Module: Introduction

Page: Introduction Supply Chain

Climate change

Please tick the box below to complete the introduction questions for Climate Change

true

CC0.1

Introduction

Please give a general description and introduction to your organization.

For more than a decade, Eaton has operated on the idea that “power management” is one of the most significant trends shaping the future, as the world’s energy demands grow along with our responsibility to protect the environment. To address this megatrend, we’ve transformed Eaton into a world leader in products and solutions that help customers manage power more efficiently, effectively, safely and sustainably.

Our approach to sustainability grew from a commitment to our stakeholders of “doing business right.” Part of that commitment is to address the potential impact of greenhouse gas (GHG) emissions on climate change. Since 2006, we’ve reduced these emissions by 26 percent through innovative process solutions, energy efficient electrical equipment and lighting, and construction of facilities using energy-saving technology. And we’re on track to meet, or already exceed, our 2015 goals: reduce GHG emissions by 25 percent and waste sent to landfills by 30 percent.

While we’ve reduced our own emissions, perhaps Eaton’s most impactful contribution to global sustainability comes from our products and solutions that help others minimize their carbon footprints. Eaton’s electrical power control systems reduce power use in buildings and homes. Our acquisition of Cooper Industries in 2012 expands our portfolio of electrical solutions with products such as LED lighting and critical “smart grid” technologies for modern, sustainable electricity delivery systems.

Our product portfolio also includes hybrid powertrains that boost fuel economy and reduce emissions in commercial vehicles; hydraulic aircraft systems that reduce weight and save fuel; automotive superchargers for enhanced fuel economy; electrical and hydraulic products for solar power and wind turbine systems; and many more.

In 2013, we added new “Green Solutions” to our portfolio of products offering industry-leading environmental benefits: the 93PM UPS reduces energy use in data centers and other critical applications, the NPR48-ES Energy Saver Rectifier reduces energy use in cellular base stations, and a new hydraulics coupling minimizes leakage of sulfur hexafluoride, a potent greenhouse gas, from electrical switchgear made by other companies.

Our efforts in 2013 resulted in several awards. In addition to being ranked global
leader by CDP and named to the Climate Disclosure Leadership, Eaton maintained its position in the Nasdaq OMX CRD Global Sustainability Index of 100 companies. Other noteworthy recognitions included:

• For the seventh consecutive year, we were named to the Ethisphere Institute’s list of World’s Most Ethical Companies. Eaton is one of only 23 companies that have earned the honor every year since the list was established in 2007.
• For the sixth consecutive year, we were named one of Corporate Responsibility magazine’s “100 Best Corporate Citizens,” moving from No. 17 to No. 4 overall.
• For the third straight year, Thomson Reuters named us to its list of the world’s Top 100 Global Innovators for our “unique inventions” in power management technology.
• We were again ranked among Fortune magazine’s annual “World’s Most Admired Companies” list.

Eaton people worldwide are developing these and other breakthroughs in energy efficiency, fuel economy, and GHG reduction. Every day, some of the best-known companies worldwide turn to Eaton to solve their most challenging power management problems. We relish these challenges because at Eaton, we’re always looking for new ways to deliver value in the products and services important to our customers’ success and a more sustainable world.

Alexander M. Cutler
Chairman and Chief Executive Officer
Eaton Corporation

CC0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day/month/year (in full i.e. 2001).

Enter Periods that will be disclosed
Mon 01 Oct 2012 - Mon 30 Sep 2013

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD($)

CC0.5

Please select if you wish to complete a shorter information request.

Water

Please tick the box below to complete the introduction questions for Water

false

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Individual/Sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

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, Nanda Kumar, Executive Vice President -- Eaton Business System, who is a member of Eaton's Senior Leadership Committee and reports to Chairman and CEO, Alexander M. Cutler.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Corporate executive team	Monetary reward	Meet or exceed the following emissions reduction targets for 2014 (on both an absolute and indexed basis): achieve a 3 percent reduction in GHG emissions, reduce waste to landfill by 6 percent, and reduce water consumption by 5 percent.
All employees	Recognition (non-monetary)	Meet or exceed the following emissions reduction targets for 2014 (on both an absolute and indexed basis): achieve a 3 percent reduction in GHG emissions, reduce waste to landfill by 6 percent, and reduce water consumption by 5 percent.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Individual/Sub-set of the Board or committee appointed by the Board	North and South America, Europe, Asia and the Middle East	3 to 6 years	

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Company level: Under the direct supervision of the Board of Directors, risks/opportunities are assessed at the company level by Eaton's Senior Leadership Committee (SLC), which is the most senior management committee within the corporation. Risk is managed on an enterprise-wide basis using a unified risk management framework. Eaton typically identifies 10-14 major risks each year that could materially affect the company's businesses, financial condition or results of operations. The SLC appoints company task forces (led by SLC members) to manage these risks. Results are reported to the Board of Directors on an annual basis or more frequently in a crisis situation.
Eaton management continuously monitors the material risks facing the company, including strategic, financial, operational, legal and compliance risks. Our risk processes address issues associated with climate change, including customer requirements/issues (e.g., need for energy efficient products to address climate change regulations, consumer demands, profitability); Environmental (including new regulations influenced by climate change); Supply Chain (including weather related disruptions influenced by climate change, disruptions including raw materials needed to develop and manufacture innovative products needed by our customers to address energy efficiency and emissions reduction.)
Asset level: Eaton conducts strategic planning and risk analysis at all of its facilities and associated businesses. One of the factors considered involves potential environmental impacts to the business. Physical risks such as changing weather patterns, rising temperatures and other natural disasters are reviewed. An outcome of these meetings is the development of local response plans designed to address catastrophic occurrences. Voluntary projects to reduce carbon emissions and contribute to climate change mitigation are also assessed, along with mandatory projects for environmental remediation and/or regulation.

CC2.1c

How do you prioritize the risks and opportunities identified?

Factors used to systematically define and prioritize risks and opportunities at all levels of the company, including those related to climate change, are: probability (likeliness that an event will actually occur); magnitude of damage (financial, reputational, societal); time horizon (how long Eaton will be exposed to the risk);

correlation (how various risks might be related to each other); litigation; environmental regulation and remediation; and volatility of end markets that Eaton serves. For environmental and safety risks, issues planning, and prioritizing, Eaton uses MESH (Management of Environment, Safety, Security and Health), a globally deployed, unified system that consolidates all EHS and compliance programs into one integrated management system. MESH has three components: Process & Compliance; Culture; and Results. Process & Compliance sets requirements in 10 EHS categories and drives regulatory compliance at the facility. Culture relates to how well each facility demonstrates EHS engagement at all levels. The Results component focuses on achieving performance metrics. Targets, objectives, priorities and performance goals are set for each component. Eaton facilities conduct self-assessments each year, and undergo a corporate MESH assessment every three years. Results are reported each year to Senior VP, EHS and, if necessary, to the chief executive of the appropriate Eaton business, and the Board of Directors. To prioritize climate change opportunities, Eaton uses the Eaton Business System (EBS), which provides internal processes and tools that ensure enterprise-wide alignment and compliance, collection and reporting information to influence various business opportunities, strategies and priorities, and rapid recognition and transfer of best practices. EBS encompasses Eaton's core values, policies and processes used to conduct business and measure, assess and improve performance, including factors influenced by climate change.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

(i) Internal process for collecting and reporting information to influence the strategy: We use the Eaton Business System (EBS), which provides a disciplined set of internal processes and tools that ensure enterprise-wide alignment and compliance, collection and reporting information to influence various business strategies, and rapid recognition and transfer of best practices. EBS encompasses Eaton's core values, policies and processes used to conduct business and measure, assess and improve performance, including factors influenced by climate change. EBS provides these processes:
• Eaton Lean Six Sigma – ELSS eliminates waste, simplifies processes, reduces cycle times and enables us to more effectively deploy resources within quality-intensive systems.
• PROLaunch – a set of integrated processes designed to guide our program and project management processes, including product development from concept through production launch. Eaton's "Design for the Environment" (DFE) program is part of this process. Using DFE, we are looking at our products to determine the environmental impact throughout the life of the product, and developing ways to minimize impact and help mitigate climate change.
• Supply Chain Management – a comprehensive set of tactics to strengthen and diversify supplier relationships worldwide, while achieving maximum value in commodity management, global logistics and sourcing, while seeking to minimize the impact on climate change.
(ii) Climate change aspects influencing this strategy include: • The pressure on global energy costs and availability leading to ever-increasing costs of extraction, processing, distribution and utilization; • An evolving regulatory regime focusing on carbon reduction, Renewable Energy Standards, mileage and bio-fuel requirements, and energy efficiency for buildings, all of which are part of Eaton's core power management business. • Eaton customers are demanding new carbon reduction technologies to respond to the potential impact of climate change; • The continuing efforts of local, state, federal and international governments to jump start robust "green energy" industries through credits, grants, and other incentives.
(iii) Climate change has influenced our short-term strategy by leading Eaton to develop emissions reduction targets and energy-saving activities to achieve them. Eaton committed to reduce GHG emissions an additional 25 percent, indexed for sales, by 2015. From 2006 to 2013, Eaton reduced GHG emissions, by 32.6 percent. The reduction exceeded a company commitment to lower emissions by 18 percent by 2012. Eaton has also pledged to reduce global energy use by 25 percent, indexed to sales, between 2006 and 2016, thereby reducing our GHG emissions. We are making progress toward those goals through investments in worldwide energy-saving projects that included LED lighting upgrades, renewable energy installations, building shell insulation, equipment upgrades, new energy efficient facilities, a new "Zero Waste to Landfill" program, and more. Also, Eaton increased in R&D budget by 32 percent to $644 million, the majority of which is spent to develop products and solutions that reduce the carbon footprints of customers and consumers as the world seeks ways to mitigate climate change.
(iv) Climate change has influenced our long-term strategy as we confront future pressure on global energy costs and availability. As a result, the ever-increasing cost of extraction, processing, distribution and utilization will continue to power our business. Our customers have and will continue to respond to the strong economic, sustainability and regulatory forces occasioned by this energy megatrend. They need new technologies to reduce their use of energy and improve their own carbon footprints. That's what Eaton does. Now, and in the foreseeable future, our strategy is to invest heavily in leading-edge technologies that improve the energy efficiency of buildings, vehicles and machinery, help to conserve natural resources, shrink the carbon footprints of our customers, and reduce the environmental impact of everyday life. Through R&D, acquisition, manufacturing and services, along with our balanced business strategy, Eaton continues to focus on our customers' growing demand for safe, reliable, efficient and sustainable power management solutions in a world influenced by the potential threat of climate change. Our strategy is based on our firm belief that power management will be one of the most powerful megatrends for decades to come.
(v) Eaton has many advanced technologies and a strong reputation for applying that technology to commercial advantage for our customers. As the world becomes more focused on energy conservation and reducing GHG emissions, Eaton is very well-positioned. Our largest business – Electrical – utilizes a broad array of applications that helps our customers conserve energy and reduce carbon footprints. One of the major concerns today is energy efficiency in buildings, where Eaton provides many products and solutions that contribute to LEED points. Other examples of Eaton's strategic advantage:• As a world leader in hybrid power systems for commercial vehicles, Eaton's hybrid systems have logged more than 700 million safe and reliable miles of service, reducing fuel consumption by 19 million gallons and GHG emissions by 195,000 metric tons.• Eaton automotive superchargers enable small, efficient automobile engines to deliver the power of much larger ones, while using less fuel and reducing emissions.• Eaton spent $644 million for R&D to continue to launch innovative products and solutions that help our customers meet their most demanding energy and emissions requirements. Eaton's sustained R&D investments contribute to our improved profitability. We estimate that these investments will play a role in improving our targeted segment margins from 12.7% in 2010 to 17.0% in 2015.
(vi) Eaton's most substantial business decisions based on climate change aspects include:

Investment in emissions reduction: Eaton committed to reduce GHG emissions an additional 25 percent, indexed for sales, by 2015. Eaton has also pledged to reduce global energy use by 25 percent, indexed to sales, between 2006 and 2016, thereby reducing our GHG emissions to help mitigate our own impact on climate change.
R&D: Eaton spent $644 million for R&D in 2013, an increase of 32 percent over 2012. The majority of research dollars are spent on products and solutions that minimize carbon footprints of our customers and consumers.
Acquisition: We completed the $13 billion acquisition of electrical equipment supplier Cooper Industries which provides complementary technologies that further accelerate Eaton's growth as a global integrated power management company focused on one of the most challenging megatrends of our time: the rising costs and increasing environmental impact of the world's growing energy use.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Other: Corporate	Support	Eaton endorses the EPA's new Corporate Average Fuel Economy (CAFÉ) and	New GHG standards for automotive

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Average Fuel Economy standards		GHG standards for automotive passenger vehicles which mandate that vehicle fleets achieve an average of 54.5 mpg by 2025, thereby reducing fuel use and carbon emissions. Eaton is now meeting with the US EPA and other stakeholders on phase two of the CAFE and GHG rule for commercial trucks that will set standards for 2018 thru 2025. Our work relates to testing, compliance and incentives to drive adoption of fuel efficient technologies through aggressive GHG and CAFÉ standards. We are assisting the agency in drafting their proposed rulemaking due in early 2014	passenger vehicles which mandate that vehicle fleets achieve an average of 54.5 mpg by 2025, thereby reducing fuel use and carbon emissions.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
National Electrical Manufacturers Assoc.	Consistent	NEMA strongly supports a climate policy that achieves meaningful greenhouse gas reductions at the lowest practicable costs. NEMA members are leaders in providing demand management and energy-efficient products and technologies to the market. These technologies, if deployed and utilized, lead to far more efficient use of energy sources, be they fossil fuels or other, and, in turn, reduce the amount of greenhouse gases across all sectors of our economy. NEMA’s member companies stand committed to incorporating the energy-efficient products and equipment that our members manufacture, all as part of our industry's efforts to reduce GHGs.	Eaton is not attempting to influence this position and does not provide funding beyond membership.
Electric Drive	Consistent	EDTA is the preeminent US industry association dedicated to the promotion of electric	Eaton is not attempting to

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Transportation Assoc.		cars, other electric vehicles and transportation technologies. EDTA works with policymakers and the public to advance electric drive transportation, a real alternative to oil dependence. Clean electric drive vehicles are critical to reducing greenhouse gas emissions related to climate change. The EPA has consistently rated hybrid and plug-in vehicles at the top of their efficiency ratings. Using less gas means emitting fewer pollutants.	influence this position and does not provide funding beyond membership
Business Roundtable	Consistent	The Business Roundtable believes that improving energy efficiency, increasing utilization of renewables, continuing to advance technology and engaging globally are essential in order to reduce world-wide GHG emissions and mitigate climate change while ensuring economic growth. Three strategies that are likely to form the foundation of a successful sustainable growth: (1) more efficiently consume electricity and heating fuels in homes and businesses; (2) leverage domestic resources to produce cost- effective, low-carbon electricity; and (3) modernize the transportation fleet and diversify the transportation fuel mix.	Eaton is not attempting to influence this position and does not provide funding beyond membership

CC2.3d

Do you publically disclose a list of all the research organizations that you fund?

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

CC2.3g

Please provide details of the other engagement activities that you undertake

Eaton has worked with advocates at the State level to promote the adoption of legislation, regulations, codes and standards for energy efficient measures that reduce GHG emissions and facility operational costs. Topic: Eaton supports public policies that encourage schools and public buildings to follow Leadership in Energy and Environmental Design (LEED) practices. We believe that LEED serves as a vital blueprint for building design, construction, operation, and maintenance, providing cost-effective, best practice specifications that ensure that Ohio's public buildings are utilizing the energy efficient technologies that provide operational savings and reduce emissions. Method: we are working through trade organizations and government (DOE). Actions advocating: develop rule-making and products/technologies strategies for reasonable LEED practices in public buildings. Nature of engagement: providing product demonstrations.

Eaton supports Senate Bill 1000 - Energy Savings and Industrial Competitiveness Act - which promotes energy savings in homes, businesses and manufacturing facilities. By leveraging federal dollars to help companies and families pay for efficiency upgrades, the legislation would help our economy reduce energy costs and GHG emissions and create jobs for construction firms that perform efficiency retrofits and for manufacturers that produce energy-efficient technologies. Method: We are working with government agencies (DOE, GSA) and trade associations. Topic: promote energy efficiencies as exemplified by Eaton's products/technologies which can help reduce energy use by up to 30 percent. Nature of engagement: we have hosted product/technology forums for public officials, and we have engaged in consultation and interaction with DOE and GSA. Actions advocating: pass Senate Bill 1000.

Method: We work with the National Association Electrical Manufactures. Topic: promote adoption of the National Electrical Code as well as components of the International Energy Code and LEED. Nature of engagement: we provided testimony and counsel to regulatory and legislative bodies in multiple states. Actions advocating: adopt sustainable practices in government facilities, commercial buildings and residential homes.

CC2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Eaton's executive level Sustainability Guidance and Management Team leads our sustainability strategy, optimizes our resources, and ensures that we are focusing on the issues that are most important to our customers, investors, communities and employees. Led by Eaton's senior vice president of Environment, Health and Safety, and composed of leaders from across Eaton businesses and functions, the team plays a key role in the development of our future sustainability goals and activities, and ensures that all of our direct and indirect activities that influence policy are consistent with our overall climate change strategy. The team reports directly to Eaton's Senior Leadership Committee and Board of Directors.

CC2.3i

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute and intensity targets

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 1+2	100%	3%	2012	797700	2013	

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
Int1	Scope 1+2	100%	6%	metric tonnes CO2e per unit revenue	2012	48.1	2013	The indexed emission rate for 2011 was 48.1 metric tons of carbon dioxide per million dollars of sales.
Int2	Scope 1+2	100%	25%	metric tonnes CO2e per unit revenue	2006	70.8	2015	The indexed emission rate for 2006 was 70.8 metric tons of carbon dioxide per million dollars of sales.

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	3.0	No change	0	Scope 3 is not included in Eaton's target.
Int2	Decrease	15.1	No change	0	Scope 3 is not included in Eaton's target.

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Abs1	100%	94%	Eaton narrowly missed the 3% reduction goal
Int1	100%	13%	Eaton missed the goal
Int2	78%	100%	Eaton achieved the goal

CC3.1e

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

Eaton sustainable products and solutions include:
• The Eaton Twin Vortices Series® (TVS®) supercharger will help the automotive industry provide improved fuel economy while at the same time lowering carbon GHG emissions up to 20 percent. The supercharger pumps air into an engine boosting its overall performance which allows vehicle manufacturers to replace larger engines with smaller, more fuel efficient engines. The Eaton TVS allowed Audi to downsize its powertrain offerings. Rather than offering a normally aspirated 4.2L V-8 in the previous-generation S4, Audi now offers the more compact supercharged V-6, while achieving 27% better fuel economy (a 6 mpg improvement) and a reduction of about 12 metric tons of C02 over five years of operation (based on fuel use for 15,000 miles per year. Source of Global Warming Potentials: IPCC Second Assessment Report (SAR-100 years). Therefore, the Eaton TVS allows the end user to avoid Scope 1 emissions.
• Protection Station 650 and 800 are combined Uninterruptible Power System (UPS), surge suppressor, and multiple socket devices with improved energy efficiency provided by an EcoControl function that automatically disables peripherals when the master drive is turned off. Laboratory testing of a typical home computer system

demonstrated annual power consumption of 165 kWh for the Protection Station compared to 231 kWh for similar products without the EcoControl function. For 100,000 computers, the annual savings of 6,600,000 kWh reduces carbon emissions by 4,551 metric tons . Therefore, this product enables Scope 2 emissions to be avoided by a third party. Source of Global Warming Potentials: IPCC Second Assessment Report (SAR-100 years).

• The APR48-ES Energy Saver Rectifier helps communications network operators cut energy costs across the network through greater operating efficiency and to meet aggressive carbon footprint reduction targets. The Energy Saver rectifier operates with over 96% efficiency (4% waste), reducing waste energy by at least 50% compared to normal industry efficiencies of 89-92% (>= 8% waste). It offers potential global annual savings of one million metric tons of CO2 emissions for the telecom sector. This equals:
(1,000,000 metric tons CO2e/year) X (1000 kg/ metric ton) X (1000 grams/ kilogram) X (kWh/ 565 grams CO2e) X (million kWh / 1,000,000 kWh) = 1,770 million kWh/year (GWP source is IPCC Second Assessment Report SAR-100 year). Source of Global Warming Potentials: IPCC Second Assessment Report (SAR-100 years).
Therefore, this product enables Scope 2 emissions to be avoided by a third party.
• Uninterruptible Power Systems (UPS) help reduce electricity consumption in data centers. These award-winning systems use less energy, require less cooling, and take up less space, significantly reducing our customers' energy use, carbon emissions and operating costs. Each 9395 UPS installed avoids about 4.8 metric tons of CO2 compared to our legacy product over the product's 25 year useful life. Therefore, this product enables Scope 2 emissions to be avoided by a third party. Source of Global Warming Potentials: IPCC Second Assessment Report (SAR-100 years).

Eaton Solutions combine several energy saving products into the most energy efficient package to address specific customer needs. Michigan's Detroit Metropolitan Airport recently selected Eaton's Cooper Lighting business to replace 6,050 existing parking garage fixtures with Eaton's energy-saving lighting products (from 210 watts to 60 watts). The conversion – using Eaton's McGraw-Edison Valet and Ventus light-emitting diode luminaires – will result in a 66 percent reduction in power consumption. The LED products also incorporate Eaton's Cooper Lighting LumaWatt Outdoor Wireless Control and Monitoring System to make it easier for the airport to effectively manage its lighting levels. The system reduces power usage by approx. 5 million kWh, resulting in a reduction of 35,000 metric tons of carbon dioxide (Scope 2) in a five-year period. Source of Global Warming Potentials: IPCC Second Assessment Report (SAR-100 years).
(iv.) Eaton is not considering generating CERs or ERUs within the framework of CDM or JI (UNFCCC).

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	75	
To be implemented*	75	14705.00
Implementation commenced*	40	5539.00
Implemented*	35	2868.00
Not to be implemented	0	0.00

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
Energy efficiency: Building services	Six Eaton facilities completed lighting optimization programs that replaced inefficient lighting with cutting edge LED lights manufactured at company plants acquired during Eaton's purchase of Cooper Industries in 2012. These projects are voluntary and are targeted for Scope 2	577	156843	203650	1-3 years	10 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
	emissions.						
Energy efficiency: Processes	25 Eaton facilities reported process improvements boilers, equipment upgrades, HVAC design, compressed air, heat recovery and others. These projects are voluntary and are targeted for Scope 1&2 emissions.	2091	510062	1275157	1-3 years	20 years	
Low carbon energy installation	Eaton installed a 40 kW solar PV system at its manufacturing facility in Guangdong, China. This project is voluntary and is targeted for Scope 2 emissions.	45	20000	265000	4-10 years	>25 years	
Process emissions reductions	Three Eaton facilities achieved “zero waste to landfill” in 2013, increasing our total number of zero-waste sites to 33 worldwide. These projects are voluntary and are targeted for Scope 3 emissions.	155	0	0	>25 years	>25 years	Waste formerly sent to landfills is diverted to other waste management systems that eliminate GHG. But the cost negates most, if not all, monetary savings or subsequent payback.

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment

Method	Comment
Dedicated budget for energy efficiency	Energy/GHG reduction projects: We're using new technologies and processes to make our manufacturing plants around the world more energy efficient. Many of our aerospace, hydraulics, electrical and vehicle plants in North America upgraded their facilities with energy-saving projects. Overall, Eaton completed 35 projects that included lighting optimization, building shell insulation, equipment upgrades, heat recovery, compressed air installation, ventilator control and energy management. These projects will eliminate about 2868 metric tons of GHG emissions per year at a capital cost of approx. $1.8 million. Potential Financial implications: annual energy savings projected at $687,000.
Dedicated budget for low carbon product R&D	Eaton's R&D efforts are focused on our customers' needs for innovative products and solutions that improve energy efficiency and reduce carbon emissions. We estimate that new technologies being developed at Eaton's innovation centers have the potential to reduce the CO2 emissions of our applications by up to 60 percent by 2050. Eaton spent $644 million in 2013 for R&D to develop products and solutions that improve energy efficiency and reduce carbon emissions.
Internal incentives/recognition programs	Eaton's annual Gamechanger innovation award honors employees engaged in ongoing efforts to improve products, services or processes, including those related to sustainability. Last year, an Eaton employee received the award for variable valve actuator technology that allows automakers to employ two different fuel-saving technologies across a wide variety of engines resulting in a reduction of GHG emissions.
Partnering with governments on technology development	Eaton received a $2.4 million research grant from the U.S. Department of Energy (DOE) to explore the development of energy efficient lighting products that reduce GHG emissions. Eaton's research, slated for completion in 2015, will aim to improve the manufacturing speed of light-emitting diode (LED) fixtures by three times over the typical rate, reduce LED light engine costs and efficiency by five times and reduce assembly costs by approximately 50 percent. "This partnership with industry to produce affordable, efficient lighting will save consumers money and create American jobs," said Energy Secretary Ernest Moniz in a news release issued by the DOE. "It's another example of how energy efficiency is a win-win proposition for our economy."
Partnering with governments on technology development	Eaton received a $1.84 million grant from the U.S. Department of Energy for the development and demonstration of commercial electric vehicle chargers that work with and support the smart grid. Eaton's grant is part of a larger research and development funding program mandated by the federal government to help reduce the current costs of electric vehicle chargers by 50 percent over three years. Coordinating electric vehicles' use of smart chargers and smart grid technologies allows the grid to more efficiently manage the availability and reliability of power, especially during peak times and at popular charging locations. Eaton's work is focused on providing two-way communications with electric utilities and coordination with local smart meter networks.
Employee engagement	Eaton lets employees at our local facilities determine where we donate a large share of our contributions, based on the needs in their communities, including sustainability projects. For example, in Haina, Dominican Republic, local employees have supported Patronato Pro-Desarrollo, a local sustainable development organization, with donations and volunteer hours to upgrade infrastructure and renovate schools to improve energy efficiency.

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In mainstream financial reports (complete)	Eaton Annual Report/Sustainability Report pp. 16-23	https://www.cdp.net/sites/2014/94/5194/Investor CDP 2014/Shared Documents/Attachments/CC4.1/2014 annual report - To Printer File 02 28 14.pdf
In voluntary communications (complete)	Eaton sustainability web site: metrics	https://www.cdp.net/sites/2014/94/5194/Investor CDP 2014/Shared Documents/Attachments/CC4.1/metrics.JPG
In voluntary communications (complete)	Eaton sustainability web site - climate change commitment	https://www.cdp.net/sites/2014/94/5194/Investor CDP 2014/Shared Documents/Attachments/CC4.1/Climate Change Commitment.jpg
In voluntary communications (underway) – previous year attached	External presentation - pp. 21-22	https://www.cdp.net/sites/2014/94/5194/Investor CDP 2014/Shared Documents/Attachments/CC4.1/Corporate_Sustainability_External_Presentation_March222013.pptx

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your risks driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	EPA's proposed 2017-2025 LD CAFÉ/GHG standards represent an aggressive target of 4-5% improvement per year from a baseline of about 35 mpg (2016) for the national automotive fleet. This will	Reduced demand for goods/services	>6 years	Direct	Unlikely	Low	We estimate that by our annual investments in R&D will play a role in improving our targeted segment margins from 12.7% in 2010 to 17.0% in 2015, thereby	Eaton spent $644 million for R&D to continue to launch innovative products and solutions that help our customers meet their most demanding energy and emissions requirements.	$644 million

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	challenge the OEM's in terms of commercializing the necessary technologies while balancing against consumer preferences in size, weight, safety, and performance features. Likely scenarios are a combination of solutions involving vehicle mix, powertrain alternatives, optimizing electronic controls and intelligence, innovative weight reduction, fuel source options, and major infrastructure investments. The risk is that the regulations become fragmented, either at the national level with certain states imposing various levels of additional stringency, or at a global level, with large regional variations that will						minimizing this risk.	Eaton's sustained R&D investments contribute to our improved profitability.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	confuse the industry. Also, achieving CAFE standards could raise vehicle prices, thereby affecting sales of products using Eaton components. However, CAFE standards would strengthen demand for Eaton fuel-saving products such as hybrid power systems for trucks and superchargers and other fuel-saving products for cars. These products help manufacturers build more efficient vehicles that reduce GHG emissions.								
Air pollution limits	EPA proposed new regulations for coal plant emissions, including a mandate that new coal plants install carbon capture and storage (CCS) technology. CCS has not yet proven to be	Increased operational cost	>6 years	Indirect (Client)	More likely than not	Low	Overall, Eaton completed 31 projects that included lighting optimization, building shell insulation, equipment upgrades, heat recovery,	We're using new technologies and processes to make our manufacturing plants around the world more energy efficient. In 2013, Eaton completed 31	$1.44 million for projects in 2013

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	commercially viable, making it virtually impossible to build new coal plants. Additional EPA rules on mercury and coal ash are forcing many older coal plants to shut down. This could also threaten the national power grid's ability to supply peak power without major brownouts in the near-term, causing business disruptions and price spikes that may temporarily affect Eaton production, as well as that of our customers. Transitioning from coal to other fuels (particularly natural gas) will take time. Within Eaton’s manufacturing facilities, the majority of carbon emissions results from using electricity and natural gas to heat						compressed air installation, ventilator control and energy management. These projects will eliminate about 2688 metric tons of GHG emissions per year.	energy management projects that included lighting optimization, equipment upgrades, heat recovery, and more.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	and cool our buildings. However, Eaton's total energy cost is not significant when compared to raw material costs, and our overall carbon emissions are not exceedingly high when compared to heavier types of manufacturing. And as tax policy shifts consumer demand toward more energy efficient and/or more carbon neutral products, Eaton can offer a wide range of environmentally friendly products and services, including electrical power control systems for the efficient use of power and lower carbon emissions.								
Uncertainty surrounding new regulation	Following the tragedy at Japan's Fukushima nuclear plant, as well as a boom in cheap energy from shale	Reduced demand for goods/services	>6 years	Direct	About as likely as not	Low-medium	We estimate that our annual investments in R&D will play a role in improving our targeted	Eaton spent $644 million for R&D to continue to launch innovative products and solutions that help	$644 million

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	gas, nuclear power is being faced with new regulatory pressure. Recently, nuclear power was banned in Japan, Germany, Switzerland and Italy. And despite two new permits issued for new nuclear plants in the U.S. (the first in 30 years), regulatory burdens and renewed environmental concerns could keep these plants from ever being built. Eaton has been a global supplier of electrical products and services to the nuclear power industry since the first commercial reactors went online in the 1970's. The current threats to nuclear power could affect Eaton's nuclear business. However, some developing						segment margins from 12.7% in 2010 to 17.0% in 2015, thereby minimizing much of this risk.	our customers meet their most demanding energy and emissions requirements. Eaton's sustained R&D investments contribute to our improved profitability. We estimate that these investments will play a role in improving our targeted segment margins from 12.7% in 2010 to 17.0% in 2015.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	countries continue to build plants using Eaton products, and Eaton will continue to service existing plants. This could offset some of the potential impact on the business.								
Renewable energy regulation	Subsidies for solar and wind energy companies are being cutback or eliminated by governments throughout the world. Across Europe, struggling economies are forcing cuts in public spending, including green energy subsidies. U.S. subsidies have been slowed after several subsidized companies went bankrupt. The U.S. Federal production credit on wind energy investments expired Dec. 31, 2013, threatening elimination of credits for	Reduced demand for goods/services	>6 years	Direct	Very likely	Medium	Without the extension of credits, Eaton could see fewer contracts for its wind energy products and solutions, resulting in potential lost revenue >$1 million.	Eaton has had discussions with congressional staff members regarding climate change-related issues. These discussions have focused on encouraging market-based incentives for technology development and deployment that will reduce emissions and improve energy efficiency resulting in climate change mitigation and adaptation.	In 2013, Eaton spent $1,040,000 related to lobbying activities.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	investment in renewable energy technology and production of electricity. Further erosion of subsidies could stymie progress towards generating solar and wind energy at competitive prices and affect Eaton's solar and wind products and solutions businesses.								

CC5.1b

Please describe your risks that are driven by change in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	The physical risks of increased storm and hurricane activity, as well as flooding and	Inability to do business	3 to 6 years	Direct	About as likely as not	Low-medium	Estimated financial implications before taking action depend on the severity of an	Eaton conducts strategic planning at all of its facilities and associated businesses. The factors considered include potential	Costs associated with these actions are included in the annual budgets for the

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	droughts, may place a temporary financial burden on our facilities and supply chain to sustain operations and protect our employees and communities.						incident, but can approach $10-$15 million for significant damage to a manufacturing plant due to flooding or high wind velocity incidents.	environmental impacts, physical risks such as changing weather patterns, rising temperatures and other natural disasters, new regulations, waste minimization and many other factors. An outcome of these meetings is the development of local response plans designed to address catastrophic occurrences, including humanitarian demands of employees and communities. Eaton has enhanced its worldwide emergency response capabilities through the company's Enterprise Risk Management (ERM) governance structure to deal with physical risks such as increased storm activity, hurricanes, floods, etc. This system includes an emergency response Hotline. A call to the Eaton Hotline immediately engages the Corporate Emergency Response	businesses and facilities, and represent <$ 3 million per year.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Team which can provide resources to help a facility deal with emergencies and also assist in communications and decision-making. Other programs that support ERM include business continuity, travel and employee security, information technology disaster recovery, intellectual property protection and pandemic preparedness.	

CC5.1c

Please describe your risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
Increasing humanitarian demands	In the event of changing climate conditions, e.g. droughts, or extreme	Increased operational cost	>6 years	Direct	About as likely as not	Low	Financial help for disaster victims would come from the Eaton Charitable	Eaton conducts strategic planning at all of its facilities and associated businesses. The factors considered	To support the humanitarian efforts after typhoon Haiyan in the Philippines in 2013, the Eaton Charitable

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
	weather, companies could be called upon (and expected) to do more to address the increasing humanitarian demands.						Trust contributions budget. In 2013, Eaton's budget was approx. $9.3 million.	include potential environmental impacts, physical risks such as changing weather patterns, rising temperatures and other natural disasters, new regulations, waste minimization and many other factors. An outcome of these meetings is the development of local response plans designed to address catastrophic occurrences, including humanitarian demands of employees and communities.	Fund donated $200,000 to the Philippines Red Cross for disaster relief. In addition, Eaton is matching one-for-one U.S., Canada and Puerto Rico employees' gifts of $25 or more to the American Red Cross and/or Salvation Army Disaster Relief Funds. Financial help for disaster victims would come from Eaton's contributions budget. In 2013, Eaton's budget was approx. $9.3 million.

CC5.1d

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Product efficiency regulations and standards	EPA's proposed 2017-2025 LD CAFÉ/GHG standards represent an aggressive target of 4-5% improvement per year from a baseline of about 35 mpg (2016) for the national automotive fleet. Eaton provides innovative products and services that will help auto manufacturers achieve EPA's targeted improvement.	Increased demand for existing products/services	>6 years	Direct	Virtually certain	High	We estimate that by our annual investments in R&D will play a major role in improving our targeted segment margins from 12.7% in 2010 to 17.0% in 2015, thereby minimizing this risk.	Eaton spent $644 million for R&D to continue to launch innovative products and solutions that help our customers meet their most demanding energy and emissions requirements. Eaton's sustained R&D investments contribute to our improved profitability.	$644 million spent on R&D in 2013.
Air pollution limits	EPA proposed new regulations for coal plant emissions, including a mandate that new coal plants install carbon capture and storage (CCS) technology.	Increased demand for existing products/services	>6 years	Direct	Very likely	Medium	We're using new technologies and processes to make our manufacturing plants around the world more energy efficient. In 2013, Overall,	Eaton committed to reduce GHG emissions an additional 25 percent, indexed for sales, by 2015. From 2006 to 2013, Eaton reduced	$1.44 million

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	CCS has not yet proven to be commercially viable, making it virtually impossible to build new coal plants. Additional EPA rules on mercury and coal ash are forcing many older coal plants to shut down. This could also threaten the national power grid's ability to supply peak power without major brownouts in the near-term, causing business disruptions and price spikes that may temporarily affect Eaton production, as well as that of our customers. Transitioning from coal to other fuels (particularly						Eaton completed 31 projects that included lighting optimization, building shell insulation, equipment upgrades, heat recovery, compressed air installation, ventilator control and energy management. These projects will eliminate about 2688 metric tons of GHG emissions per year at a capital cost of approx. $1.44 million.	GHG emissions, by 32.6 percent. The reduction exceeded a company commitment to lower emissions by 18 percent by 2012. Eaton has also pledged to reduce global energy use by 25 percent, indexed to sales, between 2006 and 2016, thereby reducing our GHG emissions to help mitigate our own impact on climate change. We are making progress toward those goals through completion of worldwide energy-saving projects that	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	natural gas) will take time. Within Eaton's manufacturing facilities, the majority of carbon emissions results from using electricity and natural gas to heat and cool our buildings. However, Eaton's total energy cost is not significant when compared to raw material costs, and our overall carbon emissions are not exceedingly high when compared to heavier types of manufacturing. And as tax policy shifts consumer demand toward more energy efficient and/or more carbon neutral products, Eaton can offer a wide							included lighting upgrades, building shell insulation, equipment upgrades, new energy efficient facilities, and more.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	range of environmentally friendly products and services, including electrical power control systems for the efficient use of power and lower carbon emissions mitigation and adaptation.								
Cap and trade schemes	Eaton expects a regime of renewable energy standards and other emissions reductions mandates which will enlarge the market for Eaton products. In the wind energy market, Eaton is combining our hydraulics and electrical expertise to develop smaller, more reliable components that improve the	Increased demand for existing products/services	>6 years	Direct	About as likely as not	Medium	As regulatory policy shifts consumer demand toward more energy efficient and carbon neutral products, Eaton can offer a wide range of sustainable products and services to customers. In 2013, Eaton's net income was $1.87 billion on revenue of approx. $22	Eaton has had discussions with congressional staff members regarding climate change-related issues. These discussions have focused on encouraging market-based incentives for technology development and deployment that will reduce	Eaton reported $1,040,000 for lobbying efforts in 2013.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	performance and uptime of giant turbines and reduce expensive operating costs. We're also able to provide integrated global support, helping us to win new contracts from turbine manufacturers of all sizes.						billion, the majority of which is the result of sales of these products and services. Eaton estimates its end markets for 2014 will grow 3% bolstered by customer demand for products to meet regulatory demands.	emissions and improve energy efficiency resulting in climate change mitigation and adaptation.	
Other regulatory drivers	Regulation of emissions, along with mandates requiring the use of alternative energy sources to generate power will enlarge the market for Eaton products. In the wind energy market, Eaton is combining our	Increased demand for existing products/services	>6 years	Direct	Very likely	Medium	We are targeting an additional $95 million of year-over-year synergy profits in 2014 from our Cooper acquisition, and will follow that with a further $140 million of year-over-year additional profits in 2015. This multi-year	Acquisition of Cooper Industries, along with new products and processes from our R&D efforts, and organic growth will combine to provide the power management products and solutions required to	$13.79 billion acquisition of Cooper, plus $644 million in R&D investments in 2013.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	hydraulics and electrical expertise to develop smaller, more reliable components that improve the performance and uptime of giant turbines and reduce expensive operating costs. We're also able to provide integrated global support, helping us to win new contracts from turbine manufacturers of all sizes. Eaton is also helping to build efficient hydropower systems in developing countries such as Vietnam. Eaton also has an emerging presence in solar power, helping to create and						profit growth represents a powerful accelerator to the organic growth that emanates from our set of global power management capabilities.	address this opportunity.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	deploy more efficient solar inverters and battery storage systems, making it possible to deliver affordable power to the most remote places on earth. Eaton is a leading provider of energy-efficient and environmentally friendly electrical solutions to help customers conserve energy, reduce operating costs, and achieve their sustainability goals. Our breakthrough PowerChain™ Management solutions allow customers to take a system-wide life-cycle approach to managing their								

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	electrical systems to increase reliability, improve capital efficiency, reduce operating costs, minimize carbon emissions and enhance safety.								

CC6.1b

Please describe the opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in temperature extremes	Changes in temperature extremes can lead to serious weather events such as tornadoes and hurricanes, or melting sea ice causing flooding in coastal areas. Eaton can offer	Increased demand for existing products/services	>6 years	Direct	Virtually certain	Low-medium	Estimated financial implications of physical opportunities represent < 1 percent of annual income. In 2013, Eaton's net income was $1.87 billion on	To manage this opportunity, Eaton will continue to develop comprehensive solutions to customers for combating their physical risks. Our Electrical group is a leading provider of distribution and	$644 million spent on R&D in 2013, the vast majority for products and solutions that improve energy efficiency, reduce fuel consumption, and mitigate

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	customers comprehensive solutions for combating their own physical risks.						revenue of approx. $22 billion, the majority of which is the result of sales of power management products and services.	control solutions that increase energy efficiency and improve power quality, safety and reliability. Our PowerChain™ Management solutions offer a growing portfolio of “green” products and services, such as energy audits and real-time energy consumption monitoring. Eaton’s Uninterruptible Power System (UPS) products, variable speed drives and lighting controls provide greater reliability, improved operational efficiencies and enhanced safety, making power outages from the physical risk of unstable weather patterns less of a threat.	GHG emissions.

CC6.1c

Please describe the opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	As regulation of emissions, energy efficiency and fuel standards begin to take hold, consumer behavior will favor companies that offer "green" products. Eaton provides innovative products, services and technologies to conserve fuel, manage electric power, and reduce GHG emissions.	New products/business services	>6 years	Direct	About as likely as not	Medium-high	We estimate that by our annual investments in R&D will play a major role in improving our targeted segment margins from 12.7% in 2010 to 17.0% in 2015, thereby maximizing the positive impact of this opportunity.	Ton manage this opportunity, Eaton will continue to launch innovative products and solutions that help our customers meet their most demanding energy and emissions requirements. Eaton's sustained R&D investments contribute to our improved profitability.	$644 million spent on R&D in 2013, the vast majority for products and solutions that improve energy efficiency, reduce fuel consumption, and mitigate GHG emissions
Reputation	As regulation of emissions, energy efficiency, fuel standards increase, reputations of companies offering	Increased demand for existing products/services	>6 years	Direct	About as likely as not	Medium	As regulatory policy shifts consumer demand toward more energy efficient and carbon neutral products, Eaton can offer a wide	Eaton has had discussions with congressional staff members regarding climate change-related issues. These discussions have focused on	Eaton reported $1,040,000 for lobbying efforts in 2013.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	sustainable products will trend positive. Eaton provides innovative products, services and technologies to conserve fuel, manage electrical power, and reduce GHG emissions.						range of sustainable products and services to customers. Eaton estimates its end markets for 2014 will grow 3% bolstered by demand for products to meet regulatory demands to reduce carbon footprints. In 2013, Eaton's net income was $1.87 billion on revenue of approx. $22 billion, the majority of which is the result of sales of power management products and services.	encouraging market-based incentives for technology development and deployment that will reduce emissions and improve energy efficiency resulting in climate change mitigation and adaptation.	

CC6.1d

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Sat 01 Oct 2011 - Sun 30 Sep 2012	105500	692200
Sat 01 Oct 2005 - Sat 30 Sep 2006	148600	898500

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
NF3	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Electricity		lb CO2e per MWh	Please see attached Excel workbook
Natural gas	117.094	lb CO2e per million BTU	The Climate Registry (TCR) Version 1.1, 2011

Further Information

Eaton has over 200 in scope facilities and chose to detail scope 2 emission factors in the attached Excel workbook.

Attachments

https://www.cdp.net/sites/2014/94/5194/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC7.EmissionsMethodology/Electrical Power Emission Factors.pdf

Page: CC8. Emissions Data - (1 Oct 2012 - 30 Sep 2013)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

112000

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

663300

CC8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Recent acquisitions	Emissions excluded due to a recent acquisition	Emissions excluded due to a recent acquisition	Consistent with our carbon map, Eaton does not add emissions from acquisitions until 3 years after the closing date. Our business plan requires three years for full integration of a new asset into all facets of Eaton's operations before we add them to our profile.
Sales and administrative offices	Emissions are not relevant	Emissions are not relevant	Eaton excludes its sales and administrative offices from its Scope 2 emissions calculations. Sales and administrative offices account for about 200 of Eaton’s 400 locations. The average usage from a representative sample of 40 excluded sites was multiplied by the average emission factor for all 200 excluded sites to calculate a percentage estimate of the total Scope 2 emissions unaccounted for in current calculations. The excluded sites, 50% of Eaton’s locations, account for less than 10% of its total Scope 2 emissions. Eaton will continue to only account for its manufacturing locations when calculating Scope 2 emissions, as they have a footprint 9 times the size of sales offices.
Fuels other than natural gas	Emissions are not relevant	Emissions are not relevant	Eaton excludes fuels other than natural gas from its Scope 1 emissions calculations. On a survey asking sites to report fuel oil, bunker oil, coal, and propane use, 55% of sites reported that they do not use these fuels. After applying the average annual usage from sites that reported it to the sites that were unsure or had no response, fuel oil and propane accounted for less than 5% of total reported and calculated Scope 1 emissions, and are therefore irrelevant. No sites reported using bunker oil or coal.

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation	Data received from sources outside of the standard process, like natural gas bills from China.	More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation	Data received from sources outside of the standard process, like electric bills from joint ventures in China.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/94/5194/Investor CDP 2014/Shared Documents/Attachments/CC8.6a/Eaton_FY2013_Scope_1_and_2_GHG_Verification_Statement_CDP_Format_final.pdf	Page 1-3	ISO14064-3	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 2 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/94/5194/Investor CDP 2014/Shared Documents/Attachments/CC8.7a/Eaton_FY2013_Scope_1_and_2_GHG_Verification_Statement_CDP_Format_final.pdf	Page 1-3	ISO14064-3	100

CC8.8

Please identify if any data points other than emissions figures have been verified as part of the third party verification work undertaken

Additional data points verified	Comment
Year on year change in emissions (Scope 1 and 2)	See page 2 of verification report

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Oct 2012 - 30 Sep 2013)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
North America	85500
South America	6500
Europe, Middle East and Africa (EMEA)	19200
Asia, Australasia	800

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
ELECTRICAL SEGMENT	26500
HYDRAULICS SEGMENT	25500
AEROSPACE SEGMENT	11600
VEHICLE SEGMENT	48400

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Oct 2012 - 30 Sep 2013)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for CC8.3 (MWh)
North America	416500	690700	0
South America	13900	159500	0
Europe, Middle East and Africa (EMEA)	139600	264400	0
Asia, Australasia	93300	126600	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
Electrical Segment	145300
HYDRAULICS SEGMENT	161600
AEROSPACE SEGMENT	55400
VEHICLE SEGMENT	301000

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	617600
Electricity	1241200
Heat	0
Steam	0
Cooling	0

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	617600

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor	0	

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	0.8	Decrease	We're using new technologies and processes to make our manufacturing plants around the world more energy efficient. Many of our aerospace, hydraulics, electrical and vehicle plants in North America upgraded their facilities with energy-saving projects. Overall, Eaton completed 31 projects that included lighting optimization, building shell insulation, equipment upgrades, heat recovery, compressed air installation, ventilator control and energy management. These projects will eliminate about 2688 metric tons of GHG emissions per year at a capital cost of approx. $1.44 million.
Divestment			
Acquisitions			
Mergers			
Change in output	2.0	Decrease	In 2013, Eaton's sales were down by 2.0 percent compared to 2012, resulting in decreased factory activity and energy use. However, our GHG emission decreased by 2.8 percent. Using the 2012 emission factors, our GHG emission should have decreased by 16,174 metric tons due to the decrease in energy use, but our actual decrease was 22,432 metric tons because of emissions reductions projects. Indexed for these factors, our emissions decreased by 6,258 metric tons.
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.0000477	metric tonnes CO2e	unit total revenue	0.8	Decrease	Emission reduction activities include relighting, HVAC upgrades, compressor optimization at key Eaton manufacturing plants plus Green Team Activities (cultural shifts). These projects will eliminate about 2688 metric tons of GHG emissions per year at a capital cost of approx. $1.44 million.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
10.6	metric tonnes CO2e	FTE employee	1.9	Decrease	The indexed term, people, decreased slightly while the carbon generated decreased. In addition, Eaton did conduct many emission reduction activities include relighting, HVAC upgrades, compressor optimization at key Eaton manufacturing plants plus Green Team Activities (cultural shifts). These activities accounted for a majority of the decrease.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.42	metric tonnes CO2e	megawatt hour (MWh)	1.7	Decrease	The decrease in metric tonnes of carbon per megawatt hours used demonstrates Eaton's desire to move production to countries (like Brazil) that generate very little carbon per kilowatt generated.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, calculated	2250000	To calculate an average emission factor for purchased goods, a representative sample of top suppliers who reported scope 3 emissions to CDP is used to calculate average emission factors by industry. Emissions data is sourced from CDP responses, and sales data is sourced from annual reports. A weighted average by sales of these calculated emission factors is calculated and applied to Eaton's total annual materials purchases to estimate the impact from purchased goods. Intercompany sales are excluded so as to avoid double counting between scopes.		Since very few suppliers reported their entire upstream scope 3 emissions, the calculated emissions factor will likely increase in the future, leading to an increase in Eaton's purchased goods emissions.
Capital goods	Relevant, calculated	85000	Capital goods are primarily from the Industrial Machinery GICS sub-industry. To calculate an average emission factor for capital goods, a representative sample of top Industrial Machinery suppliers who reported to CDP is used to calculate an average emission factor. Emissions data is sourced from CDP responses, and sales data is sourced from annual reports. Emissions are calculated by multiplying this emissions intensity by Eaton's yearly capital expenditures.		Since no Industrial Goods suppliers reported their entire upstream scope 3 emissions, the calculated emissions factor will likely increase in the future, leading to an increase in Eaton's capital goods emissions.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	210000	Fuel- and energy-related activities (including upstream emissions and transportation and distribution losses) are estimated using online lifecycle databases (% breakdown by life cycle phase) and Eaton's scope 1 and scope 2 data (CO2e emissions). Online databases estimate upstream emissions for electricity use as 6% of total emissions, and upstream emissions for natural gas use as 60% of total emissions. Category 3 emissions are extrapolated from		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			Eaton's Scope 1 and Scope 2 calculations using these percentages.		
Upstream transportation and distribution	Relevant, calculated	136000	Transportation and distribution emissions data is received from FedEx, who manages Eaton's logistics. Assumptions based on weight, volume, distance, and mode of shipment are applied to mass and distance information from truck, air, and small package shipments. These modes combined account for 97% of all shipments. Other modes comprising 3% of shipments are not included. Upstream and downstream shipments are categorized based on payment method. FedEx provides data from the North America region, which accounts for about 50% of Eaton's total sales. Emissions are therefore extrapolated by 50% to account for excluded global shipments. It is assumed that approximately 15% of shipments are paid by customers or suppliers and are not included in the dataset, so emissions are extrapolated to include these as well.		
Waste generated in operations	Not relevant, calculated	15800	Eaton uses the WARM model to estimate emissions from reported mass of landfilled or incinerated grinding swarf, metal scrap, plastic scrap, rubber scrap, and general trash captured in its EHS management system. The majority of Eaton's waste is recycled, but emissions due to recycling are not included in the estimate as the WARM model calculates recycling impact as negative. Only operations that had an impact greater than 0 tons of CO2eq were considered. Wastewater emissions are not included in the emissions estimate as Eaton is an industrial manufacturing company, and wastewater is		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			only material for industries with a high concentration of CH4 in their wastewater, such as those in the pulp and paper, food and beverage, or organic chemical production industries. Emissions from the transportation of waste to disposal facilities are also excluded.		
Business travel	Not relevant, calculated	50000	For air travel, Eaton receives a detailed emission report from BCD, our travel coordinator. Emissions are extrapolated to include countries that do not use BCD. For all other business travel calculations, Eaton uses a variety of publicly available data to estimate emission factors for economic data captured through receipts submitted through Eaton's business travel software. Travel receipts include former Cooper employees. Cooper is not yet included in Eaton's reporting scope, so emissions are estimated based on ratio of legacy Eaton to former Cooper headcount.		
Employee commuting	Relevant, calculated	120000	Eaton currently estimates its employee commuting data based on averages of published commute modes and distances by region to calculate an average carbon footprint for an average Eaton employee. This footprint is then multiplied by the number of employees at Eaton and the number of days in a working year to calculate Eaton's annual employee commuting emissions contribution.		
Upstream leased assets	Not relevant, calculated	48900	Eaton receives an emission report from LeasePlan, who coordinates fleet cars. LeasePlan covers approximately 70% of Eaton's fleet cars, so emissions are extrapolated to include the global fleet.		
Downstream	Not relevant,	76800	Transportation and distribution emissions data		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
transportation and distribution	calculated		is received from FedEx, who manages Eaton's logistics. Assumptions based on weight, volume, distance, and mode of shipment are applied to mass and distance information from truck, air, and small package shipments. These modes combined account for 97% of all shipments. Other modes comprising 3% of shipments are not included. Upstream and downstream shipments are categorized based on payment method. FedEx provides data from the North America region, which accounts for about 50% of Eaton's total sales. Emissions are therefore extrapolated by 50% to account for excluded global shipments. It is assumed that approximately 15% of shipments are paid by customers or suppliers and are not included in the dataset, so emissions are extrapolated to include these as well.		
Processing of sold products	Not relevant, explanation provided				Emissions related to the processing of sold products are irrelevant. Eaton manufactures highly engineered products. Customers integrate our products and systems into their platforms or sell them directly to consumers. We do not produce products that act as raw materials that require further processing.
Use of sold products	Relevant, calculated	25000000	Using the data from LCAs Eaton has completed, the average emissions contribution from use of Eaton products is about 87%, while manufacturing and material use account for 11.5%. Eaton's Scope 1 and 2 emissions, added to the calculated Scope 3 purchased goods, capital goods, and category 3 emissions, are extrapolated from 11.5% to 87% to estimate annual use impact.		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
End of life treatment of sold products	Relevant, calculated	140000	Using the data from LCAs Eaton has completed, the average emissions contribution from disposal of Eaton products is about 0.5%, while manufacturing and material use account for 11.5%. Eaton's Scope 1 and 2 emissions, added to the calculated Scope 3 purchased goods, capital goods, and category 3 emissions, are extrapolated from 11.5% to 0.5% to estimate annual end of life emissions.		
Downstream leased assets	Not relevant, explanation provided				Emissions related to downstream leased assets are irrelevant. Eaton Corporation does not lease company-owned assets to customers.
Franchises	Not relevant, explanation provided				Emissions related to franchises are irrelevant. Eaton Corporation manufactures highly engineered products. We sell these products directly to customers without the use of a franchised network.
Investments	Not relevant, explanation provided				Emissions related to investments are irrelevant. This category is designed primarily for private financial institutions (e.g., commercial banks), but is also relevant to public financial institutions (e.g., multilateral development banks, export credit agencies) and other entities with investments not included in scope 1 and scope 2. As a manufacturer of highly engineered products, Eaton Corporation does not meet these criteria and therefore, this category does not apply.
Other (upstream)					
Other (downstream)					

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance complete

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2014/94/5194/Investor CDP 2014/Shared Documents/Attachments/CC14.2a/Eaton_2013_Scope_3_GHG_Verification_Statement_CDP_Format_final.pdf	Pages 1 to 3	ISO14064-3	100

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Emissions reduction activities	3.2	Decrease	Assumptions used for last year's purchased goods emissions did not take into account Scope 3 emissions of our suppliers, and therefore underestimated our impact. Assumptions have been adjusted to be more accurate. However, Eaton has achieved a 3.2% reduction over last year's estimated purchased goods emissions recalculated using new assumptions due to more efficient material procurement.
Capital goods	Emissions reduction activities	21.3	Decrease	Assumptions used for last year's purchased goods emissions did not take into account Scope 3 emissions of our capital goods suppliers, and therefore greatly underestimated our impact. Assumptions have been adjusted to be more accurate. However, Eaton has achieved a 21.3% reduction over last year's estimated capital goods emissions recalculated using new assumptions due to more efficient material procurement.
Waste generated in operations	Emissions reduction activities	30.7	Decrease	Assumptions used for last year's waste emissions overestimated our impact. Assumptions have been adjusted to be more accurate. Eaton has achieved a 30.7% reduction over last year's estimated waste emissions recalculated using new assumptions due to selectively targeting our largest waste generating plants and developing processes to minimize waste from these plants.
Business travel	Emissions reduction activities	8.9	Decrease	The boundary for last year's business travel emissions was air travel and fleet cars. This year, business travel is defined as air travel and ground transport (personal car use, rental car use, other ground transportation), and fleet cars are characterized as upstream leased assets. In addition to our change in scope, Eaton has achieved an 8.8% reduction over last year's estimated business travel emissions recalculated using new assumptions due to more efficient transportation.
Employee commuting	Change in physical operating conditions	1.0	Decrease	Assumptions for last year's employee commuting emissions overestimated our impact. Assumptions have been adjusted to be more accurate. We achieved a 1.0% decrease in employee commute emissions due to a decrease in employee count.
Use of sold products	Emissions reduction	3.3	Decrease	Assumptions used for last year's product use emissions greatly underestimated our impact. Assumptions have been adjusted to be more accurate. In addition, Eaton has

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
	activities			achieved a 3.3% reduction over last year's estimated use emissions recalculated using new assumptions due to our continual effort to increase the efficiency of our customers' operations.
End-of-life treatment of sold products	Emissions reduction activities	3.3	Decrease	Eaton has achieved a 3.3% reduction over last year's estimated end of life emissions recalculated using new assumptions due to our continual effort to decrease the environmental impact of our products.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in physical operating conditions	3.9	Increase	We did not estimate fuel- and energy-related activities last year. Applying current assumptions to the previous year's data, we saw a 3.9% increase in upstream fuel emissions due to an increase in direct fuel use.
Upstream leased assets	Emissions reduction activities	14.2	Decrease	Last year, we categorized fleet cars as business travel. This year, we categorize them as upstream leased assets. In 2013, we achieved a 14.2% reduction in emissions due to fleet car activity due to decreasing our vehicle pool and transitioning to more environmentally-friendly vehicles.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Eaton Corporation is committed to improving our environmental footprint – not only around our own emissions, energy and water consumption but also by helping our suppliers reduce theirs. In 2013 we asked 200 of our most strategic suppliers to join us in our sustainability efforts by working with our partner CDP and

completing the Supplier Questionnaire. Eaton engaged APB & Associates as an additional resource to assist our suppliers in responding to the questionnaire offering training and one on one consultation. These suppliers are strategic to our operations representing over 20% of Eaton's total upstream spend on goods and services. Success was measured by the number of respondents and the quality of information submitted. The CDP supply chain results showed Eaton as a leading company in both number of suppliers asked and number accepting our invitation.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
200	20%	Eaton participates in the CDP Supply Chain initiative.

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Other	We use supplier data to help us estimate the life cycle carbon content of our products.

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

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

Name	Job title	Corresponding job category
Alexander M. Cutler	Chief Executive Officer	Chief Executive Officer (CEO)

Further Information

Module: SupplyChain

Page: SM0. Supply Chain Module - Introduction

SM0.0

If you would like to do so, please take this opportunity to provide a separate introduction to this module

Further Information

Page: SM1. Supply Chain - Allocation A

SM1.1

Please allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period

Please note that this table (for SM1.1) is designed so that only the customer that you select in column 1 ("Please select the requesting member(s)") will be able to see the data relevant to them. If you enter an answer without selecting a requesting member, your answer will not be viewable at all.

Please select the requesting member(s)	Scope of emissions	Emissions in metric tonnes CO2e	Uncertainty (+/- %)	Major sources of emissions	Verified	Allocation Method	Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
General Motors Company	Scope 1+2	31200	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability.
Fiat	Scope 1+2	22739	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability.
Ford Motor Company	Scope 1+2	22310	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability.
BMW AG	Scope 1+2	7121	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability.
Jaguar Land Rover Ltd	Scope 1+2	6979	5	Carbon content associated with scope 1 and 2 emissions at Eaton's	No	Allocation based on the market value of products	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find

Please select the requesting member(s)	Scope of emissions	Emissions in metric tonnes CO2e	Uncertainty (+/- %)	Major sources of emissions	Verified	Allocation Method	Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
				manufacturing facilities.		purchased	limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability .
Nissan Motor Co., Ltd.	Scope 1+2	2671	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability.
Microsoft Corporation	Scope 1+2	239	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability.
Johnson Controls	Scope 1+2	800	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability .
AT&T Inc.	Scope 1+2	109	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site.
Eaton Corporation	Scope 1+2	234	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability .
CNH Industrial NV	Scope 1+2	223	5	Carbon content associated with	No	Allocation based on the	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the

Please select the requesting member(s)	Scope of emissions	Emissions in metric tonnes CO2e	Uncertainty (+/- %)	Major sources of emissions	Verified	Allocation Method	Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
				scope 1 and 2 emissions at Eaton's manufacturing facilities.		market value of products purchased	sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability .
BT Group	Scope 1+2	94	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability .
National Grid	Scope 1+2	57	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability .
Cisco Systems, Inc.	Scope 1+2	57	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability.
Wal-Mart Stores, Inc.	Scope 1+2	57	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability .
Amdocs Ltd	Scope 1+2	57	5	Carbon content associated with scope 1 and 2 emissions at Eaton's manufacturing facilities.	No	Allocation based on the market value of products purchased	Eaton determines the customer's greenhouse gas allocation using the indexed emission value of the sector of Eaton's business supplying the service or product multiplied by sales. You can find limitations listed in Eaton's Carbon Map located on our web site Eaton.com/sustainability.

Further Information

Page: SM1. Supply Chain - Allocation B

SM1.2

Where published information has been used in completing SM1.1, please provide a reference(s)

Quantification Methods:

Emissions quantification methods used for the inventory are largely based on the application of WRI/WBCS Greenhouse Gas Protocol and supporting documentation. Emission factors and activity (usage) data for applicable emission sources are gathered from US EPA eGRID, The Climate Registry, and the International Energy Agency and used to quantify GHG emissions according to best practice methodologies. More information on the specific emission factor sources is described below.

General Quantification Formula:

Usage or “activity” data from emissions sources as identified is utilized for calculating emissions. The activity data is multiplied by the correlating emission factors as defined in the protocol or by engineering evaluations for the respective activity. A general formula for calculating emissions is:

Activity Data x Emission Factor = (CO2, CH4, N2O) Emissions

Global Warming Potential:

All GHG emissions are calculated in metric tons per pollutant and converted to metric tons of carbon dioxide (CO2) equivalents (or “CO2-e”) using the global warming potentials (GWPs). GWPs allow policy makers to compare the impacts and reductions associated with various gases in our environment relative to a reference gas – CO2 was chosen as this reference gas and has a GWP equivalent to 1. The GWPs are based on the Intergovernmental Panel on Climate Change (IPCC) Second Assessment Report (SAR) published in 1996. For pollutants other than CO2, the 100-year GWP factors are used to scale emissions to CO2-e.

Electric Power Emissions by Grid Sector (U.S. Only):

The Emissions and Generation Resource Integrated Database (eGRID) is the leading source of air emissions data for the electric power sector. eGRID’s data is based upon data provided by all U.S. electricity generating plants that provide power to the electric grid and report data to the U.S. government. The U.S. is divided into several regions, which are represented by eGRID factors based upon the electrical generation fuel mixture (i.e., coal, natural gas, nuclear, etc.) for that region. Thus, each utility provider is assigned to a particular region, which results in a corresponding eGRID factor that is used to calculate the appropriate air emissions.

Electric Power Emissions (International):

Outside the US: CO2 Emissions from Fuel Combustion (2011 Edition), International Energy Agency (IEA), Paris, emission factors were used for all sites in Europe and rest-of-world. International emission factors were applied based on the corresponding years in the 2011 Edition.

Quantification Method:

The following methods will be used to quantify GHG emissions from the sources identified at Eaton Corporation facilities:

- Direct emissions from stationary combustion of natural gas will be quantified by compiling natural gas invoices issued to each facility by utilities, recording the monthly usage (in MMBtu or MWh), and applying the appropriate emission factor for natural gas combustion.

- Indirect emissions from electricity consumption will be quantified by compiling electric power invoices issued to each facility by utilities, recording the monthly usage (in kWh), and applying the appropriate emission factor by region in which the electricity is generated.

- In the future, Eaton may expand its inventory to include such direct and indirect emissions from sources such as the stationary combustion of propane, mobile combustion of gasoline and diesel, alternative fuels, biofuels, and HFCs used in refrigeration/ air-conditioning (AC) equipment. The factors will be quantified by compiling the appropriate invoice issued to each facility and applying the applicable emission factor.

Emission Factors:

Emission factors used for Eaton's inventory are included in Appendix B and are based on guidance documents provided by WRI/WBCSD, The Climate Registry (TCR) Default Emission Factors; released January 6, 2012(for natural gas), the U.S. EPA (U.S. electric power sources only) and the International Energy Agency (2012 Edition).

For direct emissions, equivalent emission factors for CO2, CH4, and N2O by fuel type or process application is used for all sites worldwide.

For indirect emissions, emission factors for the specific electricity supplied to Eaton Corporation facilities are defined by the following methods in each relative geography where Eaton operates:

- United States: USEPA eGRID and the respective versions as they apply to Fiscal Years throughout the inventory.

- Outside the US: CO2 Emissions from Fuel Combustion (2011 Edition), International Energy Agency (IEA), Paris. International emission factors were applied based on the corresponding years in the 2012 Edition.

Activity data is converted to appropriate units for calculating emissions with standard emission factors.

SM1.3

What are the challenges in allocating emissions to different customers and what would help you to overcome these challenges

Allocation challenges	Please explain what would help you overcome challenges

Allocation challenges	Please explain what would help you overcome challenges
Other: Sub metering	Challenge: Being unable to measure where and how energy is used. Generally we do not sub meter our factories. Therefore, it is generally difficult to determine a footprint of a single unit of production. Eaton produces close to one million products at more than 200 manufacturing facilities worldwide. We have no method of allocating products to a specific facility, then connecting them to one of our thousands of customers. Potential solution: Submetering of plants would overcome this challenge.
Other: Logistics	Challenge: Monitoring emission sources attributed directly to all product deliveries, e.g., the use of company delivery services. Potential solution: Developing a logistic process to measure energy would overcome this challenge.
Other: Packaging	Challenge: Measuring and recording emissions from the disposal of packaging from our products. Potential Solution: Developing a package disposal profile would overcome this challenge.

SM1.4

Do you plan to develop your capabilities to allocate emissions to you customers in the future?

Yes

SM1.4a

Please describe how you plan to develop your capabilities

In the future Eaton plans to enhance scope 3 emissions.

Additional enhancements would include:

• Continue to develop our Life Cycle Assessment (LCA) process to include more products and achieve a better understanding of a product's GHG impact, including allocation to customers. Establish a process to monitor finished products including transport and packaging waste disposal.

• Establish the carbon footprint of our supply chain using more primary data. In 2013, we invited our top 200 suppliers to participate in the CDP supplier Information Request which will help identify opportunities for reducing carbon footprints, as well as allocating emissions to customers and suppliers.

• Continue to develop our portfolio of “Green Leaf” products, which represent Eaton’s benchmark for environmental performance. The Green Leaf symbol is our promise that the product has been reviewed and documented as offering exceptional, industry-leading environmental benefits to customers, consumers and our communities. The process helps identify the product’s carbon footprint.

• Increase employee awareness and understanding of emissions worldwide to provide support to our programs to reduce our carbon footprint.

SM1.4b

Please explain why you do not plan to develop capabilities to allocate emissions to your customers

Further Information

Page: SM2. Supply Chain - Collaboration

SM2.1

Please use the table below to communicate any proposals you would like to make to specific supply chain members for the collaborative development of GHG emission reducing projects or products

Please do NOT include details of existing commercial offerings of which your customer will already be aware. Use this as an opportunity to think about how you can work with your customer to reduce the emissions associated with the goods and services you provide to your customer.

Please note that this table (for SM2.1) is designed so that only the customer that you select in column 1 ("Please select requesting member") will be able to see the data relevant to them. If you enter an answer without selecting a requesting member, your answer will not be viewable at all.

Please select requesting member	Emissions reduction project or product consists of	Estimated timeframe for carbon reductions to be realized	Details of proposal

Please select requesting member	Emissions reduction project or product consists of	Estimated timeframe for carbon reductions to be realized	Details of proposal
Cisco Systems, Inc.			

SM2.2

Have requests or initiatives by requesting members prompted your organization to take organizational-level emission reduction initiatives

No

SM2.2a

Please select the requesting member(s) that have driven a reduction

Please select the requesting member(s) that have driven a reduction	Describe the reduction initative	Give reduction for the reporting year in metric tonnes of CO2e	Did you identify this opportunity as part of the CDP Supply Chain Action Exchange?

Further Information

Page: SM3. Supply Chain - Product Introduction

SM3.1

Are you providing product level data for your organization's goods or services, if so, what functionality will you be using?

Yes, I will provide data using the Excel template and the ORS

SM3.1a

Please give the overall percentage of total emissions, for all scopes, that are covered by these products

1%

SM3.2

Please describe the goods/services for which you want to provide data using the following template and attach it to the response

https://www.cdp.net/sites/2014/94/5194/CDP Supply Chain 2014/Shared Documents/Attachments/SM3.2/SM3-Product-Level-Carbon-Emissions-2013.xlsx

SM3.2a

Please describe the goods/services for which you want to provide data

Name of good/service	Description of good/service	Type of product	SKU (Stock Keeping Unit)	Total emissions in kg CO2e per unit	+/- % change from previous figure supplied	Date of previous figure supplied	Explanation of change	Methods used to estimate lifecycle emissions

Further Information

Backup document for SM3.2 attached below.

Attachments

https://www.cdp.net/sites/2014/94/5194/CDP Supply Chain 2014/Shared Documents/Attachments/CDPSupplyChain2014/SM3.SupplyChain-ProductIntroduction/Copy of SM3-Product-Level-Carbon-Emissions-2013.xlsx

Page: SM3. Supply Chain - Product Lifecycle Stages

SM3.2b

Please complete the following table with data for lifecycle stages of your goods and/or services

Name of good/service	Please select the scope	Please select the lifecycle stage	Emissions (kg CO2e) per unit at the lifecycle stage	Is this stage under your ownership or control?	Type of data used	Data quality	If you are verifying/assuring this product emission data, please tell use how

Further Information

Page: SM3. Supply Chain - Product Emissions Reductions

SM3.2c

Please detail emission reduction initiatives completed or planned for this product

Name of good/service	Initiative ID	Description of initiative	Completed or planned	Emission reductions in kg CO2e per unit

SM3.2d

Have any of the initiatives described in SM3.2c been driven by requesting members?

No

SM3.2e

Please explain which initiatives have been driven by requesting members

Requesting member(s)	Name of good/service	Initiative ID

Further Information

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	Importance rating	Please explain
Direct use: sufficient amounts of good quality freshwater available for use across your own operations	Vital for operations	Having sufficient water availability is essential to our operations. Without access to water, production would cease.
Direct use: sufficient amounts of recycled, brackish and/or produced water available for use across your own operations	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.
Indirect use: sufficient amounts of good quality freshwater available for use across your value chain	Vital for operations	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.
Indirect use: sufficient amounts of recycled, brackish and/or produced water available for use across your value chain	Important	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

Have you evaluated how water quality and water quantity affects /could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 10 years

W1.2a

Please explain how your organization evaluated the effects of water quality and water quantity on the success (viability, constraints) of your organization's growth strategy?

Eaton conducts an annual review of current and projected water stress over the next 10 years. Results are used to determine which sites are in high water risk areas, and that risk is accounted for in our five-year strategic plans.

W1.2b

What is the main reason for not having evaluated how water quality and water quantity affects /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

W1.3

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

Yes

W1.3a

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

Country	River basin	Impact indicator	Impact	Description of impact	Overall financial impact	Response strategy	Description of response strategy
United States of America	Not known	Regulatory-Higher water prices	Higher operating costs	Our manufacturing facilities in the Los Angeles region have seen their water bills rise by about 25% from 2012 to 2013 due to increased water prices related to drought and water scarcity in the region.	Water bills have increased by 25% from 2012 to 2013.	Other: Water Conservation Plans	Our affected facilities are implementing water conservation plans and strengthening their water management processes to reduce water use, increase efficiency, and offset higher operating costs.

W1.3b

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting period and any plans you have to investigate this in the future

Primary reason	Future plans

Further Information

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Please select the option that best describes your procedures with regard to assessing water risks and provide an explanation as to why this option is suitable for your organization

Water is integrated into a comprehensive, company-wide risk assessment process incorporating direct operations only

W2.1a

You may provide additional information about your approach to assessing water risks here

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.

Water availability and risk are also taken into account in our strategic plan during considerations for expanding or moving businesses.

W2.2

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider

Frequency	Geographic scale	Timeframe
Assessment at the river basin level occurs annually.	River basin	Assessments at the river basin level take into account current and future state 10 years into the future.

W2.3

Please state the methods used to assess water risks

Method
Internal company knowledge
WBCSD Global Water Tool
WRI water stress definition
WRI Aqueduct

W2.4

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.
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.

Issues	Choose option	Please explain
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.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included for some facilities/suppliers	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 tarrifs 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		

W2.4a

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.

Stakeholder	Choose option	Please explain
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 at a local level	Relevant, included	Local regulators are considered in sites' water risk assessments when calculating projected annual cost of water use.
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/suppliers at a local level	Relevant, included	Water utilities are considered in sites' water risk assessments when calculating projected annual cost of water use.
Other		

W2.5

Do you require your key suppliers to report on their water use, risks and management?

No

W2.5a

Please provide the proportion of key suppliers you require to report on their water use, risks and management and the proportion of your procurement spend this represents

Proportion of key suppliers %	Total procurement spend %	Rationale for this coverage

W2.5b

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

Primary reason	Please explain
Judged to be unimportant	Water use is not a material issue for Eaton, and our suppliers tend to have similar operations, so we have not required suppliers to report water use in the past. However, as we are determining the extent of impact of water risk to our operations and increasing rigor in our own business, we intend to expand our knowledge of water risk and management in our value chain as well.

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 complete the table below providing information as to the number of facilities in your direct operations exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure. Please also provide either the proportion of cost of goods sold, global revenue or global production capacity that could be affected across your entire organization at the river basin level

Country	River basin	Number of facilities within the river basin exposed to water risk	Reporting metric	Proportion of chosen metric that could be affected within the river basin
Mexico	Panuco	1	% global revenue	1-5
Germany	Rhine	1	% global revenue	1-5
Netherlands	Rhine	1	% global revenue	1-5
Mexico	Rio Grande (US)	3	% global revenue	6-10
Puerto Rico	Rio Grande (US)	1	% global revenue	1-5
United States of America	Santee	1	% global revenue	1-5
Poland	Wisla	2	% global revenue	1-5
Dominican Republic	Not known	1	% global revenue	1-5
United Kingdom	Not known	1	% global revenue	1-5

W3.2b

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 impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
Mexico	Rio Grande (US)	Physical-Projected water scarcity	Loss of license to operate	By 2025, projected water scarcity could cause a loss of license to operate and force Eaton to move the plant to a location with more available water.	>6 years	Probable	Medium	Establish site-specific targets	Medium	In the next 5-10 years, the site must either develop alternative water sources or we will move operations to a new location. This strategy will effectively minimize the risk of loss of license to operate due to water scarcity by ensuring a sustainable water supply, either in current or new operations. This strategy is feasible to complete in the next 5-10 years.

W3.2c

Please list the inherent 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

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

W3.2d

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain

W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain

W3.2f

Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this

Primary reason	Future plans

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	Please explain
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.

W4.1b

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain

W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain

Further Information

Module: Accounting

Page: W5. Water Accounting (I)

W5.1

Please report the total withdrawal, discharge, consumption and recycled water volumes across your operations for the reporting period

Water use	Quantity (megaliters)
Total volume of water withdrawn	3680
Total volume of water discharged	2944
Total volume of water consumed	736

Water use	Quantity (megaliters)
Total volume of recycled water used	

W5.2

For those facilities exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure, the number of which was reported in W3.2a, please detail which of the following water aspects are regularly measured and monitored and an explanation as to why or why not

Water aspect	% of facilities	Please explain
Water withdrawals- total volumes	76-100	Total water withdrawal is reported monthly at the site-level through our EHS management system.
Water withdrawals- volume by sources	76-100	Water withdrawal is broken down by quantity purchased and quantity pumped from on-site wells in our EHS management system.
Water discharges- total volumes	76-100	Water discharge is tracked at the site level by site EHS personnel.
Water discharges- volume by destination	76-100	Water discharge is tracked by destination at the site level by site EHS personnel.
Water discharges- volume by treatment method	76-100	Water discharge is tracked by treatment method at the site level by site EHS personnel.
Water discharge quality data- quality by standard effluent parameters	76-100	Wastewater exceedances are reported monthly at the site-level through our EHS management system.
Water consumption- total volume	76-100	Water consumption is tracked at the site level by site EHS personnel.
Water recycling/reuse-total volume	1-25	One of the 12 sites regularly measures and monitors recycled water use as it is their main water supply.

W5.3

Water withdrawals: for the reporting period, 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 period?	Please explain the change if substantial
Facility 1	Mexico	Panuco	San Luis Potosi	13.22	Lower	The change is not substantial.
Facility 2	Germany	Rhine	Gummersbach	258.78	Much higher	In 2013, the knowledge transfer process for water management was ineffective and led to increased water withdrawal for several months.
Facility 3	Netherlands	Rhine	Hengelo	8.39	Lower	The change is not substantial.
Facility 4	Mexico	Rio Grande (US)	Juarez	25.42	Lower	The change is not substantial.
Facility 5	Mexico	Rio Grande (US)	Reynosa 1	9.56	About the same	The change is not substantial.
Facility 6	Mexico	Rio Grande (US)	Reynosa 2	4.28	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water withdrawal in 2013.
Facility 7	Puerto Rico	Rio Grande (US)	Las Piedras	12.29	Higher	The change is not substantial.
Facility 8	United States of America	Santee	Kings Mountain	6.30	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water withdrawal in 2013.
Facility 9	Poland	Wisla	Bielsko Biala	45.94	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water withdrawal in 2013.
Facility 10	Poland	Wisla	Tczew	1.13	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water withdrawal in 2013.
Facility 11	Dominican	Not	Haina	6.20	Much lower	This site completed a water balance and

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 period?	Please explain the change if substantial
	Republic	known				implemented water-saving measures in order to drastically reduce water withdrawal in 2013.
Facility 12	United Kingdom	Not known	Titchfield	24.29	Lower	The change is not substantial.

Further Information

Page: W5. Water Accounting (II)

W5.3a

Water withdrawals: for the reporting period, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.3

Facility reference number	Surface water	Groundwater (renewable)	Groundwater (non-renewable)	Municipal water	Recycled water	Produced/process water	Wastewater	Brackish/salt water
Facility 1	0	0	0	13.22	0	0	0	0
Facility 2	257.38	0	0	1.40	0	0	0	0
Facility 3	0	0	0	8.39	0	0	0	0
Facility 4	0	0	0	25.42	0	0	0	0
Facility 5	0	0	0	9.56	0	0	0	0
Facility 6	0	0	0	4.28	0	0	0	0

Facility reference number	Surface water	Groundwater (renewable)	Groundwater (non-renewable)	Municipal water	Recycled water	Produced/process water	Wastewater	Brackish/salt water
Facility 7	0	0	1.48	10.81	0	0	0	0
Facility 8	0	0	0	6.30	0	0	0	0
Facility 9	0	0	0	45.94	0	0	0	0
Facility 10	0	0	1.13	0	0	0	0	0
Facility 11	0	0	0	6.20	0	0	0	0
Facility 12	0	0	0	24.29	0	0	0	0

W5.4

Water discharge: for the reporting period, please provide the water accounting data for all facilities reported in W5.3

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 period?	Please explain the change if substantive
Facility 1	10.58	Lower	The change was not substantive.
Facility 2	207.02	Much higher	In 2013, the knowledge transfer process for water management was ineffective and led to increased water discharge for several months.
Facility 3	6.71	Lower	The change was not substantive.
Facility 4	20.33	Lower	The change was not substantive.
Facility 5	7.65	About the same	The change was not substantive.
Facility 6	3.43	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water discharge in 2013.
Facility 7	9.83	Higher	The change was not substantive.
Facility 8	5.04	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water discharge in 2013.

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 period?	Please explain the change if substantive
Facility 9	36.75	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water discharge in 2013.
Facility 10	0.91	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water discharge in 2013.
Facility 11	4.96	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water discharge in 2013.
Facility 12	19.43	Lower	The change was not substantive.

W5.4a

Water discharge: for the reporting period, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.3

Facility reference number	Surface water	Municipal Treatment Plant	Saltwater	Injection for production/disposal	Aquifer recharge	Storage/waste lagoon
Facility 1	0	10.58	0	0	0	0
Facility 2	0	207.02	0	0	0	0
Facility 3	0	6.71	0	0	0	0
Facility 4	0	20.33	0	0	0	0
Facility 5	0	7.65	0	0	0	0
Facility 6	0	3.43	0	0	0	0
Facility 7	0	9.83	0	0	0	0
Facility 8	0	5.04	0	0	0	0
Facility 9	0	36.75	0	0	0	0
Facility 10	0	0.91	0	0	0	0

Facility reference number	Surface water	Municipal Treatment Plant	Saltwater	Injection for production/disposal	Aquifer recharge	Storage/waste lagoon
Facility 11	0	4.96	0	0	0	0
Facility 12	0	19.43	0	0	0	0

W5.5

Water consumption: for the reporting period, please provide water consumption data for all facilities reported in W5.3

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting period?	Please explain the change if substantive
Facility 1	2.65	Lower	The change was not substantive.
Facility 2	51.76	Much higher	In 2013, the knowledge transfer process for water management was ineffective and led to increased water consumption for several months.
Facility 3	1.68	Lower	The change was not substantive.
Facility 4	5.08	Lower	The change was not substantive.
Facility 5	1.91	About the same	The change was not substantive.
Facility 6	0.86	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water consumption in 2013.
Facility 7	2.46	Higher	The change was not substantive.
Facility 8	1.26	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water consumption in 2013.
Facility 9	9.12	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water consumption in 2013.
Facility 10	0.23	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water consumption in 2013.
Facility 11	1.24	Much lower	This site completed a water balance and implemented water-saving measures in order to drastically reduce water consumption in 2013.
Facility 12	4.86	Lower	The change was not substantive.

W5.6

For the reporting period, please provide any available water intensity values for your organization's products or services across its operation

Country	River basin	Product name	Product unit	Water unit	Water intensity (Water unit/Product unit)	Water use type	Comment
Mexico	Panuco	Eaton sales	Other: Sales (thousand USD)	Liters	30.67	Withdrawals	Water intensity is calculated based on liters of water withdrawn per $1000 USD of sales.
Germany	Rhine	Eaton sales	Other: Sales (thousand USD)	Liters	534.24	Withdrawals	Water intensity is calculated based on liters of water withdrawn per $1000 USD of sales.
Netherlands	Rhine	Eaton sales	Other: Sales (thousand USD)	Liters	48.20	Withdrawals	Water intensity is calculated based on liters of water withdrawn per $1000 USD of sales.
Mexico	Rio Grande (US)	Eaton sales	Other: Sales (thousand USD)	Liters	61.05	Withdrawals	Water intensity is calculated based on liters of water withdrawn per $1000 USD of sales.
Puerto Rico	Rio Grande (US)	Eaton sales	Other: Sales (thousand USD)	Liters	27.60	Withdrawals	Water intensity is calculated based on liters of water withdrawn per $1000 USD of sales.
United States of America	Santee	Eaton sales	Other: Sales (thousand USD)	Liters	22.97	Withdrawals	Water intensity is calculated based on liters of water withdrawn per $1000 USD of sales.
Poland	Wisla	Eaton sales	Other: Sales (thousand USD)	Liters	324.75	Withdrawals	Water intensity is calculated based on liters of water withdrawn per $1000 USD of sales.
Dominican Republic	Not known	Eaton sales	Other: Sales (thousand USD)	Liters	33.60	Withdrawals	Water intensity is calculated based on liters of water withdrawn per $1000 USD of sales.
United Kingdom	Not known	Eaton sales	Other: Sales (thousand USD)	Liters	142.89	Withdrawals	Water intensity is calculated based on liters of water withdrawn per $1000 USD of sales.

W5.7

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

Water aspect	% verification	What standard 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 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.
Water recycling/reuse-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
Individual/Sub-set of the Board or other committee	Sporadic-as important	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

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
appointed by the Board	matters arise	officer, Nanda Kumar, Executive Vice President -- Eaton Business System, who is a member of Eaton's Senior Leadership Committee and reports to Chairman and CEO, Alexander M. Cutler.

W6.2

Is water management integrated into your business strategy?

Yes

W6.2a

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

Influence of water on business strategy	Please explain
Establishment of sustainability goals	Since 2010, we have reduced our water consumption by 7.3 percent. Indexed to sales, we reduced water usage by 18.7 percent over the period, putting us on track to achieve our 2015 target of 20 percent reduction versus the 2010 baseline.
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 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.

Influence of water on business strategy	Please explain
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. Since 2010, we have reduced our water consumption by 7.3 percent. Indexed to sales, we reduced water usage by 18.7 percent over the period, putting us on track to achieve our 2015 target of 20 percent reduction versus the 2010 baseline.

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
No measurable influence	No drivers measurably negatively influenced business strategy in 2013.

W6.2c

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

Primary reason	Please explain

W6.3

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

Yes, a company-wide water policy

W6.4

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

Water-related spending: % of total CAPEX during this reporting period compared to last reporting period	Water-related spending: % of total OPEX during this reporting period compared to last reporting period	Motivation for these changes
		Water-related CAPEX and OPEX spending are not material.

Further Information

Page: W7. Compliance

W7.1

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

Yes, not significant

W7.1a

Please describe the penalties and/or fines for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident description	Financial penalty or fine	Currency	Incident resolution
	There were no significant penalties and/or fines due to water related regulations in the reporting period.			

W7.1b

Please indicate the total of all penalties and/or fines for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations as a percentage of total operating expenditure (OPEX) compared to last year

About the same

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
Absolute reduction of water withdrawals	Water stewardship	2% absolute reduction of water withdrawal year over year	% reduction of water sourced from municipal supply	2012	2013	100%
Reduction of water intensity	Cost savings	20% reduction of water withdrawal, indexed to sales	% reduction per dollar revenue	2010	2015	93.5%
Reduction of water intensity	Cost savings	5% reduction of water withdrawal, indexed to sales, year over year	% reduction per dollar revenue	2012	2013	90%

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.

W8.1c

Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future

Further Information

Module: Sign Off

Page: Sign Off

W9.1

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

Name	Job title	Corresponding job category
Steve Fesko	Manager, Environmental Services	Environment/Sustainability manager

Further Information

CDP 2014 CDP Supply Chain 2014 Information Request