

Module: Introduction**Page: Introduction****CC0.1****Introduction**

Please give a general description and introduction to your organization.

Providing electrical, hydraulic and mechanical power that is efficient, safe, reliable, cost effective and sustainable is a global imperative in which Eaton plays a major role. It's our mission every day to seek answers to the critical power management challenges facing our customers, our communities and our planet.

At Eaton, we create numerous products focused on power management solutions to drive economic growth and environmental improvement. Eaton engineers continue to design and develop these products with sustainability as a driving force, including fuel and pneumatic systems that help decrease jet fuel consumption and greenhouse gas (GHG) emissions; LED lighting that reduces power consumption and heat while it improves optical performance; and innovative filtration technologies that reduce the need for disposable media, thus reducing waste, while providing finer debris filtration in critical manufacturing processes.

In 2014, Eaton's new products included lightweight alloy hollow valves used on 2.0 liter automotive engines that help drive better fuel economy and lower emissions, and the PowerXL DE1 Variable Speed Starter designed to use less start-up power in electrical distribution systems built to harness solar energy and reduce demand on local power grids.

Also in 2014, Eaton continued to make our facilities and processes more sustainable through investments in energy-saving projects that included LED lighting upgrades, renewable energy installations, building shell insulation, equipment upgrades, new energy efficient facilities, and more. These actions helped Eaton surpass our goal to reduce global energy use by 25 percent between 2006 and 2015 as a participant in the U.S Department Energy's "Better Buildings Better Plants" program.

Sustainability is at the core of Eaton's business and values, which include supporting strong and sustainable communities wherever we operate. During "World Environment" month last June, our employees participated in local "green" projects focusing on energy efficiency, community gardens, recycling, sponsorships and much more. These efforts continue throughout the year and capture the spirit of Eaton's philosophy of "Doing Business Right."

Yet, we strive to do better. Recently, Eaton started a new conversation about how we measure and report sustainability, driven by the Global Reporting Initiative (GRI) G4 standards. Our goal is to do more of what makes the greatest impact. Eaton devised a rigorous process to analyze the business issues most material to our sustainability metrics. Information is power – and we're using it to multiply Eaton's effectiveness in improving the environment and protecting lives.

Alexander M. Cutler
Chairman and Chief Executive Officer
Eaton

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 a 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(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Tue 01 Oct 2013 - Tue 30 Sep 2014

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country

Select country
United States of America
Rest of world

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(\$)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.

If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

Board or 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	Comment
Corporate executive team	Monetary reward	Emissions reduction target	Meet or exceed the following emissions reduction targets (on both an absolute and indexed basis): achieve a 3 percent reduction in GHG emissions, reduce waste to landfill by 3 percent, and reduce water consumption by 5 percent.
All employees	Recognition (non-monetary)	Energy reduction project	Eaton provides a variety of awards program that celebrate excellence in the workplace, including energy efficiency and sustainability. For example, Eaton's Continuous Improvement Award encourages and

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
		Behaviour change related indicator	recognizes team-based activities that support a culture of continuous improvement. The awards process is designed to engage the entire workforce and increase the development and transfer of best practices. In 2014, 13 employees in the Cooper Lighting Division won the award for updating a lighting product resulting in a 135 percent improvement in lumens with a 15 percent reduction in cost, thereby improving energy efficiency. Other awards programs that include efficiency/sustainability achievement include Engineer of the Year, Eaton Business Excellence, and others.

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

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	Board or individual/sub-set of the Board or committee appointed by the Board	North and South America, Europe, Asia and the Middle East	> 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. Climate change has influenced this strategy by prompting the company to establish its “Design for the Environment” (DFE) program as 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, • 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 (1-5 years) strategy by leading Eaton to develop emissions reduction targets and energy-saving activities to achieve them. More than five years ago we committed to meeting several environmental goals by 2015—and we have already exceeded them. We reduced waste to landfill by 30 percent and water consumption by 20 percent (both compared to our 2010 baseline). We reduced GHG emissions by 25 percent (compared to a 2006 baseline). And we’ve already met our commitment to the U.S. Department of Energy’s “Better Buildings, Better Plants” program to reduce our energy use by 25 percent by 2016 (compared to our 2006 baseline). We are achieving our goals through investments in worldwide energy-saving projects that include LED lighting upgrades, renewable energy installations, building shell insulation, equipment upgrades, new energy efficient facilities, and more. Also, Eaton increased its R&D budget to \$647 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 (> 5 years) 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.

(v) Competitive advantage: 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. Also, Eaton spent \$647 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 approximately 17.0% in 2015.

(vi) Eaton’s most substantial business decisions based on climate change aspects include:

Investment in emissions reduction: energy-saving activities in our plants in 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. Climate change aspect: the evolving regulatory regime focusing on carbon reduction.

R&D: Eaton spent \$647 million for R&D in 2014. The majority of research dollars are spent on products and solutions that minimize carbon footprints of our customers and consumers. Aspect: customer demand for new carbon reduction technologies.

Acquisition: In 2014, we continued the integration of electrical equipment supplier Cooper Industries purchased by Eaton in 2012. Cooper 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. In 2014, Eaton achieved \$95 million in incremental synergy profits

from the Cooper integration, and expects another \$150 million in 2015. Aspect: customer demand for new carbon reduction technologies, and evolving regulatory regime focusing on carbon reduction.

CC2.2b

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

CC2.2c

Does your company use an internal price of carbon?

No, and we currently don't anticipate doing so in the next 2 years

CC2.2d

Please provide details and examples of how your company uses an internal price of carbon

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 Average Fuel Economy standards	Support	Eaton endorses the EPA's new Corporate Average Fuel Economy (CAFÉ) and 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 worked with stakeholders and the agencies to identify technologies that will help OEM's meet the standards with improved performance in the next phase of rulemaking.	Approve the CAFE 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. Also, propose rules in the commercial vehicle segment that drive adoption of fuel efficient technologies, improve performance, and reduce costs for truck fleets.

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	Consistent	NEMA strongly supports a climate policy that achieves meaningful greenhouse gas	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?
Manufacturers Assoc.		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.	influence this position and does not provide funding beyond membership.
American Council for an Energy Efficient Economy	Consistent	The American Council for an Energy-Efficient Economy (ACEEE), a nonprofit, 501(c)(3) organization, acts as a catalyst to advance energy efficiency policies, programs, technologies, investments, and behaviors. ACEEE believe that the U.S.can harness the full potential of energy efficiency to achieve greater economic prosperity, energy security, and environmental protection for all its people. Faced with a recovering economy and increasing concerns over our changing climate, it is imperative that we act quickly. According to ACEEE: "During the next 5 to 10 years, we must accelerate the pace of efficiency gains to shift the United States onto a new, more sustainable energy trajectory that can ensure our continued economic strength and quality of life."	Eaton is not attempting to 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 publicly 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 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: approval of the Energy Savings and Industrial Competitiveness Act.

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

CC2.4

Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

No opinion

CC2.4a

Please describe your board's position on what an effective agreement would mean for your organization and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21)

No opinion

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%	2013	772400	2014	

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%	3%	metric tonnes CO2e per unit revenue	2013	0.000049	2014	The indexed emission rate for 2013 was 48.6 metric tons of carbon dioxide per million dollars of sales.
Int2	Scope 1+2	100%	25%	metric tonnes CO2e per unit revenue	2006	0.000072	2015	The indexed emission rate for 2006 was 71.7 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	1.2	No change	0	Scope 3 is not included in Eaton's target.
Int2	Decrease	17.0	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%	0%	Eaton missed the goal. Our absolute emissions increased from 2014.
Int1	100%	0%	Eaton missed the goal. Our indexed emissions increased from 2014.
Int2	89%	100%	Eaton achieved the goal ahead of schedule.

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 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.
 - 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 CO2 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).
 - 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

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or 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	178	
To be implemented*	38	4327
Implementation commenced*	46	5103
Implemented*	87	11462
Not to be implemented	5	

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)	Scope	Voluntary/ Mandatory	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	Comment
Fugitive emissions reductions	In 2014, 15 of our facilities achieved zero waste-to-landfill status. Forty-four Eaton plants have now achieved that goal. We modeled our zero-waste benchmark on standards set by an internationally recognized certifying organization. By reducing the volume of waste sent to landfills, our global zero waste-to-landfill program helps reduce the release of GHGs associated with landfills, especially methane, a harmful GHG 20 times more potent than carbon dioxide. Waste to Landfill reduction efforts at our 2014 Zero Waste sites removed about 800 metric tons of waste from the landfill, avoiding about 425 metric tons of GHG emissions using WARM emission factors for mixed MSW (the largest category of waste removed from landfill). Eaton's zero waste-to-landfill program is voluntary and is targeted for Scope 2 emissions.	425	Scope 2	Voluntary	0	0	>25 years	>30 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.
Energy efficiency: Processes	Eaton facilities reported 59 energy efficiency projects, including boilers, equipment upgrades, HVAC design, compressed air, heat recovery and others. These	9916	Scope 1 Scope 2	Voluntary	1675344	4714936	1-3 years	6-10 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	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	Comment
	projects are voluntary and are targeted for Scope 1&2 emissions.								
Energy efficiency: Building services	23 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 1 emissions.	1371	Scope 1	Voluntary	339015	626325	1-3 years	6-10 years	
Process emissions reductions	Process improvements include the re-design and expansion of an auto-plating line using approx. the same amount of nat. gas, and a new fluidized sand system to capture and recycle waste. These projects are voluntary and targeted for Scope 1 emissions.	175	Scope 1	Voluntary	31438	25160	<1 year	16-20 years	

CC3.3c

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

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. In 2014, many of our aerospace, hydraulics, electrical and vehicle plants upgraded their facilities with energy-saving projects. Overall, Eaton completed 59 projects that included lighting optimization, building shell insulation, equipment upgrades, heat recovery, compressed air installation, ventilator control and energy management. Eaton facilities reported 59 energy efficiency projects, including boilers, equipment upgrades, HVAC design, compressed air, heat recovery and others which reduced GHG emissions by 11,287 metric tons at a cost of \$5,341,261. Potential Financial implications: annual energy savings projected at \$2,014,359.
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 \$647 million in 2014 for R&D to develop power management products and solutions that improve energy efficiency and reduce carbon 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.. "It's another example of how energy efficiency is a win-win proposition for our economy."
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 support Patronato Pro-Desarrollo, a local sustainable development organization, with donations and volunteer hours to upgrade infrastructure and renovate schools to improve energy efficiency.

CC3.3d

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	Status	Page/Section reference	Attach the document
In mainstream financial reports in accordance with the CDSB Framework	Complete	pp. 10-13	https://www.cdp.net/sites/2015/94/5194/Climate Change 2015/Shared Documents/Attachments/CC4.1/2014 Annual Report.pdf
In voluntary communications	Complete	Eaton public web site	https://www.cdp.net/sites/2015/94/5194/Climate Change 2015/Shared Documents/Attachments/CC4.1/CDP Sustainability Pages for Q4.docx
In voluntary communications	Complete	Eaton climate change commitment and 2014 emissions on public web site	https://www.cdp.net/sites/2015/94/5194/Climate Change 2015/Shared Documents/Attachments/CC4.1/CDP Sustainability Pages for Q4.docx

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent 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 inherent risks that are 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
Air pollution limits	EPA's proposed new regulations governing GHG emissions (Clean Air Act section 111d), will shut down many older coal plants and make new coal plant construction virtually impossible. EPA's modeling suggests that between 30 and 49 gigawatts of existing coal-fired power plants will be retired as a result of the rule. This could threaten the national power grid's ability to supply peak power to prevent brownouts in the near-term, causing business disruptions and price spikes that may temporarily interrupt Eaton production, as well as that of our	Increased operational cost	>6 years	Indirect (Client)	More likely than not	Low	Without Eaton's efficiency improvements, the company would pay at least \$2 million more per year in energy costs.	To address potential price spikes and reduce GHG, Eaton is focused on energy efficiency improvements in our facilities worldwide. In 2014 Eaton completed or commenced more than 100 projects including lighting optimization, building shell insulation, equipment upgrades, heat recovery, compressed air installation, ventilator control and energy management. These projects cost approximately \$6 million which will save more than 12 million Kwh of electricity per year, eliminate about 12,000 metric tons	Eaton spent about \$6 million in 2014 for energy efficiency improvements at company facilities.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	customers. Some American cities have already experienced these problems. The regulation could have a negative impact on Eaton's Electrical business which provides products and services for plant construction and maintenance. However, risk impacts can be offset by new economic opportunities for Eaton, including products and services for plant retrofits to accommodate natural gas fuel; electrical power control systems for the efficient use of power and lower carbon emissions; wind and solar installations; and more.							of GHG emissions per year, and save more than \$2 million in energy costs.	
Renewable energy	Subsidies for solar and wind energy	Reduced demand for	>6 years	Direct	Very likely	Low-medium	Without the extension of	Eaton engages congressional staff	In 2014, Eaton spent

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
regulation	<p>companies are being cutback or eliminated by governments facing economic pressure. 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, but wasn't re-instated one year later – too late to take full advantage of any benefits in 2014. These credits will remain under pressure in 2015. Further erosion of subsidies could stymie progress towards generating solar and wind</p>	goods/services					credits, Eaton could see fewer contracts for its wind energy products and solutions, resulting in potential lost revenue >\$1 million.	members through meetings and product demonstrations, and works with trade groups to emphasize the importance of tax credits to keep the wind industry viable, create jobs, improve energy efficiency and reduce GHG's to help mitigate climate change.	\$1,105,000 for lobbying activities.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	energy at competitive prices and affect Eaton's solar and wind products and solutions businesses.								
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 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,	Reduced demand for goods/services	>6 years	Direct	More likely than not	Low-medium	Eaton's Vehicle business represents about 18% of Eaton's annual sales, or \$4 billion in 2014. Without appropriate R&D to develop new products and update current products, annual sales could fall below \$4 billion.	Eaton conducts 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. For example, Eaton offers the world's most complete line-up of fuel-saving hybrid systems for commercial vehicle applications. Customers using the company's hybrid systems on delivery trucks, buses, refuse and	Eaton spent \$647 million for R&D in 2014.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>powertrain alternatives, optimizing electronic controls and intelligence, innovative weight reduction, fuel source options, and major infrastructure investments. The risk is that companies could begin investing in new products and processes to accommodate the new standards, but regulations are changed by a new administration and the investments are wasted. Also, regulations could become fragmented, with certain states imposing various levels of additional stringency, or at a global level, with large regional variations that raise overall costs to the industry. Finally, achieving CAFE</p>							<p>utility vehicles and other commercial applications have collectively accumulated more than 800 million miles of clean, reliable service and helped save more than 23 million gallons of fuel while reducing GHG emissions by 235,000 metric tons (using EPA conversion factor) over the past nine years. Eaton hybrid electric, plug-in hybrid electric and hybrid hydraulic power systems achieve up to a 37 percent improvement in average fuel economy.</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	standards could raise vehicle prices beyond affordability for many Americans, thereby affecting sales of products using Eaton components. However, consistent CAFE standards would strengthen demand for Eaton products such as superchargers and other fuel-saving products for cars.								

CC5.1b

Please describe your inherent 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	Inability to do business	3 to 6 years	Direct	About as likely as not	Low-medium	Estimated financial implications before taking action depend on	Eaton conducts strategic planning at all of its facilities and associated businesses. The factors considered	Costs associated with these actions are included in the annual

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>as flooding and droughts, may place a temporary financial burden on our facilities and supply chain to sustain operations and protect our employees and communities.</p>						<p>the severity of an incident, but can approach \$10-\$15 million for significant damage to a manufacturing plant due to flooding or high wind velocity incidents.</p>	<p>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. As a result of this type of strategic planning, 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</p>	<p>budgets for the businesses and facilities, and represent <\$3 million per year.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Eaton Hotline immediately engages the Corporate Emergency Response 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.	
Change in precipitation extremes and droughts	Sufficient water supply for locating new plants or relocating or shutting down some operations due to shrinking water supply.	Increased capital cost	>6 years	Direct	Unlikely	Low-medium	Estimated financial implications before taking action depend on the facility involved, but recent relocations of some product lines have surpassed \$1 million.	To assess water risk, we analyze future changes in water availability as part of an annual company-wide river basin-level water risk assessments, and develop future projections and water conservation measures for the next 10 years.	Costs associated with these actions are included in the annual budgets for the businesses and facilities, and represent <\$1 million per year.

Please describe your inherent 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 weather, companies could be called upon (and expected) to do more to address the increasing humanitarian demands.	Increased operational cost	>6 years	Indirect (Client)	Unlikely	Low	Financial help for increasing humanitarian demands would come from the Eaton Charitable Trust contributions budget. In 2014, Eaton's budget was \$9.8 million. Eaton could redirect money from its traditional recipients to affected populations, or raise its budget to address growing humanitarian needs. Redirection of 10 percent of its budget would lead to \$980,000 less to traditional recipients. Raising its budget by 10 percent would provide an additional \$980,000 for humanitarian demands. If Eaton does nothing, the affected population could be deprived of an additional \$980,000 in	Increase contributions budget to address additional humanitarian needs. Eaton conducts strategic planning at all of its facilities and associated businesses. The factors considered 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. For example, after	Adding 10% to Eaton's contributions budget to address additional humanitarian needs would cost approx. \$980,000.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							humanitarian assistance.	Hurricane Odile battered Mexico's Baja California peninsula in the autumn of 2014, employees of Eaton's aerospace facility in Tijuana provided emergency supplies for storm victims. Hurricane Odile leveled cities, communities and resort areas – leaving many residents and about 15,000 vacationers stranded without water, food, electricity and medical care. It was one of the most destructive storms in modern history to strike the peninsula. In the days following the storm, Eaton organized a supply drive and collected 500 kilograms (more than 1,100 pounds) of donated supplies from employees – including bottled water, canned food, rice, beans, cereal, powdered milk,	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								toothpaste, soap, toilet paper and diapers. Also, to support humanitarian efforts, Eaton corporate contributions matched employee gifts of \$25 or more to the Mexican Red Cross.	

CC5.1d

Please explain why you do not consider your company to be exposed to inherent 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 inherent 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 inherent 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 inherent 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 inherent 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
Renewable energy regulation	Eaton expects a regime of renewable energy standards which will enlarge the	Increased demand for existing products/services	>6 years	Direct	About as likely as not	Medium-high	As regulatory policy shifts utilities and consumer demand toward	Eaton engages wth congressional staff members through meetings, product demonstrations and other	Eaton reported \$1,105,000 for lobbying activities in 2014.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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 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. And in solar power, Eaton is also a major supplier for complete solar PV electrical BOS solutions.</p>						<p>renewable energy, Eaton can offer a wide range of sustainable products and services to customers, potentially resulting in additional revenues > \$1 million.</p>	<p>communications standards. for example 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. For example, Eaton uses these methods to support passage of the current credit for construction of wind energy installations which needs to be re-approved every year. Eaton also works with trade groups</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Eaton is a single-source BOS supplier for residential, commercial and utility installations. We offer support services provided by hundreds of Eaton's application and field service engineers, as well as comprehensive, hands-on training.							to emphasize to Congress the importance of tax credits to keep the wind industry viable, create jobs, improve energy efficiency and reduce GHG's to help mitigate climate change.	
Air pollution limits	Regulation of emissions, along with mandates requiring the use of alternative energy sources to generate power will enlarge the market for Eaton products. Eaton is helping to build efficient hydropower	Increased demand for existing products/services	>6 years	Direct	Very likely	Low-medium	Eaton achieved \$95 million of year-over-year synergy profits in 2014 from our Cooper acquisition, and estimates a further \$150 million of additional profits in 2015. This	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 address this opportunity.	\$13.79 billion acquisition of Cooper, plus \$647 million in R&D investments in 2014.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>systems in developing countries such as Vietnam. Eaton also has an emerging presence in solar power, helping to create and 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</p>						<p>multi-year profit growth represents a powerful accelerator to the organic growth that emanates from our expanded set of global power management capabilities.</p>		

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	goals. Our breakthrough PowerChain™ Management solutions allow customers to take a system-wide life-cycle approach to managing their electrical systems to increase reliability, improve capital efficiency, reduce operating costs, minimize carbon emissions and enhance safety.								
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	Increased demand for existing products/services	>6 years	Direct	Virtually certain	High	Eaton's Vehicle business represents about 18% of Eaton's annual sales, or \$4 billion in 2014. With appropriate R&D to develop new products and	Eaton invests in development of innovative products and solutions, along with improvements in existing technology that help our customers meet their most demanding energy and	\$647 million spent on R&D in 2014.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>fleet. This will 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. Eaton provides products to address our customer</p>						<p>update current products that help customers reduce fuel use and emissions, annual sales for our Vehicle business could surpass \$4 billion in 2015 (assuming regulations do not fall below the 4-5% annual improvement goal).</p>	<p>emissions requirements. The vast majority of our R&D budget is allocated to power management solutions that reduce and manage energy use, improve fuel economy and reduce GHG emissions. For example, Eaton offers the world's most complete line-up of fuel-saving hybrid systems for commercial vehicle applications. Customers using the company's hybrid systems on delivery trucks, buses, refuse and utility vehicles and other commercial applications have collectively accumulated more than 800 million miles of</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	needs, including superchargers and other fuel-saving products for vehicles.							clean, reliable service and helped save more than 23 million gallons of fuel while reducing GHG emissions by 235,000 metric tons over the past nine years. Eaton hybrid electric, plug-in hybrid electric and hybrid hydraulic power systems achieve up to a 37 percent improvement in average fuel economy.	

CC6.1b

Please describe the inherent 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	Increased demand for existing	>6 years	Direct	Virtually certain	Low-medium	We estimate that by our annual	To manage this opportunity, Eaton develops	\$647 million spent on R&D in 2014, the

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>lead to serious weather events such as tornadoes and hurricanes, or melting sea ice causing flooding in coastal areas. Eaton can offer customers comprehensive solutions for minimizing their own physical risks.</p>	<p>products/services</p>					<p>investments in R&D will play a major role in improving our targeted segment margins from 12.7% in 2010 to approx.15.9%-16.5% in 2015, thereby maximizing the positive impact of this opportunity.</p>	<p>comprehensive solutions to customers for combating their physical risks. Our Electrical group is a leading provider of distribution and 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</p>	<p>vast majority for products and solutions that improve energy efficiency, reduce fuel consumption, and mitigate GHG emissions.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								enhanced safety, making power outages from the physical risk of unstable weather patterns less of a threat.	

CC6.1c

Please describe the inherent 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	New products/business services	>6 years	Direct	More likely than not	Low-medium	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 approx.15.9%-16.5% in 2015, thereby maximizing the	To manage this opportunity, Eaton develops comprehensive solutions to customers for combating their physical risks. Our Electrical group is a leading provider of distribution and control solutions that increase energy efficiency and improve power quality, safety and reliability. Our PowerChain™ Management solutions	\$647 million spent on R&D in 2014, the vast majority for products and solutions that improve energy efficiency, reduce fuel consumption, and mitigate GHG emissions.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	provides innovative products, services and technologies to conserve fuel, manage electric power, and reduce GHG emissions.						positive impact of this opportunity.	offer a growing portfolio of “green” products and services, such as energy audits and real-time energy consumption monitoring. For example, 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.	
Reputation	As regulation of emissions, energy efficiency, fuel standards increase, reputations of companies offering sustainable products will trend positive.	Increased demand for existing products/services	>6 years	Direct	More likely than not	Low-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.	To manage this opportunity, Eaton works with congressional staff and policy makers to encourage market-based incentives for technology development and deployment that will reduce emissions and improved energy efficiency. For example, Eaton	Eaton reported \$1,105,000 for lobbying efforts in 2014.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Eaton provides innovative products, services and technologies to conserve fuel, manage electrical power, and reduce GHG emissions.						Eaton estimates its organic revenue growth for 2015 will grow 3%-4% bolstered by demand for products to meet regulatory demands to reduce carbon footprints. In 2014, Eaton's net income was \$1.79 billion on revenue of approx. \$22.5 billion, the majority of which is the result of sales of power management products and services.	supports 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 to promote energy efficiencies as exemplified by Eaton's products/technologies which can help reduce energy use by up to 30 percent. We have hosted product/technology	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								forums for public officials, and we have engaged in consultation and interaction with DOE and GSA advocating for approval of the Energy Savings and Industrial Competitiveness Act.	

CC6.1d

Please explain why you do not consider your company to be exposed to inherent 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 inherent 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 inherent 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)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Mon 01 Oct 2012 - Mon 30 Sep 2013	117100
Scope 2	Mon 01 Oct 2012 - Mon 30 Sep 2013	655300

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

Eaton did not select other. We selected "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)".

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
Natural gas	116.92	lb CO2e per million BTU	The Climate Registry – 2012 General Reporting Protocol v1.1 USA Industrial
Electricity	900	lb CO2 per MWh	Please see attached Excel workbook

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/2015/94/5194/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC7.EmissionsMethodology/Electrical Power Emission Factors 2014.xlsx](https://www.cdp.net/sites/2015/94/5194/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC7.EmissionsMethodology/Electrical%20Power%20Emission%20Factors%202014.xlsx)

Page: CC8. Emissions Data - (1 Oct 2013 - 30 Sep 2014)

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

120200

CC8.3

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

669900

CC8.4

Are there 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	Emissions excluded due to a	Consistent with our Enviro-Map, Eaton does not add emissions from acquisitions until 3 years after the closing date. Our business plan requires three years for full integration (movement of

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 acquisition	recent acquisition	manufacturing and consolidation) 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 more than 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	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 5% but less than or equal to 10%	Data Gaps Assumptions Extrapolation	Data received from sources outside of the standard process, like natural gas bills from India.

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 2	More than 5% but less than or equal to 10%	Data Gaps Assumptions Extrapolation	Data received from sources outside of the standard process, like electric bills from joint ventures in India.

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 (%)
Reasonable assurance	https://www.cdp.net/sites/2015/94/5194/Climate Change 2015/Shared Documents/Attachments/CC8.6a/Eaton_FY2014_Scope1_2_GHG_Verification_Statement_CDP_Format_5-22-15 (2).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
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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 reported Scope 2 emissions verified (%)
Reasonabl	https://www.cdp.net/sites/2015/94/5194/Climate Change 2015/Shared	Page 1-3	ISO14064	100

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Third party assurance	Documents/Attachments/CC8.7a/Eaton_FY2014_Scope1_2_GHG_Verification_Statement_CDP_Format_5-22-15 (2).pdf		-3	

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

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 2013 - 30 Sep 2014)

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	89500
South America	6300
Europe, Middle East and Africa (EMEA)	23600
Asia, Australasia	700

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	26200
HYDRAULICS SEGMENT	31400
AEROSPACE SEGMENT	11800
VEHICLE SEGMENT	50700

CC9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
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CC9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
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CC9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
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CC9.2e

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

Legal structure	Scope 1 emissions (metric tonnes CO2e)
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Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Oct 2013 - 30 Sep 2014)

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 in CC8.3 (MWh)
North America	420900	705300	0
South America	10400	153600	0
Europe, Middle East and Africa (EMEA)	145400	274600	0
Asia, Australasia	93300	129000	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	147600
HYDRAULICS SEGMENT	167400
AEROSPACE SEGMENT	53700
VEHICLE SEGMENT	301100

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)
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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	663800
Electricity	1262500
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	663800

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?

Increased

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	0.9	Decrease	Eaton's emissions reduction activities in 2014 (re-lighting, HVAC upgrades, compressor optimization, etc.) have resulted in S1 & S2 emissions reductions of 7,000 mtCO ₂ e . Our total global emissions in 2013 were 772,000 mtCO ₂ e. Therefore, we arrived at .9% reduction through: $7000 \text{ mtCO}_2\text{e}/772,000 \text{ mtCO}_2\text{e} \times 100$.
Divestment			
Acquisitions			
Mergers			
Change in output	1.9	Increase	In 2014, Eaton's sales were up by 1.9 percent compared to 2013, resulting in increased factory activity and energy use. Unfortunately, our GHG emissions also increased by 2.3 percent. Eaton relates the .4% difference to an increase in the energy needed to heat and cool our plants (including an especially cold winter in North America). Our global S1 & S2 emissions in 2013 were 772000 mtCO ₂ e, and our increase due to change in output in 2014 was 15000 mtCO ₂ e. We arrived at the 1.9% increase through: $15000 \text{ mtCO}_2\text{e}/772000 \text{ mtCO}_2\text{e} \times 100$.
Change in methodology			
Change in boundary			
Change in physical operating conditions	1.3	Increase	North America experienced an especially cold year with temperatures showing a 5% increase in the yearly degree day estimate, resulting in increased energy use for HVAC and, consequently, higher S1 & S2 GHG emissions totals. About 15% of Eaton's energy consumption is devoted to heating and cooling its facilities. Our global emissions in 2013 were 772000 mtCO ₂ e, and our increase due to change in physical operating conditions in 2014 was 10000 mtCO ₂ e. Therefore, we arrived at a 1.3% increase due to change in physical operating conditions through: $10000 \text{ mtCO}_2\text{e}/772000 \text{ mtCO}_2\text{e} \times 100$.
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
0.0000488	metric tonnes CO2e	unit total revenue	0.4	Increase	Emissions reduction activities in 2014 (re-lighting, HVAC upgrades, compressor optimization, etc.) at Eaton manufacturing plants will eliminate more than 11,000 metric tons of GHG emissions per year. The estimate is for a full year. However, most of the installation will only operate for a fraction of the year and will not be fully effective until 2015. Also, North America experienced an especially cold year with temperatures showing a 5% increase in the yearly degree day estimate, resulting in increased energy use for HVAC and, consequently, higher GHG emissions totals. About 15% of Eaton's energy consumption is devoted to heating and cooling its facilities.

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
7.7	metric tonnes CO2e	FTE employee	2.3	Increase	The indexed term "people" did not change while the carbon generated increased. 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 damped the effect of an unusually cold winter in North America.

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
403112	metric tonnes CO2e	Other: cash dividend declared per ordinary share	12.3	Decrease	Eaton showed a significant decrease in the key reporting metric of metric tonnes of carbon per cash dividend declared per ordinary share, largely due to emissions reductions projects. These projects i (re-lighting, HVAC upgrades, compressor optimization, Green Team cultural changes, etc.) have resulted in S1 & S2 gross emissions reductions of 7,000 mtCO2e, or .9%. Carbon generated per dividend dollar shows shareholders that Eaton places a high value on efficiency when managing carbon.

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
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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
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Further Information

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 data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	2850000	To calculate an average emission factor for purchased goods, Eaton utilizes the CDP Reporter Services Supply Chain Analytics portal. Indexed emissions data is sourced from CDP responses of our purchased goods supply chain partners, and corrected to accurately reflect emissions per unit revenue. These emission factors are multiplied by our annual spend on each supplier to determine our purchased goods emissions from this subset of suppliers, and then extrapolated by total annual purchased goods spend to represent the whole corporation. Intercompany sales are excluded so as to avoid double counting between scopes.	3.00%	
Capital goods	Not relevant, explanation provided		To calculate an average emission factor for capital goods, Eaton utilizes the CDP Reporter Services Supply Chain Analytics portal. Indexed emissions data is sourced from CDP responses of our capital goods supply chain partners, and corrected to accurately reflect emissions per unit revenue. These emission factors are multiplied by our annual spend on each supplier to determine our capital goods	47.00%	Calculated capital goods emissions represent less than 0.5% of our total emissions impact and are not relevant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			emissions from this subset of suppliers, and then extrapolated by total annual capital goods spend to represent the whole corporation. Intercompany sales are excluded so as to avoid double counting between scopes.		
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	220000	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 Eaton's Scope 1 and Scope 2 calculations using these percentages.		
Upstream transportation and distribution	Not relevant, explanation provided		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	50.00%	Calculated upstream T&D emissions represent less than 0.5% of our total emissions impact and are not relevant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			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, explanation provided		Eaton uses the WARM model to estimate emissions from waste data on 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 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.		Calculated waste emissions represent less than 0.5% of our total emissions impact and are not relevant.
Business travel	Not relevant, explanation provided		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		Calculated business travel emissions represent less than 0.5% of our total emissions impact and are not relevant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			variety of publicly available data to estimate emission factors for economic data captured through receipts submitted through Eaton's business travel software.		
Employee commuting	Not relevant, explanation provided		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.		Calculated employee commute emissions represent less than 0.5% of our total emissions impact and are not relevant.
Upstream leased assets	Not relevant, explanation provided		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.	70.00%	Calculated upstream leased asset emissions represent less than 0.5% of our total emissions impact and are not relevant.
Downstream transportation and distribution	Not relevant, explanation provided		Transportation and distribution data is received from FedEx, who manages Eaton's logistics. Assumptions based on weight, volume, distance, and mode of shipment are applied to truck, air, and small package shipments. These modes combined account for 97% of all shipments. 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	50.00%	Calculated downstream T&D emissions represent less than 0.5% of our total emissions impact and are not relevant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			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	30000000	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.	0.00%	
End of life treatment of sold products	Relevant, calculated	170000	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.	0.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
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/2015/94/5194/Climate_Change_2015/Shared Documents/Attachments/CC14.2a/Eaton_2014_Scope_3_GHG_Verification_Statement_CDP_Format_final.pdf	Pages 1-3	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
Waste generated in operations	Emissions reduction activities	21	Decrease	Eaton has achieved a 21% reduction over last year's estimated waste emissions due to sustained company-wide waste reduction and landfill diversion efforts.
Upstream transportation & distribution	Emissions reduction activities	12	Decrease	Eaton has achieved a 12% reduction over last year's estimated upstream transportation and distribution emissions due to more efficient upstream transportation modes and suppliers. This decrease could also be due in part to a mislabeling of upstream or downstream activity; our overall transportation & distribution emissions increased by 7% year over year, compared to a 32% increase in downstream and a 12% decrease in upstream emissions.
Business travel	Emissions reduction activities	23	Decrease	Eaton has achieved a 23% reduction over last year's estimated business travel due to a reduction in business travel in favor of more environmentally friendly telecommunication options.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in output	6	Increase	Eaton saw a 6% increase in upstream fuel emissions due to an increase in direct and indirect energy consumption.
Upstream leased assets	Change in output	6	Increase	Eaton saw a 6% increase in upstream leased assets emission due to an increase in fleet car activity.
Downstream transportation and distribution	Change in output	32	Increase	Eaton saw a 32% increase in downstream transportation and distribution emissions due to an increase in transportation activity. This large increase could be due to a mislabeling of upstream or downstream activity; our overall transportation & distribution emissions increased by 7% year over year, compared to a 32% increase in downstream and a 12% decrease in upstream emissions.
Use of sold products	Change in methodology	8	Decrease	Eaton saw an 8% decrease in product use emissions due to a change in calculation methodology for purchased goods and capital goods emissions.
End-of-life treatment of sold products	Change in methodology	8	Decrease	Eaton saw an 8% decrease in product end of life emissions due to a change in calculation methodology for purchased goods and capital goods emissions.
Purchased goods & services	Change in methodology	11	Decrease	Eaton saw an 11% decrease in purchased goods emissions due to a change in calculation methodology: Eaton now utilized data from the CDP Reporter Services Supply Chain Analytics portal to calculate emission factors.
Capital goods	Change in methodology	64	Decrease	Eaton saw a 64% decrease in capital goods emissions due to a change in calculation methodology: Eaton now utilized data from the CDP Reporter Services Supply Chain Analytics portal to calculate emission factors.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Employee commuting	Change in physical operating conditions	3	Decrease	Eaton saw an 3% decrease in employee commuting emissions due to a decrease of employees in scope.

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 2014 we asked over 200 of our most strategic suppliers to join us in our sustainability efforts by working with our partner CDP and completing the Supplier Questionnaire. Suppliers are prioritized and selected based on a variety of risk-based criteria including top spend and carbon emissions intensity of supplied products or operations, among others. In 2014, we have begun to expand our requests to include more suppliers from the metals industry. The targeted suppliers are strategic to our operations representing over 20% of Eaton’s total upstream spend on goods and services. Eaton engaged APB & Associates as an additional resource to assist our suppliers in responding to the questionnaire offering training and one on one consultation. 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. Eaton uses the supplier reported climate change qualitative and quantitative data in a variety of ways to develop an improved understanding of our footprint, as well monitoring climate change-related risks and opportunities within our supply chain. Additionally, certain of the supplier provided emission data is used as inputs in Eaton’s calculation of relevant scope 3 emissions categories.

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. Our suppliers' GHG emissions provide the data for several of our Scope 3 category calculations.

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

CDP