees within a country have the same benefit package. The goal is to set this package at the market median for the individual countries. In 2013, all countries that were changed saw increase in benefits coverage.

For U.S.-based, non-bargaining full-time and part-time employees, Ingersoll Rand offers medical, dental and basic life insurance; Accidental Death & Dismemberment (AD&D); Dependent Care Flexible Spending Account; and voluntary benefits such as pet insurance, excess liability, legal, home and auto insurance. Most full-time and part-time employees are offered short-term Disability. Our full-time employees are also offered a Health Savings Account, Health Care Flexible Spending Account, HSA-Compatible Care Flexible Spending Account, supplemental life insurance and long-term Disability. A full-time employee is defined as someone who works 35 or more hours per week. A part-time employee is defined as someone who works at least 20 hours and less than 35 hours per week.

Ingersoll Rand funds on average, approximately seven percent of payroll for retirement plan purposes for U.S.-based, non-bargaining employees. This includes a Defined Benefit pension plan and/or a Company contribution to a Defined Contribution plan. Nearly 100 percent of the Ingersoll Rand U.S.-based, non-bargaining employee population participates in some type of retirement plan benefit. The Defined Benefit pension plan and the non-matching contribution to a Defined Contribution plan do not include employee contributions or rollovers from other employers. Separate trusts are established to fund pension liability. Ingersoll Rand uses its general resources to appropriately fund the pension trusts annually. We offer competitive salaries and benefits at all of our operating facilities globally and strive to adapt to the changing demands of the workplace. We also provide a range of benefits to eligible retirees, including pensions, post-retirement and post-employment benefits.

Developing Our Leaders and Employees

Talent Management

Ingersoll Rand's core and leadership competency models are the foundational elements for all of our talent management processes. Our leaders serve as coaches to improve others' skills in accordance with the Ingersoll Rand competencies and values. They also serve as role models for these behaviors. As an indication of this dedication, our ratings on whether our leaders model our enterprise values increased eight points in 2013.

Seven Competencies

1. Live the values
2. Communicate compellingly
3. Learn enthusiastically
4. Advocate for customers
5. Innovate
6. Promote change
7. Strive for excellence



Ingersoll Rand University Celebrated 10 Years

A key driver of personal and organizational learning and development, as well as engagement, Ingersoll Rand University (IRU) provides education to develop business leaders, strategic competencies and to drive our winning culture. Since its inception in 2003, more than 27,000 participants have attended IRU classroom programs and employees have completed more than 350,000 courses online.

Ingersoll Rand University's "The Ingersoll Rand Leader: Engaging Your Employees" program was a key driver in the organization's increase in employee engagement with 1,500 managers attending the program across the globe, including a class in Shanghai, China.

Performance Management

Performance management is a key business lever that yields quantifiable improvement in business, team and individual performance. Our philosophy of performance management includes aligning priorities for the year, valuing, measuring and rewarding results and behaviors, and coaching early and often. We measure both performance (results) and the way in which it was achieved (values).

Individual performance appraisals are a core component of our corporate management annual incentive program. One hundred percent of Ingersoll Rand employees receive an annual performance review. Manager performance ratings have a direct impact on individuals' annual incentive awards.

Rewards and Recognition

Our rewards and recognition are not limited to compensation and formal awards programs. Leaders are given training, tools and support to identify what matters to individual employees and how to adjust development, career planning and work assignments accordingly. This has helped leaders think about rewards and recognition more broadly and contribute to a more engaged workforce. On average, employees received 10.75 hours of development training and two hours of compliance training. There is a significant amount of internal promotions and lateral moves awarded annually. We value developing and promoting from within.

President awards, Chairman's awards, e-card recognition and Premier Plant programs are used to recognize employees whose performance contributes to Ingersoll Rand's key strategies. A focus on transparency of goals and results at our facilities empowers every employee to contribute and be rewarded for success throughout the Company.

Our Chairman Awards and 2013 Winners

Growth and Innovation

For delivering innovative, customer-driven solutions, expanding into emerging markets and increasing our services business to drive profitable growth

2013 Winner: Project Pinnacle—Lexington/Catalog AH Margin Improvement from Climate Solutions

Operational Excellence

For enhancing the customer experience through engaging our people in continuously improving how we work to reduce waste and improve speed and efficiency

2013 Winner: Tyler Value Stream from Residential Solutions

Progressive, Diverse and Inclusive Culture

For encouraging and cultivating a culture that understands, appreciates and embraces our differences to drive premier performance

2013 Winner: Employee Engagement Improvement from Residential Solutions

Inspiring Progress

For improving where we live by addressing society's needs and contributing to a sustainable world

2013 Winner: Global Green Teams from Corporate

Leadership

For living our core values and leading through talent stewardship, talent retention, attracting high-potential talent and driving overall employee engagement

2013 Winner: Maria Blase from Climate Solutions Latin America

Advancing Sustainability Through Green Teams

Our 116 Green Teams are catalysts for employee engagement. These teams focus on awareness, education and improving operations by working internally and partnering with community groups to advance our sustainability efforts.

2013 Green Team Accomplishments:

Total Projected Savings	\$202,883
Number of Employees Engaged	4,605
Total Waste Diverted from Landfill (Pounds)	1,343,163
Percent Reduction of Waste to Landfill (Pounds)	6.9%
Percent of CO2 Reduction (Metric Tons)	0.2%
Total CO2 Reduced (Metric Tons)	1,425
Total Energy Saved (BTU)	10,583,776,911
Total Water Saved (Gallons)	7,808,963

Through the Green Team certification program implemented in 2012, Green Teams have resources and processes enabling them to be effective. Following a prescribed maturity path, Green Teams can earn five levels of certification. Through this program, we can formally recognize our Green Teams for the work they've completed in facilities or in their local communities.

We achieved our 2013 goal to have registered Green Teams in 100 percent of our manufacturing locations, with 17 percent of our total employee population involved in Green Team activities. In 2014, we aim to double the employee participation and engagement in sustainability-related actions.

In our 2012 census survey, results showed sites with Green Teams scoring higher than sites without. In our engagement survey, employees who volunteer on Green Teams were less likely to look for a job elsewhere and more likely to refer a friend to Ingersoll Rand for employment. These insights were published in 2013 in Andy Savitz' book "Talent, Transformation, and the Triple Bottom Line."



Galway, Ireland Green Team Achieves Platinum Certification

To ensure premier performance, Ingersoll Rand Green Teams strive to move through five levels of certification: Beginning, Certified, Silver, Gold and Platinum. Platinum teams are awarded certification upon a rigorous review by the Sustainability Council. These teams have demonstrated internal and external thought leadership and focus on continuous improvement through environmental, economic and social projects. Thermo King Galway's three-member green team earned Platinum certification in 2013 for their work in reducing vendor packaging by five percent, annually. Formed in 2010, the team annually identifies the top 10 generators of packaging shipped to the Galway facility. Working with these vendors to reduce and redesign packaging material, the team has achieved both environmental and economic success, including reducing packaging costs from a single vendor by \$170,000 per year and working with a vendor to return and reuse packaging materials. Beyond package reduction, the Galway Green Team is very active in the community. In 2013, the team took part in a national initiative to plant one million trees in a day. The team also participated in Thermo King Galway's 22nd Annual Senior Citizens Party, providing food, fun and cheer for local senior citizens on Christmas Day.



Platinum Green Team in Waco, Texas Continues Reductions

The green team at Waco, Texas' Trane facility was one of two teams to achieve Platinum certification in 2013. The team—composed of 19 members—has spearheaded numerous environmental, economic and social projects to promote continuous improvement within and around their facility. Projects include:

- Replacing lighting fixtures with new, high efficiency fixtures reducing annual electricity use by 61,000 KWH.
- Implementing 12 recycling streams, including an increase in wood recycling from 10 percent to 90 percent.
- Served as pilot project site for Trane's Automated Demand Management (ADM), which is specifically for customers who enroll in a program offered by their local power company to reduce energy usage when requested (i.e., when demand for electricity exceeds supply).
- Introduced the first AHRI-certified variable-speed waster source heat pump unit—Trane Axiom™—which can provide energy savings up to 60 percent when compared to conventional water source units.

Over the next year, the Waco Green Team will continue to carry out its long-term vision of being within 20 percent of grid neutral in the next five years. Thus far, the Team has achieved a 38 percent reduction in energy since 2009, 31 percent reduction in GHGs and 40 percent savings in water costs.

Improving Employee Health and Wellness

The well-being of our employees is a priority at Ingersoll Rand. Our Health Progress program is designed to improve the health status of our employees, which strengthens the Company's competitiveness through increased productivity and decreased healthcare risks. This is a win for employees and Ingersoll Rand.

During 2013, we offered United States- and China-based employees biometric screenings and health assessments so employees could "know their numbers" and make progress on their health improvement goals. In addition, we provide employees with preventive health screenings and health improvement programs that are tailored to individual needs. Globally, we celebrated World Cancer Day, World Diabetes Day and World No Tobacco Day with educational events for employees.



Cool Breeze Corporate Multi-Sport Challenge

We take pride in sponsoring events that encourage an active lifestyle and contribute to health and well-being. For the fourth consecutive year, Ingersoll Rand was a sponsor of the Cool Breeze Corporate Multi-Sport Challenge. More than 230 Ingersoll Rand employees and family members and over 1,200 community members participated in a series of fitness events, which concluded with a triathlon hosted at our headquarters campus in Davidson, North Carolina. Ingersoll Rand promoted community involvement and raised money to support local charities such as the Ada Jenkins Center in Davidson, North Carolina, an organization working to improve the quality of life through crisis assistance, education, health and economic independence programs. The Ingersoll Rand Foundation gifted the Center \$60,000 for this worthy cause. We were pleased to win the "Go the Distance" award from the event organizer, Cool Breeze Cyclery, for having the highest number of employees and family members compete in the multi-sport challenge events.



Flexible Work Policy

In 2013, Ingersoll Rand launched its new flexible work program in North America and portions of Latin America. The program allows employees to work from home and create flexible work schedules. More than 1,000 employees are currently participating in the program.

At the Ingersoll Rand's Industrial Technologies facility in Annandale, New Jersey, leaders realized they had an opportunity to help employees save money while reducing impact on the environment. In addition, use of workplace flexibility helps attract and retain employees and improves employee engagement. It also aligns with Ingersoll Rand's "Progressive, Diverse and Inclusive" (PDI) culture. With enthusiastic support from employees, Annandale leaders put carpooling and flexible workplace programs into place and promoted their use. In 2013, 27 percent of employees participated in carpooling and 43 percent participated in flexible work practices.

Investing in Our Communities

In 2013, we built upon our culture of giving. We donated more than \$4.2 million in philanthropic gifts and our employees volunteered more than 12,300 hours to strengthen communities across the globe. Our 2013 employee engagement scores indicate that 68 percent of employees believe they can personally influence how our business impacts our communities and our environment—up from 59 percent in 2012.

We advanced our philanthropic strategy to gain clearer direction and narrowly define four priority efforts that align with business drivers—energy efficiency; housing and shelter; science, technology, engineering and mathematics (STEM); and nutrition and food waste reduction. The strategy is executed through employee connection with philanthropic activities, charitable giving, volunteerism and relationships with policymakers. The strategy is governed by the Ingersoll Rand Global Citizenship Council.

The Ingersoll Rand Global Citizenship Council

To align our global businesses and employees with a common vision for corporate citizenship, Ingersoll Rand has established the Ingersoll Rand Global Citizenship Council. The Council makes recommendations that focus resources on areas where Ingersoll Rand can make a difference. The Council and the Ingersoll Rand Foundation's corporate philanthropy program are guided by these core principles:

- **Achieving Impact:** Our emphasis is on making resource investments that lead to measurable, observable changes in people, communities and our 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, preferences and volunteer efforts of our employees are recognized in the community programs we support.
- **Globalization and Diversity:** Being conscious of people, issues, communities and environments around the world is an important element of our corporate citizenship responsibility.
- **Inspiring Progress/Sustainability:** Working toward sustainable solutions requires an integrated view of a community and the various issues and indicators that link a community's environment, society and economy.

Rand of Sunshine Sparkles in China

Rand of Sunshine Volunteer Association, started in December 2012, works to bring cheer to children in need. Composed of staff from Asia Pacific's ITS headquarters, Rand of Sunshine embodies Ingersoll Rand's commitment to corporate social responsibility by bringing sunshine to the needy and illuminating every corner of society.

In May of 2013, a dozen volunteers from Rand of Sunshine went to Cereare Wellness Center for Children in Shanghai's Xuhui District, where they held a birthday party for four of the children. The Center provides healthy training and accommodation services to over 30 children with cerebral palsy. Volunteers brought cheer, decorations and homemade teddy bears to the kids, scattering rays of love into the hearts of the children and the volunteers.

During the Mid-Autumn Holiday, approximately 20 Rand of Sunshine volunteers visited the Huge Grace Orphanage in Shanghai, home to over 40 handicapped orphans from Ganzhou, Jiangxi Province. Volunteers helped clean the orphanage and played with the children. Huge Grace, established by Mr. Sun Jinyao in 1998, strives to improve the lives of the orphans by providing them with a home, medicine and education. The orphanage has a classroom where professional cooks teach the children baking knowledge and skills. Rand of Sunshine collected over RMB 3,200 prior to the visit for the orphanage to purchase additional baking materials for the children.

Trane Celebrates A Century of Leadership Through Community Giving

For the past 100 years, Trane has provided comfort to countless people around the world while helping the global economy and delivering significant returns to its investors. In celebration of 100 years of quality and integrity, Trane employees around the world are giving back to the communities they cherish. Here are some ways our employees are giving back:

- **Chile** Sales Office is celebrating with a 100-mile walk / run for the community and planting 100 trees in 100 days;
- **Dallas, Texas, U.S.** is delivering 100 volunteer hours for Habitat for Humanity and an employee picnic complete with giveaways;
- **Dubai, United Arab Emirates** is holding a town hall meeting for employees and an open day for families of employees;
- **Montreal, Canada** is serving meals to more than 220 disadvantaged children;
- **New England, U.S.** locations are gearing up for a 100-mile bike ride for autism awareness; and
- **Samutprakarn, Thailand** is bringing 100 volunteer hours to the community.

The Ingersoll Rand Foundation

Since the formation of the Ingersoll Rand Foundation, we've created more opportunities to get involved and have a greater impact through community relations. All of our programs support the Foundation's purpose—an extension of our enterprise purpose—to advance the quality of life through our charitable partnerships to help build safe, comfortable, efficient and educated environments. These programs also provide employees with a variety of opportunities to inspire progress within their community. Below are the five programs of the Foundation:

- 1. Natural Disaster Relief:** Our partnership with the Red Cross constitutes our Natural Disaster Relief Program. Through our partnership, we can increase the speed of support for disaster relief efforts worldwide. The partnership also facilitates the process of employee giving to areas affected by natural disasters.
- 2. Matching Gifts:** Our Matching Gifts Program includes the United Way annual employee giving campaign, during which employees' donations are matched dollar for dollar by the Foundation. The Foundation also matches dollar for dollar employee donations to qualifying educational institutions through the educational institution match program.

- 3. Priority Issue Grants:** Our Priority Issue Grants Program is open to requests from all employees and 501(c)3 designated non-profit organizations. Within this general grant giving program, grants for consideration must address at least one of the four Foundation priority issues—energy efficiency; housing and shelter; science, technology, engineering and mathematics (STEM); and nutrition and food waste reduction. These issues align with our businesses and make a difference in the communities where we live, work and operate.
- 4. Volunteerism:** Our Volunteer Program, Dollars for Doers, rewards both individual and team volunteer hours with a monetary donation to eligible organizations from the Ingersoll Rand Foundation.
- 5. Educational Scholarships:** The Ingersoll Rand Scholarship Program awards merit scholarships to children of Ingersoll Rand employees. High school juniors and seniors are eligible for scholarships of up to \$2,500 yearly for 1-4 years per recipient.

External Stakeholder Engagement

Customers

When it comes to customer satisfaction, we are in pursuit of excellence. Our new structure is aimed at better understanding customer perspectives and refining our offerings to meet and exceed their expectations in reliability and energy efficiency and sustainability.

We track customer satisfaction by collecting information—sales, delivery, product and service on a quarterly basis. Our system provides us with data on our customers and generates Customer Satisfaction Index (CSI) scores, tracked by all of our businesses globally. In 2013, our end-user CSI score improved by five percent. Scores for our end-users showed that they were least satisfied with delivery. Past due days ended at one day for 2013, no change from 2012. Quarter to quarter, we are now showing improvement. The enterprise-wide CSI score for 2013 was 46 percent against a target of 50 percent, the same as each sector's goal. An added focus on issue resolution in a timely manner has been identified to meet our 2014 goal.

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

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.

We are working proactively with government agencies and refrigerant suppliers to identify alternatives and facilitate a transition to low global warming potential refrigerants.

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.

In the United States, Ingersoll Rand and the Federal Performance Contracting Coalitions have aided the government in creating new federal energy efficiency goals, which includes entering into \$2 billion of performance projects at federal facilities within two years. We are working with federal and state policymakers to ensure EPA regulations on CO2 emissions from the power sector allow states to capitalize on the potential of energy efficiency to help them cost effectively reduce CO2 emissions. We are actively advocating for legislative efforts, such as the Shaheen-Portman bill, which facilitates the increased use of energy efficiency technologies in the residential, commercial and industrial sectors while fostering job creation.

In the EU, we publicly support the strong implementation of the EU Energy Performance of Buildings Directive that requires Member States to increase the energy efficiency of both new and existing buildings.

In India and China, we are working with government cooperative programs to increase the demand for higher energy efficiency construction requirements for new and existing buildings.

Suppliers

We continue to regularly survey our suppliers, which helps strengthen our supplier relationships. The survey includes questions about Ingersoll Rand's Business Partner Code of Conduct and the supplier's sustainability programs, including greenhouse gas emissions data and exposure to risk due to operations in water-stressed regions. 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 mineral program in October 2013—two months ahead of schedule. 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. To this end, we began weekly supplier trainings in July 2013. We're also working to obtain certification for any smelters through the EICC/GeSI Conflict Free Smelter program.

Local Communities

At Ingersoll Rand, we are committed to the local communities where we operate. We are proud of the ongoing, mutually beneficial relationships that have been forged with communities around the world. Our employees are dedicated to their communities and lead engagement efforts through donations, volunteer hours, serving on boards, interacting with civic and business organizations, building relationships with community leaders and representing Ingersoll Rand at community functions.

Trane Georgia/Alabama Green Team

The Ingersoll Rand Atlanta/Birmingham BEN Chapter, Atlanta CDC and DoubleTree Hotels partnered to support the 2013 United Way Shoebox Project by providing over 250 filled shoeboxes for homeless women and children.

There is a tremendous focus on helping homeless women and children in Greater Atlanta through donating shoeboxes filled with toiletries. This project was spearheaded by IR Atlanta/Birmingham BEN members Kim Alexander and Raquel Singleton, with the assistance of Georgia/Alabama district associates in donating time and dedication. The project achieved great success. The shoeboxes were donated to the United Way of Greater Atlanta, and the gifts were presented to homeless shelters across Atlanta on Mother's Day 2013. In thanking the BEN Chapter, DoubleTree Hotels partner, Preston Marshall wrote, "I have learned that great opportunities to help others seldom come; but it's the small ones that surround us each day."

Trane Carolinas Green Team

As part of our 2013 Earth Day celebration, the Trane Carolinas Green Team organized a shoe drive to benefit Soles4Souls (soles4souls.org). Our employees were extremely enthusiastic about this project. They cleaned out their closets and solicited shoes from family, friends, neighbors and organizations in which they belonged. Our District goal was 200 pairs of shoes and the final tally was 797 pairs of shoes—almost four times our goal. Not only were the collected shoes saved from landfills where toxins from the glues that hold them together can leach into the environment, some were given to children in third world countries where shoes are often required to attend school. Shoes donated were also used to assist in the prevention and spread of foot disease resulting from going barefoot, and some were used to help individuals establish their own small businesses.

Partnerships and Associations

Industry Associations

Air-Conditioning, Heating and Refrigeration Institute (AHRI)
Alliance for Responsible Atmospheric Policy (ARAP)
American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
Architectural Society of China (ASC)
Association of Energy Engineers (AEE)
Automotive Aftermarket Industry Association (AAIA)
British Compressed Air Society (BCAS)

China Construction Metal Structure Association (CCMSA)
China Fire Protection Association (CFPA)
China Refrigeration Air-Conditioning Association
China Security & Protection Industry Association (CSPIA)
Chinese Association of Refrigeration
Club Managers Association (CMAA)
Compressed Air and Gas Institute (CAGI)
Confederation of Indian Industries (CII)
Continental Automated Buildings Association (CABA)
Ergonomic Assist Systems and Equipment (EASE)
Golf Course Superintendents Association (GCSA)
Hydraulic Institute
Industrial Research Institute (IRI)
International Light Transportation Vehicle Association (ILTVA)
Material Handling Institute (MHI)
Monorail Manufacturers Association, Inc. (MMA)
National Association of EHS Management (NAEM)
National Golf Course Owners Association (NGCOA)
Outdoor Power Equipment Institute (OPEI)
Product Development and Management Association (PDMA)
Professional Golfers' Association (PGA)
Shanghai Safety Prevention & Alarm Association (SSPAA)

Peer Groups

Agrion
Business Roundtable
Corporate Eco Forum (CEF)
GEO Exchange
Green Biz Executive Network
ORC Sustainability Task Group

Governmental Group Partners

American Chamber of Commerce in India (AMCHAM)
China Building Science Institute Building Environment and Energy-Saving College Air-Conditioning Division
Montreal Protocol (UNEP Secretariat)
United Nations Framework Convention on Climate Change (UNFCCC)

NGO Partners

Alliance to Save Energy (ASE)
Business Council for Sustainable Development (BCSD)
Canada Green Building Council (CaGBC)
Demand Response Smart Grid (DRSG)
EDF Climate Corps
Energy Services Coalition (ESC)
Forum for the Future
Indian Green Building Council (IGBC)
Indian Institute of Sustainable Enterprise (IISE)
NC Sustainable Business Council
North Carolina Sustainable Energy Association (NCSEA)
The Energy and Resources Institute (TERI)
U.S. Green Building Council (USGBC)
U.S. India Business Council (USIBC)
Verband Deutscher Maschinen and Anlagenbau (VDMA)
World Environment Center

University Partners

Carnegie Mellon - Energy Research Initiative (ERI)/Smart Grid Research

Duke University - Center for Energy Development and the Global Environment (EDGE)

Fairleigh Dickinson University - Institute for Sustainable Enterprise (ISE)

UNC Charlotte - Sustainably Integrated Buildings and Sites (SIBS)



Profile Disclosures

Profile	Disclosure	Reported	Location
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	Fully	Message from Our Chairman and CEO
1.2	Description of key impacts, risks, and opportunities.	Fully	10-K p. 7-13, Message from Our Chairman and CEO
2. Organizational Profile			
2.1	Name of the organization.	Fully	Our Market-Leading Brands
2.2	Primary brands, products, and/or services.	Fully	Our Market-Leading Brands
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Form 10-K p. 3-4, Our Business Segments
2.4	Location of organization's headquarters.	Fully	170/175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Ireland
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	Form 10-K p. 14 , 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.
2.6	Nature of ownership and legal form.	Fully	Form 10-K p.3
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Form 10-K p.3-5, About Us
2.8	Scale of the reporting organization.	Fully	Form 10-K pp. 7-25, About Us
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Form 10-K p. 22-23, Message from Our Chairman and CEO
2.10	Awards received in the reporting period.	Fully	Sustainability Goals and Performance
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Report Scope and Boundary
3.2	Date of most recent previous report (if any).	Fully	Our 2012 Annual Report and Online Supplement were published in spring 2013

Profile	Disclosure	Reported	Location
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Annual
3.4	Contact point for questions regarding the report or its contents.	Fully	Questions about the contents of this report can be directed to Scott Tew, Ingersoll Rand, Center for Energy Efficiency & Sustainability at stew@irco.com
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	Report Scope and Boundary
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Report Scope and Boundary
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	Report Scope and Boundary
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. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Report Scope and Boundary
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	About this Report
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	About this Report
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Content Index
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 letter documenting the results of the third-party assurance can be found at here .
4. Governance, Commitments, and Engagement			
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	Governance and Ethics
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Form 10-K p. 16, Message from Our Chairman and CEO
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	Proxy Statement
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Proxy Statement

Profile	Disclosure	Reported	Location
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Proxy Statement
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Proxy Statement
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	Proxy Statement
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	Sustainability Governance
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	Governance and Ethics
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Governance and Ethics , Proxy Statement p. 14
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Ingersoll Rand does not currently address the precautionary approach or principle.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	External Stakeholder Engagement Ingersoll Rand participates in several voluntary partnerships and initiatives, including: Better Buildings, Better Plants Program Partners: 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. SmartWay - Ingersoll Rand is a partner in U.S. EPA's collaboration between the freight industry and government.
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	External Stakeholder Engagement
4.14	List of stakeholder groups engaged by the organization.	Fully	Employee Engagement , External Stakeholder Engagement
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Reporting Process
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	External Stakeholder Engagement

Profile	Disclosure	Reported	Location
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	External Stakeholder Engagement

Disclosures on Management Approach (DMAs) and Performance Indicators

Economic

DMA EC	Economic performance	Reported	Location
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.	Fully	Form 10-K, Economic Impacts, Investing in Our Communities
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	Form 10-K p. 7, Energy and Climate Change Management, External Stakeholder Engagement
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Benefits Overview
EC4	Significant financial assistance received from government.	Not	
DMA EC	Market presence	Reported	Location
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.	Partially	Economic Impacts
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Not	
DMA EC	Indirect economic impacts	Reported	Location
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Not	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not	

Environmental

DMA EN	Materials	Reported	Location
EN1	Materials used by weight or volume.	Not	
EN2	Percentage of materials used that are recycled input materials.	Not	
DMA EN	Energy	Reported	Location
EN3	Direct energy consumption by primary energy source.	Fully	Energy and Climate Change Management
EN4	Indirect energy consumption by primary source.	Fully	Energy and Climate Change Management
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Advancing Sustainability Through Green Teams
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	Product Management and Product Growth
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Energy and Climate Change Management, Advancing Sustainability Through Green Teams

Profile	Disclosure	Reported	Location
DMA EN	Water	Fully	Water Footprint
EN8	Total water withdrawal by source.	Fully	Water Footprint
EN9	Water sources significantly affected by withdrawal of water.	Fully	No water sources are significantly affected by withdrawal of water.
EN10	Percentage and total volume of water recycled and reused.	Partially	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.	Partially	Trane Erosion Control Project Improves Ecosystem
EN13	Habitats protected or restored.	Partially	Trane Erosion Control Project Improves Ecosystem
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not	
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	Energy and Climate Change Management
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Energy and Climate Change Management
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Indirect greenhouse gas emissions are not material to Ingersoll Rand.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Energy and Climate Change Management
EN19	Emissions of ozone-depleting substances by weight.	Partially	Energy and Climate Change Management
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	NOx, SOx and other non-GHG emissions are not material to Ingersoll Rand.
EN21	Total water discharge by quality and destination.	Partially	Water Footprint
EN22	Total weight of waste by type and disposal method.	Partially	Waste and Recycling Management
EN23	Total number and volume of significant spills.	Fully	We did not experience a significant spill at any of our global facilities.
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.	Not	
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	Addressing Our Customer's Priorities
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	Product Management and Product Growth

Profile	Disclosure	Reported	Location
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	Waste and Recycling Management
DMA EN	Compliance	Fully	Governance and Ethics
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Ingersoll Rand paid no significant fines in 2013.
DMA EN	Transport	Partially	Energy and Climate Change Management
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Partially	Energy and Climate Change Management
DMA EN	Overall	Fully	Advancing Sustainability Through Green Teams
EN30	Total environmental protection expenditures and investments by type.	Partially	Form 10-K p. 6
Social: Labor Practices and Decent Work			
DMA LA	Employment	Fully	Winning Culture
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	Employee Engagement
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Partially	Building a Progressive, Diverse and Inclusive Culture
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Benefits Overview
LA15	Return to work and retention rates after parental leave, by gender.	Not	
DMA LA	Labor/management relations	Fully	Governance and Ethics
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Collective bargaining agreements cover approximately 28% of Ingersoll Rand's global workforce. Many of Ingersoll Rand's employees are also represented by works councils and trade unions, even where collective bargaining agreements may not be in place. Ingersoll Rand is also a participant in a European Works Council, representing employees across Europe, with which the company regularly informs and consults on transnational matters and matters of significance among our European businesses.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	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.

Profile	Disclosure	Reported	Location
DMA LA	Occupational health and safety	Fully	Environmental Health and Safety
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	We estimate that 60 percent 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 by gender.	Fully	Environmental Health and Safety , we do not track absenteeism.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Improving Employee Health and Wellness
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	Developing Our Leaders and Employees
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	We calculate the hours of training/development captured in the Learning Management System (LMS). The average hours per FTE for training and development captured by the LMS was 12.75 hours, including compliance training. Backing out an estimated 2 hours per employee for compliance training, the average development per employee was 10.75 hours.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Partially	Building a Progressive, Diverse and Inclusive Culture , Developing Our Leaders and Employees
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	Developing Our Leaders and Employees
DMA LA	Diversity and equal opportunity	Fully	Supplier Diversity , Building a Progressive, Diverse and Inclusive Culture
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	Governance and Ethics , Building a Progressive, Diverse and Inclusive Culture
DMA LA	Equal remuneration for women and men	Fully	Building a Progressive, Diverse and Inclusive Culture
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not	
Social: Human Rights			
DMA HR	Investment and procurement practices	Fully	Supplier Management
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Not	

Profile	Disclosure	Reported	Location
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	Ingersoll Rand's supplier development engineers performed On-Site Assessments (OSA) for 7.31% of tier 1 suppliers. These assessments address risk factors such as quality and management, and include sustainability factors such as compliance with local labor laws and the use of environmental management systems. All new suppliers go through the On-Site Assessment process. In addition, current suppliers now go through the OSA every two years.
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	Ingersoll Rand does not provide this type of training, but all employees were informed of the Company's adoption of its Global Human Rights Policy.
DMA HR	Non-discrimination	Fully	Governance and Ethics
HR4	Total number of incidents of discrimination and actions taken.	Not	
DMA HR	Freedom of association and collective bargaining	Fully	Governance and Ethics
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not	
DMA HR	Child labor	Fully	Governance and Ethics
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not	
DMA HR	Prevention of forced and compulsory labor	Fully	Governance and Ethics
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	Not	This aspect has been excluded from the report based on our assessment of topics material to Ingersoll Rand's stakeholders.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	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.
DMA HR	Indigenous rights	Fully	Governance and Ethics
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	
DMA HR	Assessment	Fully	Governance and Ethics
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not	

Profile	Disclosure	Reported	Location
DMA HR	Remediation	Fully	Governance and Ethics
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	External Stakeholder Engagement
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Not	
S09	Operations with significant potential or actual negative impacts on local communities.	Not	
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not	
DMA SO	Corruption	Fully	Governance and Ethics
S02	Percentage and total number of business units analyzed for risks related to corruption.	Fully	We analyze 100 percent of our businesses for corruption.
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Governance and Ethics , 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 authorities.
DMA SO	Public policy	Fully	External Stakeholder Engagement
S05	Public policy positions and participation in public policy development and lobbying.	Fully	Energy and Climate Change Management , External Stakeholder Engagement
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Ingersoll Rand manages a 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 .
DMA SO	Anti-competitive behavior	Fully	Governance and Ethics
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not	
DMA SO	Compliance	Fully	Governance and Ethics
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
Social: Product Responsibility			
DMA PR	Customer health and safety	Fully	Product Management and Product Growth Teams , Customer health and safety is integrated into the sustainability module of IRPDP and addressed during the design phase of products and services.
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	Product Management and Product Growth Teams
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.	Not	
DMA PR	Product and service labelling	Fully	Product Management and Product Growth Teams , Product and service labeling is integrated into the sustainability module of IRPDP and addressed during the design phase of products and services.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	External Stakeholder Engagement
DMA PR	Marketing communications	Fully	Product Management 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.
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Partially	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.	Not	
DMA PR	Customer privacy	Fully	Product Management and Product Growth Teams , 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	Product Management and Product Growth Teams , 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	