

# Water 2017 - Eaton Corporation



- **Module: Introduction**

**Page: W0. Introduction**

**W0.1**

**Introduction**

**Please give a general description and introduction to your organization**

At Eaton, our vision is to improve the quality of life and the environment through the use of our power management technologies and services. And we live this vision every day by being active stewards of our environment — minimizing the impact of our operations and developing innovative solutions for our customers that are efficient in their use of the world’s natural resources.

When we say “we make what matters work,” that includes making a healthy planet work. Here are a few examples of how Eaton employees around the world are living our vision:

~~ We recognized 95 Eaton facilities for achieving our zero waste to landfill goal. These efforts resulted in an almost 20 percent absolute reduction in landfilled waste — more than 6,000 metric tons. This also had the secondary benefit of eliminating more than 1,000 metric tons of carbon dioxide emissions that would otherwise have been released during the transportation and storage of landfilled wastes.

~~ We completed more than 60 energy reduction projects throughout our facilities. These included the installation of LED and other energy-efficient lighting, heat recovery systems, and other operational improvements. These projects reduced a cumulative 3,000 metric tons of greenhouse gases during the year.

~~ We joined the Solutions and Innovation Zone at COP22, the United Nations Climate Change Conference in Marrakech, Morocco. In conjunction, we celebrated the opening of our new manufacturing facility in Casablanca, which will serve as the pilot manufacturing site for energy storage battery packs and systems, supplying thousands of households and businesses across Europe, the Middle East and Africa.

~~ Through our continued partnership with Harvard’s Sustainability and Health Initiative for NetPositive Enterprise and as a founding member of The Net Positive Project, we are working to help companies drive financial success and create “Net Positive” impacts by putting more back into society, the environment and the global economy than we take out.

In addition, our global celebration of “World Environment Month” brought together tens of thousands of Eaton employees over the past three years to participate in activities such as community cleanup, tree planting, waste reduction and sustainability education programs.

Environmental issues are now global issues, and the world is taking notice. It’s a responsibility we gladly accept because we know that we have the power to make a difference.

Craig Arnold  
Chairman and Chief Executive Officer  
Eaton Corporation

# Water 2017 - Eaton Corporation



## W0.2 Reporting year

Please state the start and end date of the year for which you are reporting data

### Period for which data is reported

Thu 01 Oct 2015 - Fri 30 Sep 2016

## W0.3 Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported

Companies, entities or groups over which financial control is exercised

## W0.4 Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

### W0.4a Exclusions

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
Sales and administrative offices	Facilities are to be included in Eaton's water metrics if they met the following criteria: 1. Facility adds value to products or hardware (manufacturing, assembling, integration/testing); 2. Facility has more than 50 employees or a high-risk profile (as determined by group or regional Environmental Health and Safety teams); 3. Facility has been affiliated with Eaton for at least three years

# Water 2017 - Eaton Corporation



## Module: Current State

### Page: W1. Context

#### W1.1

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital for operations	Important	Having sufficient water availability is essential to our operations. Without access to water, production would cease. Many of our customers and suppliers have similar operations to our own, and also rely heavily for water use in production operations. Purchased water is as essential to our value chain as it is to our own operations.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Few of our sites rely on recycled water. Those that do, however, depend on it to the same degree that most of our sites depend on their purchased water. Without access to sufficient supply, production would cease. Many of our customers and suppliers have similar operations to our own, and also rely heavily for water use in production operations. Recycled water is as essential to our value chain as it is to our own operations.

#### W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes		We do not track this metric.
Water withdrawals- volume by sources		We do not track this metric.
Water discharges- total volumes		We do not track this metric.
Water discharges- volume by destination		We do not track this metric.
Water discharges- volume by treatment method		We do not track this metric.
Water discharge quality data- quality by standard effluent parameters		We do not track this metric.
Water consumption- total volume	76-100	We track water consumption for 100% of our in-scope sites as our chosen water metric.
Facilities providing fully-functioning WASH services for all workers		We do not track this metric.

# Water 2017 - Eaton Corporation



## W1.2a

Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water			Eaton does not track water withdrawal.
Brackish surface water/seawater			Eaton does not track water withdrawal.
Rainwater			Eaton does not track water withdrawal.
Groundwater - renewable			Eaton does not track water withdrawal.
Groundwater - non-renewable			Eaton does not track water withdrawal.
Produced/process water			Eaton does not track water withdrawal.
Municipal supply			Eaton does not track water withdrawal.
Wastewater from another organization			Eaton does not track water withdrawal.
Total			Eaton does not track water withdrawal.

## W1.2b

Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water			Eaton does not track water discharge.
Brackish surface water/seawater			Eaton does not track water discharge.
Groundwater			Eaton does not track water discharge.

# Water 2017 - Eaton Corporation



Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Municipal/industrial wastewater treatment plant			Eaton does not track water discharge.
Wastewater for another organization			Eaton does not track water discharge.
Total			Eaton does not track water discharge.

## W1.2c

Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
4834	Lower	This is a 6% reduction from 2015.

## W1.3

Do you request your suppliers to report on their water use, risks and/or management?

No

## W1.3b

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
Important but not an immediate business priority	Tracking water use in our suppliers' operations is not a material issue at this time.

## W1.4

Has your organization experienced any detrimental impacts related to water in the reporting year?

Yes

## W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact driver	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
---------	-------------	---------------	--------	-----------------------	------------------	--------------------------	-------------------	----------------------------------

Further Information

# Water 2017 - Eaton Corporation



## Module: Risk Assessment

### Page: W2. Procedures and Requirements

#### W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

#### W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Water risk assessment undertaken independently of other risk assessments	Direct operations	Some facilities	Our real estate group includes water risk in assessments of new locations.

#### W2.3

Please state how frequently you undertake water risk assessments, at what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Sporadically not defined	Facility	1 to 3 years	Our real estate group includes water risk in assessments of new locations.

#### W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Not evaluated

#### W2.4b

What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?

Main reason	Current plans	Timeframe until evaluation	Comment
Important but not any immediate business priority	Yes	Next reporting period	Water risks will be evaluated during the next reporting cycle

#### W2.5

Please state the methods used to assess water risks

# Water 2017 - Eaton Corporation



Method	Please explain how these methods are used in your risk assessment
WRI Aqueduct	WRI Aqueduct is used to perform a high-level water risk analysis for our global sites to determine which locations may be in more water-stressed areas.

## W2.6

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	The availability and quality of freshwater is taken into account during facilities' annual water risk evaluation process in order to confirm their right to operate for the upcoming year.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	Current water regulation and tariffs are taken into account during facilities' annual water risk evaluation process in order to determine budget allocation in strategy and profit planning.
Current stakeholder conflicts concerning water resources at a local level	Not evaluated	Local stakeholder concerns are not currently included in sites' water risk assessments.
Current implications of water on your key commodities/raw materials	Not evaluated	Implications of water to the value chain are not currently included in sites' water risk assessments.
Current status of ecosystems and habitats at a local level	Not evaluated	Local ecosystems and habitats are not currently included in sites' water risk assessments.
Current river basin management plans	Not evaluated	River basin management plans are not currently included in sites' water risk assessments.
Current access to fully-functioning WASH services for all employees	Not evaluated	WASH services are not currently included in sites' water risk assessments.
Estimates of future changes in water availability at a local level	Relevant, included	Estimates of future changes in water availability at a local level are included in annual river basin-level water risk assessments and include future projections for the next 10 years.
Estimates of future potential regulatory changes at a local level	Relevant, included	Sites are required to ascertain their right to operate at a local level, which includes understanding local water regulations and how they may change.
Estimates of future potential stakeholder conflicts at a local level	Not evaluated	Local stakeholder concerns are not currently included in sites' water risk assessments.
Estimates of future implications of water on your key commodities/raw materials	Not evaluated	Implications of water to the value chain are not currently included in sites' water risk assessments.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Not evaluated	Local ecosystems and habitats are not currently included in sites' water risk assessments.

# Water 2017 - Eaton Corporation



Issues	Choose option	Please explain
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included	Facilities in areas of high water stress conduct more detailed water risk assessments, including scenario analyses of availability of sufficient quantity and quality of water.
Scenario analysis of regulatory and/or tariff changes at a local level	Not evaluated	Scenario analyses of changes to water regulation and tariffs are not currently included in sites' water risk assessments.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Not evaluated	Local stakeholder concerns are not currently included in sites' water risk assessments.
Scenario analysis of implications of water on your key commodities/raw materials	Not evaluated	Implications of water to the value chain are not currently included in sites' water risk assessments.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Not evaluated	Local ecosystems and habitats are not currently included in sites' water risk assessments.
Other		

## W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Not evaluated	Customers are not currently factored into sites' water risk assessments.
Employees	Relevant, included	Employee water use is considered in sites' water risk assessments when calculating projected annual water use.
Investors	Not evaluated	Investors are not currently factored into sites' water risk assessments.
Local communities	Not evaluated	Local communities are not currently factored into sites' water risk assessments.
NGOs	Not evaluated	NGOs are not currently factored into sites' water risk assessments.
Other water users at a local level	Not evaluated	Other local water users are not currently factored into sites' water risk assessments.
Regulators	Relevant, included	Local regulators are considered in sites' water risk assessments when calculating projected annual cost of water use.
River basin management authorities		River basin management authorities are not currently factored into sites' water risk assessments.
Statutory special interest groups at a local level	Not evaluated	Local special interest groups are not currently factored into sites' water risk assessments.
Suppliers	Not evaluated	Suppliers other than water utilities are not currently factored into sites' water risk assessments.
Water utilities at a local level	Relevant, included	Water utilities are considered in sites' water risk assessments when calculating projected annual cost of water use.
Other		



# Water 2017 - Eaton Corporation



## Further Information

### Module: Implications

#### Page: W3. Water Risks

##### W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

Yes, direct operations and supply chain

##### W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

Substantive change to the business, operations, revenue, or expenditure from water risk is defined as implications from water cost or availability that negatively affect operations, i.e. losing license to operate, inability to continue operations, significant increases in water bills, etc.

##### W3.2a

Please provide the number of facilities\* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure; and the proportion of company-wide facilities this represents

Country	River basin	Number of facilities exposed to water risk	Proportion of company-wide facilities that this represents (%)	Comment
---------	-------------	--------------------------------------------	----------------------------------------------------------------	---------

##### W3.2b

For each river basin mentioned in W3.2a, please provide the proportion of the company's total financial value that could be affected by water risks

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected	Comment
---------	-------------	----------------------------	----------------------------------------------------	---------

##### W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
---------	-------------	-------------	------------------	---------------------------------	-----------	------------	-----------------------------------------	-------------------	----------------------------	-------------------------------

##### W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

# Water 2017 - Eaton Corporation



Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
---------	-------------	-------------	------------------	---------------------------------	-----------	------------	-----------------------------------------	-------------------	----------------------------	-------------------------------

Further Information

## Page: W4. Water Opportunities

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Comment
Company-wide	Sales of new products/services	Developing product lines to address water challenges.	Current-up to 1 year	Because of variances in performance demands brought on by weather extremes, hydraulic systems on agriculture and forestry equipment often require customized solutions. Eaton's Application & Commercial Engineering (ACE) teams are dedicated to providing customers with application and system engineering support tailored to solving the industry's toughest problems, including weather extremes that create water challenges.

Further Information

## Module: Accounting

### Page: W5. Facility Level Water Accounting (I)

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
---------------------------	---------	-------------	---------------	------------------------------------------------------------	-------------------------------------------------------------------------------------------	----------------

Further Information

# Water 2017 - Eaton Corporation



## Page: W5. Facility Level Water Accounting (II)

### W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
---------------------------	---------------------	---------------------------------	-----------	-------------------------	-----------------------------	------------------------	-----------------	--------------------------------------	---------

### W5.2

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
---------------------------	-----------------------------------------------------------	------------------------------------------------------------------------------------------	----------------

### W5.2a

Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
---------------------------	---------------------	-------------------------------------------------	----------	-------------	-------------------------------------	---------

### W5.3

Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
---------------------------	-------------------------------	---------------------------------------------------	----------------

### W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	Not verified	Data was not externally verified.
Water withdrawals- volume by sources	Not verified	Data was not externally verified.
Water discharges- total volumes	Not verified	Data was not externally verified.
Water discharges- volume by destination	Not verified	Data was not externally verified.
Water discharges- volume by treatment method	Not verified	Data was not externally verified.

# Water 2017 - Eaton Corporation



Water aspect	% verification	What standard and methodology was used?
Water discharge quality data- quality by standard effluent parameters	Not verified	Data was not externally verified.
Water consumption- total volume	Not verified	Data was not externally verified.

## Further Information

### Module: Response

#### Page: W6. Governance and Strategy

##### W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Sporadic-as important matters arise	Responsibility for all Environmental issues resides with Eaton's Environment, Health and Safety Council. Eaton has delegated overall management responsibility for climate change-related issues to a corporate officer, Harold Jones, Senior Vice President -- Environment, Health & Safety, who is a member of Eaton's Senior Leadership Committee and regularly reports on environmental issues to Chairman and CEO, Craig Arnold

##### W6.2

Is water management integrated into your business strategy?

Yes

##### W6.2a

Please choose the option(s) below that best explains how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
Establishment of sustainability goals	In 2010 we committed to reducing our water use 20 percent, indexed to sales, by 2015. We reduced our water use by 25.6 percent during the period, exceeding our goal. In 2017, we will announce a new set of long-term goals that support our aspiration of being active stewards of the environment.
Water resource considerations are factored into location planning for new operations	Availability of water is built into our management of change process. When a new operation is initiated, water availability and permitting are considered. Our EHS management system MOC process requires all proper permitting and documentation, including those related to water, to be considered during the initial phases of all new projects.

# Water 2017 - Eaton Corporation



Influence of water on business strategy	Please explain
Water resource considerations are factored into new product development	Availability of water is built into our management of change and New Product Development processes. When a new product, process, or operation is initiated, water availability and permitting are considered. Our EHS management system MOC process requires all proper permitting and documentation, including those related to water, to be considered during the initial phases of all new projects.
Publicly demonstrated our commitment to water	Eaton establishes long-term goals and annual targets for reducing water consumption at its facilities. These are published in our Annual Report to shareholders and posted on our public web site. In 2010 we committed to reducing our water use 20 percent, indexed to sales, by 2015. We reduced our water use by 25.6 percent during the period, exceeding our goal. In 2017, we will announce a new set of long-term goals that support our aspiration of being active stewards of the environment.

## W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

**Influence of water on business strategy** Please explain

## W6.3

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

## W6.3a

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
Publicly available Company-wide Incorporated within group environmental, sustainability or EHS policy	Information on our EHS policy, which includes water use, can be found on our website at <a href="http://www.eaton.com/flash/eaton/materiality/waterUse.html">http://www.eaton.com/flash/eaton/materiality/waterUse.html</a>

## W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
		Water-related CAPEX and OPEX spending are not material

## Further Information

# Water 2017 - Eaton Corporation



## Page: W7. Compliance

W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

No

Further Information

## Page: W8. Targets and Initiatives

W8.1

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets and goals

W8.1a

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Reduction in consumptive volumes	Cost savings	3% reduction of water withdrawal, indexed to sales, year over year	% reduction per dollar revenue	2015	2016	40%

W8.1b

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
Other: Water management systems	Risk mitigation	We plan to implement ISO 14046 or similar water management systems to high water use sites, focusing on water-stressed geography.	We have identified sites in water-stressed geography, and this goal is in our five-year strategic plan.

Further Information

## Module: Linkages/Tradeoff

### Page: W9. Managing trade-offs between water and other environmental issues

W9.1

# Water 2017 - Eaton Corporation



Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

No

Further Information

## Module: Sign Off

### Page: Sign Off

W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Claire Castleman	Sustainability Analyst	Environment/Sustainability manager

W10.2

Please indicate that your organization agrees for CDP to transfer your publicly disclosed data regarding your response strategies to the CEO Water Mandate Water Action Hub.

**Note:** Only your responses to W1.4a (response to impacts) and W3.2c&d (response to risks) will be shared and then reviewed as a potential collective action project for inclusion on the WAH website.

By selecting Yes, you agree that CDP may also share the email address of your registered CDP user with the CEO Water Mandate. This will allow the Hub administrator to alert your company if its response data includes a project of potential interest to other parties using water resources in the geographies in which you operate. The Hub will publish the project with the associated contact details. Your company will be provided with a secure log-in allowing it to amend the project profile and contact details.