



Report Shows C-Suite Misaligned with Senior Teams on Importance of Sustainability

Economist Intelligence Unit and Ingersoll Rand release survey results in new white paper "Unlocking the Benefits of Energy Efficiency: An Executive Dilemma"

Swords, Ireland, March 14, 2011 – Ingersoll-Rand plc (NYSE: IR), a world leader in creating and sustaining safe, comfortable and efficient environments, together with the Economist Intelligence Unit, announced today the results of a global C-level executive study on energy efficiency and sustainability.

The survey calls out the gap in perception between CEOs and other senior executives in their organizations. Respondents beneath the C-suite are significantly more likely (61 percent vs. 49 percent) to say that their organizations do not do enough to integrate energy efficiency initiatives into business strategy. This is critical as funding, implementation and prioritization require executive level support. Lack of support can mean lack of progress.

Findings from the study indicate the dilemma faced by executives in maximizing the effectiveness of their sustainability programs, especially with regards to energy efficiency. These include:

- **Firms find it difficult to assess their energy use and make progress in reducing it.** Only 26 percent of respondents say their organization has conducted an energy audit; some 22 percent do no measurement at all. Although experts agree that the best efficiency strategies need to cut across functional lines, at present few companies outside the largest organizations have a chief energy officer coordinating such initiatives.
- **Firms' supply chains are too often overlooked when assessing energy efficiency initiatives.** For many companies, particularly retailers and those who outsource their manufacturing, total energy consumption occurs mostly in the supply chain. Yet the survey shows that most firms tend to focus internally, with few looking outside their direct operations to their supply chain. Just 8 percent said energy efficiency was a priority for suppliers, and only 4 percent said they had worked with suppliers in this area.
- **The incentives for energy efficiency vary significantly by global region.** Payback times and the price of electricity are key considerations determining the willingness to invest. In Europe the business case for saving energy is particularly clear, since taxes are applied to electricity sales. This is reflected in the survey, with more Europeans (almost 90 percent) than North Americans (77 percent) citing cost savings as the biggest benefit of energy efficiency

"We conducted this research to better understand the gap between C-level executives and other senior executives about the effectiveness of energy efficiency and sustainability programs," stated John W. Conover IV, senior vice president, Ingersoll Rand and Chairman of the Ingersoll Rand Sustainability Council. "Understanding what it will take to bridge the gap is critical to make the business case for change. In fact, investing in energy efficiency programs is a best bet for executives looking for paybacks that are fast, may deliver up to a 7-to-1 return on investment, and engage employees at the same time."

The survey was conducted in the fall of 2010 and included 278 senior executives, encompassing a range of industries. They were evenly represented across North America, and Asia Pacific, with slightly lower representation from Western Europe and other territories. It included firms with revenue of at least \$1 billion, and 50 percent of the respondents had revenue less than \$500 million. In addition, extensive desk side interviews were conducted with senior energy experts, and energy efficiency experts.

A copy of the survey is available at by visiting the Ingersoll Rand website at www.ingersollrand.com

###

About Ingersoll Rand

Ingersoll Rand (NYSE:IR) is a world leader in creating and sustaining safe, comfortable and efficient environments in commercial, residential and industrial markets. Our people and our family of brands — including Club Car®, Hussmann®, Ingersoll Rand®, Schlage®, Thermo King® and Trane® — work together to enhance the quality and comfort of air in homes and buildings, transport and protect food and perishables, secure homes and commercial properties, and increase industrial productivity and efficiency. We are a \$14 billion global business committed to sustainable business practices within our company and for our customers. More information is available at www.ingersollrand.com.

Contact:

Chris Tessier

(704) 877-7216, Christopher.tessier@irco.com