C0. Introduction

(C0.1) Give a general description and introduction to your organization.

Eaton’s vision is to improve the quality of life and the environment through the use of our power management technologies and services. And we live this vision by being active stewards of our environment. We believe we have the power to make a difference – and we’re doing just that throughout the world. Every day, Eaton people are developing solutions that drive sustainable growth by efficiently using and conserving our natural resources, developing energy-efficient products and protecting the health and safety of our employees and communities. As you can tell by our vision, we take our stewardship of the environment seriously and are guided by three key initiatives: • We provide sustainable products and solutions that help our customers solve their most critical power management challenges. • We are committed to improving our own environmental footprint, including the reduction of greenhouse gas (GHG) emissions that can lead to climate change. • We are transparent in reporting progress toward our goals. Our sustainable products include: electrical power distribution and circuit protection, backup power protection, LED lighting and control systems for the safe and efficient use of power in buildings and homes; fuel and hydraulics systems that decrease jet fuel consumption and GHG emissions; engine air management solutions that improve fuel economy; hydraulic products for solar and wind turbine systems; and filtration technologies that reduce the need for disposable materials. We engage our employees in all aspects of our approach to sustainability, from design and manufacturing to community outreach, and more. More than 10,000 employees participate in Eaton’s annual World Environment Month program to raise awareness and help reduce our environmental footprint. These efforts continue throughout the year and capture the spirit of Eaton’s promise to improve the environment. With this foundation firmly in place, we’re taking a step forward by examining the full equation for sustainability – how our actions and products affect the environment by giving more back into society, the environment and the global economy than we take. We’re partnering with leading institutions and thought leaders to focus on the “net positive” impact that our business, technologies and people can make on the world. We believe it’s about doing more of what matters for the world and for people in need. We owe it to future generations – within our organization and communities where we operate – to make a difference and leave the world a better place than we found it.

(C0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Row</th>
<th>Start date</th>
<th>End date</th>
<th>Indicate if you are providing emissions data for past reporting years</th>
<th>Select the number of past reporting years you will be providing emissions data for</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>October 1 2016</td>
<td>September 30 2017</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>2</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>3</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>4</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

C0.3
(C0.3) Select the countries/regions for which you will be supplying data.
Austria
Belgium
Brazil
Canada
China
Colombia
Czechia
Dominican Republic
Finland
France
Germany
Hungary
India
Indonesia
Italy
Japan
Malaysia
Mexico
Netherlands
Norway
Philippines
Poland
Puerto Rico
Republic of Korea
Romania
Serbia
Singapore
Spain
Taiwan (Province of China)
Thailand
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.
Financial control

C1. Governance

C1.1
C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Position of individual(s)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Chair</td>
<td>The Board of Directors member who chairs the Governance committee is responsible for environmental issues, including climate change issues. The governance committee was given the responsibility for climate related issues because of its past experience in managing all company environmental issues that needed Board review.</td>
</tr>
</tbody>
</table>

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

<table>
<thead>
<tr>
<th>Frequency with which climate-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which climate-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled – some meetings</td>
<td>Under the direct supervision of the Board of Directors, strategic, financial, operational, legal and compliance risks and opportunities are continually assessed at the company level by Eaton's Senior Leadership Committee (SLC), which is the most senior management committee within the corporation. The Executive Vice President, Eaton Business System (EBS) and Sustainability is a member of the SLC which meets quarterly. Risk is managed on an enterprise-wide basis using a unified risk management framework. A wide range of risks faced by the company, including climate change, are evaluated and 10-15 major risks that could materially affect the company’s businesses financial condition or results of operations are typically identified each year. The SLC appoints company task forces (led by SLC members) to manage these risks, and additional risks that are not in the top 10-15 are managed within the appropriate division of the company. Results on material risks are reported to the Board of Directors on an annual basis or more frequently depending on circumstances, and other risks are reported as scheduled. In the case of climate change, all aspects are included in the twice-yearly report-out to the Board by the EVP, EBS and Sustainability. Our risk processes address a wide array of issues associated with climate change, including but not limited to customer requirements/issues (e.g., need for energy efficient products to address climate change regulations, consumer demands, profitability); operational issues (including new climate-related regulations and voluntary actions and norms); and supply chain (including weather related disruptions influenced by climate change).</td>
<td></td>
</tr>
</tbody>
</table>
C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Responsibility</th>
<th>Frequency of reporting to the board on climate-related issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other C-Suite Officer, please specify (Executive VP, EBS and Sustainability)</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

The Executive Vice President, Eaton Business System (EBS) and Sustainability, is a member of Eaton's Senior Leadership Committee (SLC), and reports climate-related issues on a monthly, quarterly and annual basis. This position was selected for responsibility for climate change due to its required knowledge and experience in Sustainability, Environment, Health and Safety, and climate change issues. The SLC is the highest level non-Board committee, and its members report directly to the Board of Directors on major corporate and business issues. The EVP of EBS and Sustainability is responsible for the Eaton Business System (the core operating system for the entire company), Environmental Health and Safety, and Sustainability. EBS 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 climate related issues. For example, 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. These products include Eaton’s wide variety of innovative products and solution that improve energy efficiency and reduce greenhouse gas emissions. For example, The APR48-ES Energy Saver Rectifier helps communications network operators cut energy costs across the network through greater operating efficiency resulting in a reduction in carbon footprint. 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%. It offers potential global annual savings of one million metric tons of CO2 emissions for the telecom sector. To monitor climate-related issues, Eaton utilizes MESH (Management of Environment, Safety, Security and Health), a globally deployed, unified system that consolidates all EHS risk 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 and voluntary action at the company’s facilities. Culture relates to how well each facility demonstrates EHS engagement at all levels. The Results component focuses on achieving performance metrics, including climate related issues. 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 EVP, EBS and Sustainability, and if necessary, to the chief executive of the appropriate Eaton business, the Eaton CEO and the Board of Directors.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a
C1.3a Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?
Corporate executive team

Types of incentives
Monetary reward

Activity incentivized
Emissions reduction target

Comment
2017 targets - Meet or exceed the following emissions reduction targets: achieve zero (0) increase in GHG emissions as indexed to sales; reduce waste to landfill by 3 percent as indexed to sales, thereby reducing GHG emissions; and reduce water consumption by 3 percent as indexed to sales. As a result, our greenhouse gas emissions decreased by 3.4% in 2017 compared to 2016, achieving our target. In addition, we reduced our absolute emissions by 0.7% over the period as well.

Who is entitled to benefit from these incentives?
All employees

Types of incentives
Recognition (non-monetary)

Activity incentivized
Energy reduction project

Comment
During Eaton’s June, 2017 celebration of World Environment Month (WEM) more than 10,000 employees across the globe participated in sustainability projects that reduced waste, conserved water and energy, supported community projects and much, much more. Awards are given for employee engagement, environmental footprint reduction, and handprint creation (a “handprint” results from positive contributions to the environment and our health). Handprints can be created by helping other people reduce their environmental impact, or footprint.

Who is entitled to benefit from these incentives?
All employees

Types of incentives
Recognition (non-monetary)

Activity incentivized
Emissions reduction target

Comment
Eaton has a Zero Waste-to-Landfill (ZWTL) Award for facilities that eliminate landfill waste. During 2017, 30 Eaton facilities achieved ZWTL status. By the end of 2017, 125 Eaton locations were ZWTL, including more than 86 manufacturing sites. We modeled our zero-waste benchmark on standards set by an internationally recognized certifying organization. By reducing the volume of waste sent to landfills, we help minimize the release of GHG emissions, especially methane, a harmful GHG 20 times more potent than carbon dioxide. In 2017 these efforts resulted in a reduction 611 metric tons of GHG emissions (using WARM emission factors for mixed municipal solid waste (MSW) -- the largest category of waste removed from landfill). Each facility is awarded with a plaque from the CEO and a celebration at the site.

C2. Risks and opportunities

C2.1
(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

<table>
<thead>
<tr>
<th></th>
<th>From (years)</th>
<th>To (years)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td>1</td>
<td>3</td>
<td>This time horizon for assessing climate-related risks and opportunities is generally aligned with other business practice time horizons.</td>
</tr>
<tr>
<td>Medium-term</td>
<td>4</td>
<td>10</td>
<td>This time horizon for assessing climate-related risks and opportunities is generally aligned with other business practice time horizons.</td>
</tr>
<tr>
<td>Long-term</td>
<td>10</td>
<td>25</td>
<td>This time horizon for assessing climate-related risks and opportunities is generally aligned with other business practice time horizons.</td>
</tr>
</tbody>
</table>

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

<table>
<thead>
<tr>
<th>Frequency of monitoring</th>
<th>How far into the future are risks considered?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Six-monthly or more frequently</td>
<td>&gt;6 years</td>
</tr>
</tbody>
</table>

C2.2b
(C2.2b) Provide further details on your organization’s process(es) for identifying and assessing climate-related risks.

Eaton management continuously monitors the material risks facing the company, including strategic, financial, operational, legal and compliance risks. Under the direct supervision of the Board of Directors, risks/opportunities are assessed at the company level through a standardized enterprise risk management (“ERM”) process. Every business unit, every region and every corporate function participates in this formal process. Risks are measured using standard evaluation criteria. Results are consolidated and reviewed by senior leadership and presented to the Board. Through the ERM process, Eaton typically identifies 10-15 risks each year as priorities which are assigned to management of the appropriate business or corporate divisions under the supervision of the Senior Leadership Committee (“SLC”) and the CEO. The EVP, EBS and Sustainability is a member of the SLC and is primarily responsible for climate related issues. The SLC meets quarterly on major business issues, including environmental issues, a subset of which is climate change. Updates on mitigation activities and risk management are reported to the Board of Directors on an annual basis or more frequently depending on circumstances. Through the ERM process and other standard routines, our business address issues associated with climate change, including but not limited to customer requirements/issuess (e.g., need for energy efficient products to address climate change regulations, consumer demands, profitability); operational issues (including new regulations influenced by climate change and voluntary norms); and supply chain (including weather related disruptions influenced by climate change, disruptions). 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, intense storms/flooding and other natural disasters (such as volcanic eruptions) are reviewed. An outcome of these meetings is the development of local response plans designed to address these occurrences. Voluntary projects to reduce carbon emissions are also assessed, along with mandatory requirements. 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 and voluntary action 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 and voluntary action at the facility. Culture relates to how well each facility demonstrates EHS engagement and drive continuous improvement at all levels. 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 and OpA assessment led by independent internal teams every three years. Results are reported each year to Business operations leadership; EVP, EBS and Sustainability; and, if necessary, 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.

(C2.2c) Which of the following risk types are considered in your organization’s climate-related risk assessments?

<table>
<thead>
<tr>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current regulation</td>
<td>Relevant, always included</td>
</tr>
</tbody>
</table>
Emerging regulation
Relevant, always included
For environmental and safety risks and issues planning (including emerging regulation and prioritizing), Eaton uses MESH (Management of Environment, Safety, Security, and Health), a globally deployed, unified system that consolidates all EHS and compliance programs and voluntary actions into one integrated management system. MESH has three components: Process and Compliance; Culture; and Results. Requirements are set in 10 EHS categories and drives regulatory compliance, voluntary actions and conformance with Eaton MESH requirements at the facility. Culture relates to how well each facility demonstrates EHS engagement and drives continuous improvement 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 and O&Q assessment led by independent internal teams every three years. Results are reported each year to business operations leadership, the EVP, EBS and Sustainability and, if necessary, to the CEO. In particular, we have targeted emerging regulations focusing on climate change that can impact our sustainable products and processes (both positively or negatively). Roughly 60-80 percent of the products we manufacture are tied, in some way, to sustainability and the impacts of climate change, representing a significant impact on our businesses.

Technology
Relevant, always included
As a power management company, we develop products and services that reduce GHG emissions. There is a risk of falling behind on technologies necessary to combat climate change for our customers, consumers and our own operations. In 2017, Eaton invested $584 million in research and development, most of which was used to develop energy-efficient products that reduce emissions. Examples of Eaton's innovative products, their function and the amount of GHG emissions that are eliminated by product use, include: The APR48-ES Energy Saver Rectifier helps communications network operators cut energy costs across, the network through greater operating efficiency resulting in a reduction in carbon footprint. The Energy Saver rectifier operates over 86% efficiency, reducing waste energy by at least 50% compared to normal industry efficiencies of 89-92%. It offers potential global annual savings of one million metric tons of CO2 emissions for the telecom sector. 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. Eaton Electrical Solutions combine several energy saving products into the most energy efficient package to address specific customer needs. Michigan's Detroit Metropolitan Airport 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 Venitus light-emitting diode (LED) 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 ~5 million kWh, resulting in a reduction of 35,000 metric tons of CO2 in a 5-year period.

Legal
Relevant, always included
Eaton's Legal office (Environment, Health and Safety division) is involved as part of the risk assessment process dealing with all environmental legal needs, including issues involved with climate change.

Market
Relevant, always included
The Company's manufacturing facilities and operations could be disrupted by increasing storm surges due to climate change. Any such disruption could cause delays in shipments of products, damage to inventory, leading to the loss of sales and customers. The physical risks of increased storm and hurricane/typhoon activity, as well as flooding and droughts, may place a temporary financial burden on Eaton facilities, supply chain and markets to sustain operations and protect our employees and communities. 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. Beyond the asset level, Eaton has developed an Enterprise Risk Management (ERM) plan and a related Crisis Communications plan to protect the health and safety of its employees and the public and to preserve the assets and reputation of the company. The plan identifies the coordinated actions and processes that the businesses and Corporate Communications function will use in any crisis or emergency situation, including weather events influenced by climate change. For example, a series of blizzards in the southeast US shutdown transportation lines at Eaton's Roanoke VA warehouse facility. Shipping and receiving was delayed or shutdown for three days putting about $1 million per day at risk in contracts, a large impact for our facility, but a small overall impact for the corporation. However, climate change could increase these risks for Eaton and the company's 200+ facilities around the globe resulting in higher costs and increased threats to employee safety.

Reputation
Relevant, always included
In the event of changing climate conditions, e.g. droughts, or other extreme weather events, Eaton could be called upon (and expected) to do more to address the increasing humanitarian demands, particularly if the extreme weather events are severe and widespread. If a company ignores the needs of others during these crises, they do so at the risk of their reputation. For example, after Hurricane Odile battered Mexico's Baja California peninsula, 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 1100 pounds) of donated supplies from employees – including bottled water, canned food, rice, beans, cereal, powdered milk, 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. Climate change would increase these risks for Eaton by causing our contributions budget to grow beyond company's budget which in 2017 was $11.4 million. Today, the impact to our budget would be minimal, but climate change could increase these incidents and Eaton would continue to increase our budget in keeping with our commitment of "Doing Business Right." Such a commitment also affects our reputation.

Acute physical
Relevant, always included
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. For opportunities at both the company and asset level, 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.
### Chronic Physical

<table>
<thead>
<tr>
<th>Relevance &amp; Inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant, always included</td>
<td>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, both short-term and long-term. Physical risks such as changing weather patterns, rising temperatures and other natural disasters are reviewed. One of the outcomes of these meetings is the development of local response plans designed to address catastrophic occurrences. Voluntary projects to reduce carbon emissions are also assessed, along with mandatory projects for environmental regulation. For opportunities at both the company and asset level, 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. For example, a series of blizzards in the southeast US shutdown transportation lines at Eaton’s Roanoke VA warehouse facility. Shipping and receiving was delayed or shutdown for three days putting about $1 million per day at risk in contracts, a large impact for our facility, but a small overall impact for the corporation. However, climate change could increase these risks for Eaton and the company’s 200+ facilities around the globe resulting higher costs and increased threats to employee safety.</td>
</tr>
</tbody>
</table>

### Upstream

<table>
<thead>
<tr>
<th>Relevance &amp; Inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant, always included</td>
<td>Upstream issues are evaluated by Eaton’s Supply Chain and EHS teams, and data are gathered on a subset of key suppliers through CDP’s Supply Chain initiative and analyzed for risks. Upstream issues are also part of Eaton’s Enterprise Risk Management (ERM) process and business continuity planning. Planning identifies the coordinated actions and processes that the businesses and supply chain function will use in any crisis or emergency situation, including weather events influenced by climate change. This process is applied to upstream interruptions in receiving parts and supplies to complete customer orders. For example, a series of blizzards in the southeast US shutdown transportation lines at Eaton’s Roanoke VA warehouse facility. Shipping and receiving was delayed or shutdown for three days putting about $1 million per day at risk in contracts. Climate change would increase these risks for Eaton and the company’s 200+ facilities around the globe resulting higher costs and increased threats to employee safety and availability.</td>
</tr>
</tbody>
</table>

### Downstream

<table>
<thead>
<tr>
<th>Relevance &amp; Inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant, always included</td>
<td>Physical risks such as changing weather patterns, rising temperatures and other natural disasters are reviewed at the asset level on a monthly basis. An outcome of these meetings is the development of local response plans designed to address catastrophic occurrences. Beyond the asset level, Eaton has developed an Enterprise Risk Management (ERM) plan and a related Crisis Communications plan to protect the health and safety of its employees and the public and to preserve the assets and reputation of the company. The plan identifies the coordinated actions and processes that the businesses and Corporate Communications function will use in any crisis or emergency situation, including weather events influenced by climate change. This process is applied to downstream interruptions in shipping finished products to customers. The physical risks of increased storm and hurricane/typhoon activity, as well as flooding and droughts, may place a temporary financial burden on Eaton facilities and supply chain to sustain operations and protect our employees and communities. Downstream, our ability to transport goods to our customers could be interrupted. For example, a series of blizzards in the southeast US shut down transportation lines at Eaton’s Roanoke VA warehouse facility. Shipping and receiving was delayed or shutdown for three days putting about $1 million per day at risk in contracts. Climate change would increase these risks for Eaton and the company’s 200+ facilities around the globe resulting higher costs and increased threats to employee safety.</td>
</tr>
</tbody>
</table>
**C2.2d Describe your process(es) for managing climate-related risks and opportunities.**

Eaton management continuously monitors the material risks facing the company, including strategic, financial, operational, legal, and environmental and compliance risks. Under the direct supervision of the Board of Directors, risks/opportunities are assessed at the company level through a standardized enterprise risk management ("ERM") process. Every business unit, every region and every corporate function participates in this formal process. Risks are measured using standard evaluation criteria. Results are consolidated and reviewed by senior leadership and presented to the Board. Through the ERM process, Eaton typically identifies 10-15 risks each year as ERM priorities are assigned to manage these risks, under the supervision of the Senior Leadership Committee (SLC), which is the most senior management committee within the corporation. The CEO chairs this committee, which meets quarterly. Updates on mitigation activities and risk management are reported to the Board of Directors on an annual basis or more frequently depending on circumstances. Through the ERM process and other standard routines, our business addresses issues associated with climate change, including but not limited to customer requirements/issues, e.g., need for energy efficient products to address climate change regulations, consumer demands, profitability; operational issues (including new regulations and voluntary norms influenced by climate change); and supply chain (including weather related disruptions influenced by climate change). Climate change opportunities are managed within the structure of 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 opportunities and 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. For example, 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. For managing climate-related opportunities and risks, Eaton also uses MESH (Management of Environment, Safety, Security and Health), a globally deployed, unified system that consolidates all Environment, Health and Safety and compliance programs and voluntary actions 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 and voluntary action at the facility. Culture relates to how well each facility demonstrates EHS engagement at all levels. The Results component focuses on achieving performance metrics, including climate related issues. 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 EVP, EBS and Sustainability, and, if necessary, to the chief executive of the appropriate Eaton business, Eaton CEO and the Board of Directors.

**C2.3 Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

**Type of financial impact driver**

Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)
Company-specific description
The physical risks of increased storm and hurricane/typhoon activity, as well as flooding and droughts, may place a temporary financial burden on Eaton facilities and supply chain to sustain operations and protect our employees and communities. For example, a series of blizzards in the southeast US shut down transportation lines at Eaton's Roanoke VA warehouse facility. Shipping and receiving was delayed or shutdown for three days putting about $1 million per day at risk in contracts. Climate change could increase similar risks for Eaton and the company's 200+ facilities around the globe resulting higher costs and increased threats to employee safety.

Time horizon
Short-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Potential financial impact
9000000

Explanation of financial impact
The physical risks of increased storm and hurricane/typhoon activity, as well as flooding and droughts, may place a temporary financial burden on Eaton facilities and supply chain to sustain operations and protect our employees and communities. For example, a series of blizzards in the southeast US shut down transportation lines at Eaton's Roanoke VA warehouse facility. Shipping and receiving was delayed or shutdown for three days putting about $1 million per day at risk in contracts. Climate change would increase these risks for Eaton and the company's 200+ facilities around the globe resulting higher costs and increased threats to employee safety. So, if three facilities were affected, the financial impact to Eaton would be $9,000,000.

Management method
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. As a result, Eaton has enhanced its emergency response capabilities through the company's Enterprise Risk Management (ERM) planning and business continuity planning, both of which helped minimize the impact by ongoing communications with customers, rescheduling deliveries, negotiating terms and other activities.

Cost of management
3000000

Comment
Costs associated with these actions are included in the annual budgets for the businesses and facilities, and represent less than $3 million per year.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Acute: Other

Type of financial impact driver
Reduced revenues from lower sales/output

Company-specific description
Eaton supports EPA's proposed 2017-2025 LD CAFÉ/GHG standards, which represent an aggressive target of 4-5% improvement per year from a baseline of about 35 mpg (2016) for the national automotive fleet. However, these could be relaxed under a new administration and result in decreased demand for Eaton's fuel saving and emissions reducing products.

Time horizon
Medium-term

Likelihood
Virtually certain

**Magnitude of impact**
Medium

**Potential financial impact**
250000000

**Explanation of financial impact**
Eaton's Vehicle business represents about 16% of Eaton's annual sales, or $3.3 billion in 2017. We estimate that Eaton's new products and technologies will add $250 million of annual revenue by 2020. Without the new demand of increasingly efficient products to meet CAFE standards, the $250 million may be affected.

**Management method**
Eaton conducts research and development to continue to launch innovative products and solutions that help our customers meet their most demanding energy and emissions requirements. For example, Eaton's Vehicle business 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 surpassed 2 billion miles of clean, reliable service and helped save more than 53 million gallons of fuel while reducing GHG emissions by 235,000 metric tons (using EPA conversion factor) over the past 12 years. Eaton hybrid electric, plug-in hybrid electric and hybrid hydraulic power systems achieve up to a 37 percent improvement in average fuel economy. Eaton spent 584,000,000 on Research and Development in 2017.

**Cost of management**
584000000

**Comment**

**Identifier**
Risk 3

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type**
Transition risk

**Primary climate-related risk driver**
Technology: Costs to transition to lower emissions technology

**Type of financial impact driver**
Other, please specify (Increased expenditures for humanitarian)

**Company-specific description**
Recently, the US EPA issued final Carbon Pollution Standards for new, modified and reconstructed power plants, and proposed a federal plan to assist states in implementing the Clean Power Plan. In 2017, the current administration was considering placing a hold on these plans. However, if all or part of the plan continues, the plan represents the first-ever national standards that address carbon pollution from power plants. However, there is a short-term risk that shutting down coal plants, while making new plant construction virtually impossible, 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 customers. The regulation could have a negative impact on Eaton's Electrical business which provides products and services for plant construction and maintenance. Also, power supply interruptions could impact operations at our manufacturing plants, as well as those of our suppliers, while the cost of electricity steadily increases due to reliance on more expensive and less reliable renewable sources of power. 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.

**Time horizon**
Short-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Medium

**Potential financial impact**
7000000

**Explanation of financial impact**
To address potential price spikes and improve energy efficiency Eaton has focused on projects for its facilities that save energy and reduce emissions. In the past five years, Eaton has completed 315 energy-saving projects at a cost of about $18.5 million. These projects included lighting and machine efficiency upgrades, manufacturing process optimization, heat recovery, building shell insulation, equipment upgrades, compressed air installation, ventilator control and energy management. These projects have also reduced GHG emissions by 37,376 metric tons, and generate savings of about $7 million per year. Without these projects, Eaton would be paying $7 million more per year in energy costs.

Management method
To address potential price spikes and improve energy efficiency Eaton has focused on projects for its facilities that save energy and reduce emissions. In the past five years, Eaton has completed 315 energy-saving projects at a cost of about $18.5 million. These projects included lighting and machine efficiency upgrades, manufacturing process optimization, heat recovery, building shell insulation, equipment upgrades, compressed air installation, ventilator control and energy management. These projects have also reduced GHG emissions by 37,376 metric tons, and saved about $7 million in energy costs.

Cost of management
18000000

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Type of financial impact driver
Returns on investment in low-emission technology

Company-specific description
Tax credits for renewable energy, specifically wind and solar power will be good through 2019. After that, the credit will begin to drop, declining to 10% by 2022 where it will remain. These actions provide market certainty for Eaton, and offer the opportunity for the company's portfolio of wind and solar energy-related products. For example, Eaton's Microgrid Energy Systems help provide electrical energy surety independent of power provided by the utility grid or can also help provide demand/load management. To accomplish this, a combination of multiple generation sources, including gensets, solar arrays, wind turbines and energy storage, can be integrated on a common grid structure with necessary loads seamlessly islanded from or paralleled with the main grid.

Time horizon
Current

Likelihood
Virtually certain

Magnitude of impact
Medium-low
Potential financial impact
200000000

Explanation of financial impact
Part of the impact results from our acquisition of Cooper Industries to acquire products and technologies needed in power transmission and other services. Eaton achieved more than $280 million year-over-year synergy profits from since our Cooper Industries acquisition in 2012. This multi-year profit growth represents a powerful accelerator to the organic growth that emanates from our expanded set of global power management capabilities. We estimate that research and development investments could help raise segment margins from 15.8% in 2017 to 16.3-16.9% in 2018. In 2017, a 1% increase in segment margins would have represented an increase in segment operating profit of about $200 million, a medium impact for the company.

Strategy to realize opportunity
Acquisition of Cooper Industries, along with new products and processes from our research and development efforts, and organic growth will combine to provide the power management products and solutions required to address this opportunity. For example, our electrical distribution equipment and engineering services helped power more than 1,600 homes with five community solar installations in Colorado. And California's Redwood Solar Farm relies on our solar inverters, distribution equipment and services to power 9,200 homes, helping local utilities meet the California Renewables Portfolio standard of generating 33 percent of energy from renewable sources by 2020. By acquiring Cooper, we added to our capabilities of smooth conversion of renewable energy into clean electric power through inverters, power distribution transformers and other innovative products an of renewable energy into clean electric power.

Cost to realize opportunity
14374000000

Comment
$13.79 billion acquisition of Cooper, plus $584 million in research and development investments in 2017 provided the products and processes to realize this opportunity.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Type of financial impact driver
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description
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, powertrain alternatives, optimizing electronic controls and intelligence, innovative weight reduction, fuel source options, and major infrastructure investments. Eaton provides products to address our customer needs, including superchargers and other fuel-saving products for vehicles. Therefore, this regulation could increase demand for these relevant Eaton products. The Eaton Supercharger has been improving engine performance since 1985. Five generations later, the TVS® (Twin Vortices Series®) was a revolutionary design that provides an incredible 12% efficiency improvement, which saves fuel and reduces GHG emissions.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium

Potential financial impact
3000000000

Explanation of financial impact
We estimate that technology developments could help raise segment margins from 15.8% in 2017 to 16.3-16.9% in 2018. In 2017,
a 1% increase in segment margins would have represented an increase in segment operating profit of about $200 million. Eaton expects an additional $250 million in annual revenue by 2020 from new products in our Vehicles Business that help customers lower fuel consumption, improve efficiency and solve customers’ need to meet regulations.

**Strategy to realize opportunity**

Technology will be a major global factor in reducing emissions. Eaton spent $584 million in 2017, and a total of $3.1 billion in Research and Development over the past five years, the majority of which was devoted to products and services that improve efficiency and reduce emissions. Also in 2017, Eaton opened our 9th Innovation Center. Our network of global innovation centers gives all businesses access to cutting-edge technology to develop the sustainable technologies needed for a healthier planet. For example, Eaton has created a new business segment called eMobility to address opportunities created by the need for technologies that help mitigate climate change. Eaton expects to invest $500 million over 5 years to design, manufacture, market and supply electrical and hybrid solutions for on- and off-road vehicles. The name eMobility symbolizes our initial focus on the electrification of vehicles and our desire to go beyond the vehicle segment. We have a great head start in this space already – selling approximately $275 million into this market today. This move signals our commitment to being a leader in the emerging electrified vehicle market. By 2030, we expect to be a leading global player in the electrified vehicle market with annual revenues between $2 billion to $4 billion – that’s roughly the same level of annual revenue our Vehicle Group generates today - $3.3 billion in 2017.

**Cost to realize opportunity**

500000000

**Comment**

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Customer

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Type of financial impact driver**

Increased revenue through demand for lower emissions products and services

**Company-specific description**

Changes in temperature extremes can lead to serious weather events such as tornadoes and hurricanes, or melting sea ice causing flooding in coastal areas. Eaton can offer customers comprehensive solutions for minimizing their own physical risks. For example, high atop a 6,288-foot mountain—home to some of the most dangerous and unpredictable weather in the world—the Mount Washington Observatory in New Hampshire conducts research and collects real-time data for the U.S. National Weather Service. Demanding uninterrupted power for critical 24/7 observations, this nonprofit educational institution installed our rugged, energy efficient 9355 Uninterruptible Power System (UPS) to support its entire IT infrastructure more efficiently reliably. Eaton’s R&D efforts provides continuous upgrades to existing products, while working with customers to develop innovative sustainable solutions in power management, energy efficiency and emissions reduction.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Potential financial impact**

200000000

**Explanation of financial impact**

We estimate that technology developments could help raise segment margins from 15% in 2016 to 17-18% in 2020. In 2017, a 1% increase in segment margins would have represented an increase in segment operating profit of about $200 million.

**Strategy to realize opportunity**

To realize this opportunity, Eaton uses research and development to create comprehensive solutions to customers to address the risks of climate change. 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 enhanced safety, making power outages from the physical risk of unstable weather patterns less of a threat. For example, high atop a 6,288-foot mountain—home to some of the most dangerous and unpredictable weather in the world—the Mount Washington Observatory in New Hampshire conducts research and collects real-time data for the U.S. National Weather Service. Demanding uninterrupted power for critical 24/7 observations, this nonprofit educational institution installed our rugged, energy efficient 9355 Uninterruptible Power System (UPS) to support its entire IT infrastructure more efficiently and reliably. Eaton’s R-D efforts provide continuous upgrades to existing products, while working with customers to develop innovative sustainable solutions in power management, energy efficiency and emissions reductions.

**Cost to realize opportunity**
40000000

**Comment**
In 2017, Eaton spent $584 million on Research and Development. About 60-80 percent (or approx. $400 million of our R-D budget), was dedicated to innovative products and services that improve efficiency, reduce costs and shrink the environmental footprints of our customers and our planet.
**C2.5** Describe where and how the identified risks and opportunities have impacted your business.

<table>
<thead>
<tr>
<th>Products and services</th>
<th>Impact</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impacted</td>
<td>Eaton is addressing increasing demand for high-voltage electrified vehicle technologies with the creation of its new eMobility business. With a focus on intelligent power electronics, power systems, and advanced power distribution and circuit protection, eMobility is poised to capitalize on a global vehicle electrification market projected to grow to 15 million pure battery-electric vehicles and another 30 million hybrids, from mild to plug-in, by 2030. eMobility was formed by combining products, expertise and global manufacturing capabilities from Eaton’s Electrical and Vehicle businesses. Eaton plans to invest more than $500 million over the next five years to develop new products and technologies, including smart diagnostic technologies, intelligent power electronics and predictive health monitoring, to further strengthen its global capabilities and deliver intelligent electrification products and solutions to passenger car, commercial vehicle and off-highway customers. Eaton, a leader in vehicle electrification, has over 15 years of experience in developing hybrid systems with more than 15,000 HEV and PHEV systems on the road in the U.S., Europe, China and other Asia-Pacific markets. Eaton also has high-voltage, fast-acting fuses in nearly 50 percent of global electrified cars, and power electronics on a leading European battery-electric vehicle platform. Because of this solid foothold, our pedigree in serving the vehicle markets and our proven electrical technologies, we are uniquely positioned to win in this space. In fact, we believe this combination is so powerful that by 2030, we expect to be a leading global player in the electrified vehicle market with annual revenues between $2 billion to $4 billion – that’s roughly the same level of annual revenue our Vehicle Group generates today (about $3.3 billion in sales) which represents a major impact on company revenue.</td>
<td></td>
</tr>
<tr>
<td>Supply chain and/or value chain</td>
<td>Impacted</td>
<td>The physical risks of increased storm and hurricane/typhoon activity, as well as flooding and droughts, may place a temporary financial burden on Eaton facilities and supply chain to sustain operations and protect our employees and communities. For example, a series of blizzards in the southeast US shutdown transportation lines at Eaton’s Roanoke VA warehouse facility. Shipping and receiving was delayed or shutdown for three days putting about $1 million per day at risk in contracts, a medium impact for the business. Climate change could increase these risks for Eaton and the company’s 200+ facilities around the globe resulting in higher costs and increased threats to employee safety. If five facilities had similar issues, Eaton would face $5 million/day in costs, a large impact for facilities but a low-medium impact for Eaton.</td>
</tr>
<tr>
<td>Adaptation and mitigation activities</td>
<td>Impacted</td>
<td>Eaton is focused on energy efficiency improvements in our facilities worldwide. In 2017 Eaton completed 97 projects including lighting optimization, building shell insulation, equipment upgrades, heat recovery, compressed air installation, ventilator control and energy management. These projects will eliminate about 6,649 metric tons of GHG emissions per year and save more than $1,537,000 in energy costs per year, a large impact on a facility and a small impact on our company. Overall, in the past five years, Eaton has completed 315 projects that reduced annual GHG emissions by 37,376 metric tons, and saved approx. $6.8 million per year. Year-over-year, these projects add up to a major impact.</td>
</tr>
<tr>
<td>Investment in R&amp;D</td>
<td>Impacted</td>
<td>Eaton conducts research and development to continue to launch innovative products and solutions that help our customers meet their most demanding energy and emissions challenges. In 2017, Eaton spent $584 million on research and development, most of which is spent on new and innovative products and services that help our customers and consumers reduce their environmental footprints. For example, Eaton is addressing increasing demand for high-voltage electrified vehicle technologies with the creation of its new eMobility business. With a focus on intelligent power electronics, power systems, and advanced power distribution and circuit protection, eMobility is poised to capitalize on a global vehicle electrification market projected to grow to 15 million pure battery-electric vehicles and another 30 million hybrids, from mild to plug-in, by 2030. eMobility was formed by combining products, expertise and global manufacturing capabilities from Eaton’s Electrical and Vehicle businesses. Eaton plans to invest more than $500 million over the next five years to develop new products and technologies, including smart diagnostic technologies, intelligent power electronics and predictive health monitoring, to further strengthen its global capabilities and deliver intelligent electrification products and solutions to passenger car, commercial vehicle and off-highway customers. Eaton, a leader in vehicle electrification, has over 15 years of expertise in developing hybrid systems with more than 15,000 HEV and PHEV systems on the road in the U.S., Europe, China and other Asia-Pacific markets. Eaton also has high-voltage, fast-acting fuses in nearly 50 percent of global electrified cars, and power electronics on a leading European battery-electric vehicle platform. Because of this solid foothold, our pedigree in serving the vehicle markets and our proven electrical technologies, we are uniquely positioned to win in this space. In fact, we believe this combination is so powerful that by 2030, we expect to be a leading global player in the electrified vehicle market with annual revenues between $2 billion to $4 billion – that’s roughly the same level of annual revenue our Vehicle Group generates today and represents a large impact for the Vehicle Business.</td>
</tr>
<tr>
<td>Operations for some suppliers, facilities, or product lines</td>
<td>Impacted</td>
<td>Our Enterprise Risk Management and business continuity planning have assisted in creating response plans for our operations in the event of intense storms, hurricanes/typhoons, flooding, etc. due to climate change. In addition, Eaton is looking prospectively at changing global conditions using publicly available data sets to assess the longer-term impacts of climate change and how these may affect our operations world-wide. The physical risks of increased storm and hurricane/typhoon activity, as well as flooding and droughts, may place a temporary financial burden on Eaton facilities and supply chain to sustain operations and protect our employees and communities. For example, a series of blizzards in the southeast US shutdown transportation lines at Eaton’s Roanoke VA warehouse facility. Shipping and receiving was delayed or shutdown for three days putting about $1 million per day at risk in contracts, a medium impact for the business. Climate change could increase these risks for Eaton and the company’s 200+ facilities around the globe resulting in higher costs and increased threats to employee safety. If five facilities had similar issues, Eaton would face $5 million/day in costs, a large impact for facilities but a low-medium impact for Eaton.</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>Please select</td>
<td></td>
</tr>
</tbody>
</table>

**C2.6**

**C2.6** Describe where and how the identified risks and opportunities have factored into your financial planning process.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Description</th>
</tr>
</thead>
</table>
Revenues

Impact: Climate change is shifting customer and consumer preferences toward lower emissions products and services, thereby presenting an opportunity to tap into higher revenues through the Eaton Business System's ProLaunch process – a set of integrated processes designed to guide our program and project management processes, including product development from concept through production launch. We developed Eaton's eMobility business segment brings together our Electrical Transportation and Martek Power EMEA businesses with parts of our Vehicle business to design, manufacture, market and supply electrical and hybrid solutions for on- and off-road vehicles. The name eMobility symbolizes our focus on the electrification of vehicles and our desire to go beyond the vehicle segment. We have a great head start in this space already – selling approximately $275 million into this market today. Because of this solid foothold, our pedal power in serving the vehicle markets and our proven technological capabilities, we are uniquely positioned to win in this space. In fact, we believe this combination is so powerful that by 2030, we expect to be a leading global player in the electrified vehicle market with annual revenues between $2 billion to $4 billion – a large impact that’s roughly the same level of annual revenue our Vehicle Group generates today (about $3.3 billion in sales). Also, Eaton expects an additional $250 million in annual revenue by 2020 from new products in our Vehicle Business that help customers lower fuel consumption, improve efficiency and solve their customers’ need to meet regulations.

Operating costs

Impact: Reduce operating costs and improve efficiencies. Eaton is focused on energy efficiency improvements in our facilities worldwide. In 2017 Eaton completed 97 projects including lighting optimization, building shell insulation, equipment upgrades, heat recovery, compressed air installation, ventilator control and energy management. These projects will eliminate about 6,649 metric tons of GHG emissions per year and save more than $1,537,000 in operating costs per year. In the past five years, Eaton has completed 315 projects that reduced annual GHG emissions by 37,376 metric tons, and saved approx. $6.8 million per year. Year-over-year, these projects add up to a medium impact. These projects were identified as part of Eaton’s conducts strategic planning and risk analysis at all of our 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.

Capital expenditures / capital allocation

Impact: Energy saving in our facilities. Eaton is focused on capital expenditures that make energy efficiency improvements in our facilities worldwide. In 2017 Eaton completed 97 projects including lighting optimization, building shell insulation, equipment upgrades, heat recovery, compressed air installation, ventilator control and energy management. These projects will eliminate about 6,649 metric tons of GHG emissions per year and save more than $1,537,000 in operating costs per year. In the past five years, Eaton has completed 315 projects that reduced annual GHG emissions by 37,376 metric tons, and saved approx. $6.8 million per year. Year-over-year, these projects add up to a large impact. These projects were identified as part of Eaton’s conducts strategic planning and risk analysis at all of our 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.

Acquisitions and divestments

Impact: Climate change is creating demand for low emissions products and services, in part, through government regulation. In response, Eaton purchased Cooper Industries to complement our existing electrical products and services with new innovation such as LED lighting. Eaton has achieved more than $280 million year-over-year synergy profits from our Cooper acquisition in 2012. This multi-year profit growth represents a large impact to the organic growth that emanates from our expanded set of global power management capabilities. Our decision was influenced by Eaton Business System processes, in which climate-related issues are integrated into our business objectives and strategy, including acquisitions. EBS 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.

Access to capital

Not impacted: Eaton believes it has the operating flexibility, cash flow, cash and short-term investment balances, and access to capital markets in excess of the liquidity necessary to meet future operating needs of the business, including climate change impacts, as well as scheduled payments of long-term debt. Eaton’s objective is to finance its business through operating cash flow and an appropriate mix of equity and long-term and short-term debt. By diversifying its debt maturity structure, Eaton reduces liquidity risk. The Company maintains access to the $2 million working capital program. On November 17, 2017, Eaton refinanced a $500 million, four-year revolving credit facility with a $500 million, three-year revolving credit facility that will expire November 17, 2020 and also refinanced a $750 million, five-year revolving credit facility that will expire November 17, 2022. Eaton also maintains a $750 million, five-year revolving credit facility that will expire October 14, 2021. These refinancings maintain long-term revolving credit facilities at a total of $2 billion. The revolving credit facilities are used to support commercial paper borrowings and are fully and unconditionally guaranteed by Eaton and certain of its direct and indirect subsidiaries on an unsubordinated, unsecured basis. There were no borrowings outstanding under Eaton’s revolving credit facilities at December 31, 2017 or 2016. The Company had available lines of credit of $74 million from various banks primarily for the issuance of letters of credit, of which there was $297 million outstanding at December 31, 2017. Over the course of a year, cash, short-term investments and short-term debt may fluctuate in order to manage global liquidity.

Assets

Impact: Adding Cooper Industries to our asset base provided more than $280 million year-over-year synergy profits since 2013. The acquisition was part of our strategy to procure energy-saving, sustainable lighting products and expertise that dovetailed with Eaton’s own lighting portfolio. Our decision was influenced by Eaton Business System processes, in which climate-related issues are integrated into our business objectives and strategy, including acquisition of assets. EBS 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 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.
Eaton’s liabilities are primarily legacy (remediation) sites that are closely managed under regulatory schemes. In our planning horizon we do not foresee significant impacts from climate-related events to these sites. Eaton is involved in remedial response and voluntary environmental remediation at a number of sites, including certain of its currently-owned or formerly-owned plants. At the end of 2017, the Company was involved with a total of 118 sites worldwide, including the Superfund sites mentioned above, with none of these sites being individually significant to the Company. Remediation activities, generally involving soil and/or groundwater contamination, include pre-cleanup activities such as fact finding and investigation, risk assessment, feasibility study, design and action planning, performance (where actions may range from monitoring, to removal of contaminants, to installation of longer-term remediation systems), and operation and maintenance of a remediation system. The extent of expected remediation activities and costs varies by site. A number of factors affect the cost of environmental remediation, including the number of parties involved at a particular site, the determination of the extent of contamination, the length of time the remediation may require, the complexity of environmental regulations, and the continuing advancement of remediation technology. Taking these factors into account, Eaton has estimated the costs of remediation, which will be paid over a period of years. The Company accrues an amount on an undiscounted basis, consistent with the estimates of these costs, when it is probable that a liability has been incurred. Actual results may differ from these estimates. At December 31, 2017 and 2016, the Company had an accrual totaling $120 million and $124 million, respectively, for these costs. Based upon Eaton’s analysis and subject to the difficulty in estimating these future costs, the Company expects that any sum it may be required to pay in connection with environmental matters, including impacts of climate change, is not reasonably possible to exceed the recorded liability by an amount that would have a material effect on its financial position, results of operations or cash flows.

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?
Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?
Yes, quantitative

C3.1c
Climate-related issues are integrated into our business objectives and strategy through 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. For example, 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 our strategy and business objectives by reaffirming our belief in the necessity to balance the needs of our planet with our corporate goals. As a result, we now identify climate change as a major trend that will affect the way we do business for the foreseeable future. Influenced by climate change, our customers need new technologies to reduce their use of energy and improve their own carbon footprints. 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. Our strategy takes into account the need to reduce carbon or other greenhouse gas emissions and the commitment to help our customers and consumers do the same. For our own footprint, Eaton has developed emissions reduction targets and conducted the energy-saving activities to achieve them. Indexed to sales, our greenhouse gas (GHG) emissions decreased by 3.4 percent in 2017 compared to 2016. We beat our 2017 GHG target by emitting about 6,000 metric tons fewer GHGs. One of our most substantial decisions influenced by the need to address climate change is the continued investment in projects that make our buildings and manufacturing processes more efficient. Throughout our facilities we completed 97 energy reduction projects in 2017 that have resulted in reducing a cumulative 6,649 metric tons of GHGs at a cost of $2.77 million. These projects included lighting and machine efficiency upgrades, manufacturing process optimization, heat recovery and other efforts. For 2018, we have set a 1-year absolute GHG reduction target of two percent. Eaton business divisions are expected to calculate and reduce their emissions based on this threshold. We have also committed to setting a science-based target for our direct and indirect emissions for the period of 2015-2030 We’re also heeding the global call for nations and businesses to work together to address climate change. In 2017-2018 we’re working on new science-based, long-term emissions reduction targets that do our part for a 2-degree solution based on the Paris Agreement. The most substantial business decisions that have been influenced by the climate change driven aspects of the strategy are based on helping customers and consumers offset the effects of climate. In 2017, Eaton launched a new initiative to be a leading global player in vehicle electrification; electric power capabilities; and managing electrical power, in response to the climate change aspect of global demand for innovative products and processes that reduce emissions, conserve energy and help fight climate change. Eaton’s deep expertise makes us a trusted partner to customers. In launching a new eMobility segment and targeting additional revenue of $2 - $4 billion by 2030. We believe that the climate change aspect of increasing pressure on global energy costs and availability will lead to increasing costs of extraction, processing, distribution and utilization. Technology will play a major role in addressing this aspect. Eaton spent $584 million in 2017, and a total of $3.1 billion in Research and Development over the past five years, the majority of which was devoted to products and services that improve efficiency and reduce emissions. Also in 2017, Eaton opened our 9th Innovation Center. Our network of global innovation centers gives all businesses access to cutting-edge technology to develop the green technologies needed for a healthier planet. Acquisition, Joint Ventures, Partnerships are critical to Eaton’s efforts to develop the innovative products and services the help to mitigate climate change. In 2017, Eaton sold a 50% interest in its heavy-duty and medium-duty commercial vehicle automated transmission business for $600 million in cash to Cummins, Inc.to form a new joint venture, Eaton Cummins Automated Transmission Technologies (ECATT). The partnership has already launched the new Endurant™ 12-speed automated transmission – the lightest, most efficient 1,850 lb.-ft. capable heavy-duty transmission. Designed for line-haul applications where weight savings and efficiency can add to a fleet’s bottom line and reduce GHG emissions. The need to communicate, learn and share more about climate change is integrated into the company’s overall business strategy, in large part through community and government partnerships. Eaton is helping advance energy resiliency for the national power grid through a U.S. Department of Energy (DOE) funded initiative to deploy new hydropower generation at existing non-powered dams and waterways. Under the second stage of the contract awarded in 2017, Eaton is manufacturing and testing new, low-cost integrated hydropower turbine and generator sets to help enhance the cost-effectiveness of new hydropower generation facilities. According to DOE assessments, more than 50 gigawatts of potential capacity remains untapped at existing small-scale hydropower sites, which is a huge potential resource for Eaton’s renewable energy expertise.
Eaton’s strategy has long been influenced by climate change related issues including: • An evolving regulatory regime focusing on carbon reduction; • customers demanding new carbon reduction technologies to respond to the potential impact of climate change; • the continuing efforts of governments to jump start robust “green energy” industries through credits, grants, and other incentives; opportunities are increasing for companies to grow by providing innovative products and services that help mitigate the impact of climate change. More recently, Eaton committed to the Science-based Target initiative in August 2017. We are in the process of developing our targets and have conducted scenario analysis based on the scenario of a 2 degree maximum increase in temperature called for by the Paris Agreement. We are assessing the magnitude of reductions that can be achieved through a number of actions including but not limited to the purchase of green tariffs, onsite renewables, offsite renewables, energy efficiency projects and behavioral change. This analysis will be fed into the multiple processes that are used to set business objectives and strategy across the enterprise, including the Eaton Business System.
(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Scope
Scope 1+2 (location-based)

% emissions in Scope
100

% reduction from baseline year
9

Metric
Metric tons CO2e per unit revenue

Base year
2016

Start year
2016

Normalized baseline year emissions covered by target (metric tons CO2e)
958879

Target year
2017

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

% achieved (emissions)
100

Target status
Expired

Please explain
Our 2017 GHG reduction goal was to keep emissions flat indexed to sales from 2016, yet we achieved a 9% reduction. We also achieved a 7% reduction in our absolute emissions from 2016.

% change anticipated in absolute Scope 1+2 emissions
-3

% change anticipated in absolute Scope 3 emissions
0

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1a/b.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes
(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

<table>
<thead>
<tr>
<th>Number of projects</th>
<th>Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under investigation</td>
<td>59</td>
</tr>
<tr>
<td>To be implemented*</td>
<td>58</td>
</tr>
<tr>
<td>Implementation commenced*</td>
<td>67</td>
</tr>
<tr>
<td>Implemented*</td>
<td>97</td>
</tr>
<tr>
<td>Not to be implemented</td>
<td>8</td>
</tr>
</tbody>
</table>

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

**Activity type**
- Energy efficiency: Building services

**Description of activity**
- Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**
- 2155

**Scope**
- Scope 2 (location-based)

**Voluntary/Mandatory**
- Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**
- 988155

**Investment required (unit currency – as specified in CC0.4)**
- 1529000

**Payback period**
- 1-3 years

**Estimated lifetime of the initiative**
- >30 years

**Comment**
In 2017, 22 Eaton facilities completed or commenced lighting optimization programs that replaced inefficient lighting with cutting edge LED lights manufactured at Eaton facilities. The projects eliminated GHG emissions by 2,155 tons per year, will save $988,155 per year on the initial investment of $1,529,000 and a payback of 1-3 years.

**Activity type**
- Energy efficiency: Processes

**Description of activity**
- Process optimization

**Estimated annual CO2e savings (metric tonnes CO2e)**
- 2565

**Scope**
- Scope 2 (location-based)

**Voluntary/Mandatory**
- Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**
- 475000
<table>
<thead>
<tr>
<th>Activity type</th>
<th>Energy efficiency: Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of activity</td>
<td>Compressed air</td>
</tr>
<tr>
<td>Estimated annual CO₂e savings (metric tonnes CO₂e)</td>
<td>3495</td>
</tr>
<tr>
<td>Scope</td>
<td>Scope 1</td>
</tr>
<tr>
<td></td>
<td>Scope 2 (location-based)</td>
</tr>
<tr>
<td>Voluntary/Mandatory</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Annual monetary savings (unit currency – as specified in CC0.4)</td>
<td>119668</td>
</tr>
<tr>
<td>Investment required (unit currency – as specified in CC0.4)</td>
<td>446000</td>
</tr>
<tr>
<td>Payback period</td>
<td>&lt;1 year</td>
</tr>
<tr>
<td>Estimated lifetime of the initiative</td>
<td>11-15 years</td>
</tr>
<tr>
<td>Comment</td>
<td>Eaton facilities in U.S., Europe and Asia completed 11 compressed air projects and four process optimizations, including testing and eliminating leaks, and purchase of new compressors. Implemented 11 individual projects focused on improving energy efficiency across production locations in Europe and North America and Asia Pacific. The individual project lifetimes range from one year to more than 30 years. Therefore, the median was used to calculate this column.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activity type</th>
<th>Energy efficiency: Building services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of activity</td>
<td>Other, please specify (HVAC, motors &amp; pumps, heat &amp; power.)</td>
</tr>
<tr>
<td>Estimated annual CO₂e savings (metric tonnes CO₂e)</td>
<td>2543</td>
</tr>
<tr>
<td>Scope</td>
<td>Scope 1</td>
</tr>
<tr>
<td></td>
<td>Scope 2 (location-based)</td>
</tr>
<tr>
<td>Voluntary/Mandatory</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Annual monetary savings (unit currency – as specified in CC0.4)</td>
<td>39080</td>
</tr>
<tr>
<td>Investment required (unit currency – as specified in CC0.4)</td>
<td>58406</td>
</tr>
</tbody>
</table>
Payback period
1-3 years

Estimated lifetime of the initiative
11-15 years

Comment
Picked middle because varies from 0-30 yrs.

Activity type
Fugitive emissions reductions

Description of activity
Other, please specify (Eliminating waste sent to landfills)

Estimated annual CO2e savings (metric tonnes CO2e)
611

Scope
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
0

Investment required (unit currency – as specified in CC0.4)
37000

Payback period
1-3 years

Estimated lifetime of the initiative
Ongoing

Comment
In 2017, 30 of our facilities achieved zero waste-to-landfill status. To date, 125 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, we help minimize the release of GHG emissions, especially methane, a harmful GHG 20 times more potent than carbon dioxide. In 2017, these efforts resulted in the elimination of more than 600 metric tons of GHG emissions that otherwise would have been released during the transportation and storage of landfilled wastes. There is often no cost savings to diverting waste from the landfill.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

<table>
<thead>
<tr>
<th>Method</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedicated budget for energy efficiency</td>
<td>Energy/GHG reduction projects budgeted: We're using new technologies and processes to make our manufacturing plants around the world more energy efficient. In 2017, many of our aerospace, hydraulics, electrical and vehicle plants upgraded their facilities with energy-saving projects. Overall, Eaton completed 97 projects that included lighting optimization, building shell insulation, equipment upgrades, heat recovery, compressed air installation, ventilator control and energy management, which reduced GHG emissions by 8804 metric tons at a cost of $2.77 million. Potential financial implications: annual energy savings projected at $1.27 million.</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>Eaton employees determine where we donate a large share of our contributions, based on the needs in their local communities. This includes a number of sustainability projects. We also engage our employees in the aspects of our approach, from design and manufacturing, customer support, internal footprint reduction through Green Teams and other programs. From 2014-17, more than 30,000 employees worldwide participated in our World Environment Month program, which extends the annual Worldwide Environment Day into a month of sustainability activities in the workplace, home and communities.</td>
</tr>
<tr>
<td>Dedicated budget for low-carbon product R&amp;D</td>
<td>Eaton spent $584 million for research and development in 2017, the majority of which went to develop innovative products and processes that improve efficiency and reduce emissions.</td>
</tr>
</tbody>
</table>
(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
As a power management company, Eaton has long focused on developing innovative technologies, products and solutions that help our customers meet challenging sustainability regulations and guidelines. During 2017, we invested $584 million in research and development, helping answer the needs of our global customers now and in the future. Our cylinder deactivation system is the most direct way to reduce emissions and improve fuel economy through the driving cycle. Eaton was an early leader in the research and development of onboard refueling vapor recovery (ORVR) systems, which reduce hydrocarbon emissions by about 95 percent during refueling. China—the world's largest market for passenger and commercial vehicles—implemented ORVR in early 2017. Eaton's electrical power control systems reduce power use and carbon emissions in buildings and homes. Our acquisition of Cooper Industries expanded our portfolio of electrical solutions with products such as LED lighting and critical smart-grid technologies for modern, sustainable electricity.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (IPCC GWP100a; ISO 14040 and 14044)

% revenue from low carbon product(s) in the reporting year
60

Comment
With millions of SKUs and tens of thousands of products, Eaton is still in the process of classifying them into sustainability-related categories including low-carbon / energy efficiency. We have not calculated an exact number for percent of revenue. However, based on product manager and engineering services team knowledge, we estimate a range of 60-80% of Eaton's revenues are from sales of low carbon and low emissions products.

C5. Emissions methodology
(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

**Scope 1**

**Base year start**
October 1 2015

**Base year end**
September 30 2016

**Base year emissions (metric tons CO2e)**
152714

**Comment**

**Scope 2 (location-based)**

**Base year start**
October 1 2015

**Base year end**
September 30 2016

**Base year emissions (metric tons CO2e)**
806165

**Comment**

**Scope 2 (market-based)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**
2017 is the first year we have reported market-based Scope 2 emissions.

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.


C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

**Row 1**

**Gross global Scope 1 emissions (metric tons CO2e)**
150674

**End-year of reporting period**
<Not Applicable>

**Comment**
2017 is end-year of reporting period
C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based
740493

Scope 2, market-based (if applicable)
732736

End-year of reporting period
<Not Applicable>

Comment

C6.4

(C6.4) 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
(C6.4a) 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**
For reporting year 2017 the following sources of Scope 1 emissions were excluded from the inventory based on institutional knowledge: mobile emissions, fugitive emissions, process emissions, some stationary combustion fuels other than natural gas. For Scope 2 emissions, steam, district heating/cooling and chilled water are not purchased.

**Relevance of Scope 1 emissions from this source**
Emissions are not evaluated

**Relevance of location-based Scope 2 emissions from this source**
No emissions from this source

**Relevance of market-based Scope 2 emissions from this source (if applicable)**
Emissions are not relevant

**Explain why the source is excluded**
Based on institutional knowledge of Eaton's operations within our organizational boundary for the inventory, the aforementioned sources were excluded for Scope 1, and also based on institutional knowledge, Eaton did not purchase steam, district heating/cooling or chilled water that would emit Scope 2 GHGs.

---

(C6.5) Account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions.

**Purchased goods and services**

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
6600000

**Emissions calculation methodology**
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.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
2

**Explanation**
Intercompany sales are excluded to avoid double counting between scopes.
Capital goods

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
86000

Emissions calculation methodology
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 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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
24

Explanation
Calculated capital goods emissions represent less than 1% of our total emissions impact and are not relevant.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
280000

Emissions calculation methodology
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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Calculated upstream fuel emissions represent less than 1% of our total emissions impact and are not relevant.

Upstream transportation and distribution

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
120000

Emissions calculation methodology
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 65% of Eaton’s total sales. Emissions are therefore extrapolated by 35% 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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
57

Explanation
Calculated upstream T&D emissions represent less than 1% of our total emissions impact and are not relevant.
Waste generated in operations

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
8800

Emissions calculation methodology
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 included in the WARM model based on national average transportation distances.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Calculated waste emissions represent less than 1% of our total emissions impact and are not relevant.

Business travel

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
42000

Emissions calculation methodology
For air travel, Eaton receives a detailed emission report from our travel coordinators. Emissions are extrapolated to include countries not included in these reports. For all other business travel calculations, Eaton uses a variety of publicly available data to estimate emission factors for economic data captured through receipts submitted through Eaton’s business travel software.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
65

Explanation
Calculated business travel emissions represent less than 1% of our total emissions impact and are not relevant.

Employee commuting

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
160000

Emissions calculation methodology
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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Calculated employee commute emissions represent less than 1% of our total emissions impact and are not relevant.
Upstream leased assets

**Evaluation status**
Not relevant, calculated

**Metric tonnes CO2e**
53000

**Emissions calculation methodology**
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.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
70

**Explanation**
Calculated upstream leased asset emissions represent less than 1% of our total emissions impact and are not relevant.

Downstream transportation and distribution

**Evaluation status**
Not relevant, calculated

**Metric tonnes CO2e**
190000

**Emissions calculation methodology**
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 65% of Eaton’s total sales. Emissions are therefore extrapolated by 35% 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.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
57

**Explanation**
Calculated T&D emissions represent less than 1% of our total emissions impact and are not relevant.

Processing of sold products

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**
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

Evaluation status
Relevant, calculated

Metric tonnes CO2e
60000000

Emissions calculation methodology
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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
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%.

End of life treatment of sold products

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
340000

Emissions calculation methodology
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.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Calculated EOL emissions represent less than 1% of our total emissions impact and are not relevant.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
Emissions related to downstream leased assets are irrelevant. Eaton Corporation does not lease company-owned assets to customers.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
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

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
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)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
No other Scope 3 categories apply.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
No other Scope 3 categories apply.

---

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?
No

C6.10
(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000039

Metric numerator (Gross global combined Scope 1 and 2 emissions)
891167

Metric denominator
unit total revenue

Metric denominator: Unit total
20330000000

Scope 2 figure used
Location-based

% change from previous year
0.1

Direction of change
Decreased

Reason for change
Partially due to energy efficiency projects implemented in the reporting year, consolidation/production, changes in weather.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

<table>
<thead>
<tr>
<th>Greenhouse gas</th>
<th>Scope 1 emissions (metric tons of CO2e)</th>
<th>GWP Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2</td>
<td>150519</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>CH4</td>
<td>80</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>N2O</td>
<td>75</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
</tbody>
</table>

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific (or JAPA)</td>
<td>1336</td>
</tr>
<tr>
<td>Europe, Middle East and Africa (EMEA)</td>
<td>35277</td>
</tr>
<tr>
<td>North America</td>
<td>109743</td>
</tr>
<tr>
<td>South America</td>
<td>4320</td>
</tr>
</tbody>
</table>
C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

<table>
<thead>
<tr>
<th>Business division</th>
<th>Scope 1 emissions (metric ton CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>9632</td>
</tr>
<tr>
<td>Electrical Americas</td>
<td>56588</td>
</tr>
<tr>
<td>Electrical APAC</td>
<td>0</td>
</tr>
<tr>
<td>Electrical EMEA</td>
<td>5995</td>
</tr>
<tr>
<td>Hydraulics</td>
<td>39622</td>
</tr>
<tr>
<td>Vehicle</td>
<td>38837</td>
</tr>
</tbody>
</table>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
<th>Purchased and consumed electricity, heat, steam or cooling (MWh)</th>
<th>Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific (or JAPA)</td>
<td>130574</td>
<td>129206</td>
<td>272553</td>
<td>6778</td>
</tr>
<tr>
<td>Europe, Middle East and Africa (EMEA)</td>
<td>156858</td>
<td>155225</td>
<td>327438</td>
<td>8143</td>
</tr>
<tr>
<td>North America</td>
<td>434635</td>
<td>430082</td>
<td>907234</td>
<td>22563</td>
</tr>
<tr>
<td>South America</td>
<td>18416</td>
<td>18223</td>
<td>38441</td>
<td>956</td>
</tr>
</tbody>
</table>

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a
(C7.6a) Break down your total gross global Scope 2 emissions by business division.

<table>
<thead>
<tr>
<th>Business division</th>
<th>Scope 2, location-based emissions (metric tons CO2e)</th>
<th>Scope 2, market-based emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>41879</td>
<td>41440</td>
</tr>
<tr>
<td>Electrical Americas</td>
<td>191739</td>
<td>189730</td>
</tr>
<tr>
<td>Electrical APAC</td>
<td>40506</td>
<td>40082</td>
</tr>
<tr>
<td>Electrical EMEA</td>
<td>28214</td>
<td>27918</td>
</tr>
<tr>
<td>Hydraulics</td>
<td>159265</td>
<td>157597</td>
</tr>
<tr>
<td>Vehicle</td>
<td>278890</td>
<td>275969</td>
</tr>
</tbody>
</table>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) 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.

<table>
<thead>
<tr>
<th>Change in emissions (metric tons CO2e)</th>
<th>Direction of change</th>
<th>Emissions value (percentage)</th>
<th>Please explain calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in renewable energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other emissions reduction activities</td>
<td>11369</td>
<td>Decreased</td>
<td>17</td>
</tr>
<tr>
<td>Divestment</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mergers</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in output</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in methodology</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in boundary</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in physical operating conditions</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unidentified</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>56341</td>
<td>Decreased</td>
<td>83</td>
</tr>
</tbody>
</table>

C7.9b
Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

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

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

C8.2

Select which energy-related activities your organization has undertaken.

| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | No |

C8.2a

Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

<table>
<thead>
<tr>
<th>Heating value</th>
<th>MWh from renewable sources</th>
<th>MWh from non-renewable sources</th>
<th>Total MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstock)</td>
<td>LHV (lower heating value)</td>
<td>0</td>
<td>831409</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>&lt;Not Applicable&gt;</td>
<td>31743</td>
<td>1545665</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td>31743</td>
<td>2377074</td>
</tr>
</tbody>
</table>
(C8.2b) Select the applications of your organization's consumption of fuel.

<table>
<thead>
<tr>
<th>Consumption of fuel for the generation of electricity</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel for the generation of steam</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of cooling</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for co-generation or tri-generation</td>
<td>No</td>
</tr>
</tbody>
</table>

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

- **Fuels (excluding feedstocks)**
  - Natural Gas

  - **Heating value**
    - LHV (lower heating value)

  - **Total fuel MWh consumed by the organization**
    - 831409

  - **MWh fuel consumed for the self-generation of electricity**
    - <Not Applicable>

  - **MWh fuel consumed for self-generation of heat**
    - 0

  - **MWh fuel consumed for self-generation of steam**
    - <Not Applicable>

  - **MWh fuel consumed for self-generation of cooling**
    - 0

  - **MWh fuel consumed for self-cogeneration or self-trigeneration**
    - <Not Applicable>

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

- **Natural Gas**
  - **Emission factor**
    - 181.234

  - **Unit**
    - kg CO2e per MWh

  - **Emission factor source**
    - Eaton used and average from AR5 which is 0.181234 kg CO2e/kWh. This was applied it to all countries where natural gas was combusted, using country specific calorific values published by IEA.

  - **Comment**

C8.2f
(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

**Basis for applying a low-carbon emission factor**
Grid mix of renewable electricity

**Low-carbon technology type**
Solar PV
Wind

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**
31743

**Emission factor (in units of metric tons CO2e per MWh)**
0

**Comment**
Correlates to site-specific market based emissions factors

---

**C9. Additional metrics**

---

**C9.1**

(C9.1) Provide any additional climate-related metrics relevant to your business.

---

**C10. Verification**

---

**C10.1**

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

<table>
<thead>
<tr>
<th>Scope Type</th>
<th>Verification/assurance status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 2 (location-based or market-based)</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 3</td>
<td>No third-party verification or assurance</td>
</tr>
</tbody>
</table>

---

**C10.1a**
(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

**Scope**
Scope 1

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Reasonable assurance

**Attach the statement**
Eaton RY2017 Scope 1_2 GHG Verification Statement_final.pdf

**Page/ section reference**

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

---

**Scope**
Scope 2 location-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Reasonable assurance

**Attach the statement**

**Page/ section reference**

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

---

**Scope**
Scope 2 market-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Reasonable assurance

**Attach the statement**

**Page/ section reference**

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100
C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we do not verify any other climate-related information reported in our CDP disclosure.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No.

C11.3

(C11.3) Does your organization use an internal price on carbon?

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

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers

C12.1a
(C12.1a) Provide details of your climate-related supplier engagement strategy.

**Type of engagement**
Information collection (understanding supplier behavior)

**Details of engagement**
Collect climate change and carbon information at least annually from suppliers

**% of suppliers by number**
0.02

**% total procurement spend (direct and indirect)**
20

**% Scope 3 emissions as reported in C6.5**
100

**Rationale for the coverage of your engagement**
As a component of our supplier engagement methods (including Eaton's Supplier Code of Conduct and Terms and Conditions requirements) across all 70,000+ of Eaton's Tier suppliers, Eaton directly engaged 152 strategic suppliers representing 20% of total spend via the CDP Supply Chain program. As part of Eaton's annual participation in CDP's Supply Chain Program, these suppliers are chosen based on a number of risk-based criteria including spend, GHG intensity of the supplied products, and preferred or long-term supplier partner designation. Certain of the suppliers' provided emission data is used as inputs in Eaton's calculation of relevant scope 3 emissions categories.

**Impact of engagement, including measures of success**
Eaton directly engaged 152 strategic suppliers representing 20% of total spend via the CDP Supply Chain program. Certain of the suppliers provided emission data is used as inputs in Eaton's calculation of relevant scope 3 emissions categories. In addition to monitoring supplier response rates against internal targets (Eaton achieved prior year supplier response rate of 83%, well above the average CDP Supply Chain disclosure rate of 54%), Eaton also undertakes analysis of supplier responses and tracks and proactively supports supplier improvements in both disclosure and corresponding greenhouse gas and climate change, management, risk and opportunity actions. For example, 70% of responding suppliers disclosed active emission reduction targets and 76% disclosure active emission reduction initiatives.

**Comment**

---

**Type of engagement**
Compliance & onboarding

**Details of engagement**
Included climate change in supplier selection / management mechanism
Code of conduct featuring climate change KPIs
Climate change is integrated into supplier evaluation processes

**% of suppliers by number**
100

**% total procurement spend (direct and indirect)**
100

**% Scope 3 emissions as reported in C6.5**
100

**Rationale for the coverage of your engagement**
All 70,000+ Eaton suppliers are engaged and required, through Eaton’s Supplier Code of Conduct and relevant Terms and Conditions, to minimize environmental pollution and make continuous improvements to reduce or eliminate solid waste, wastewater and air emissions, including greenhouse gases, by implementing appropriate conservation measures in their production, maintenance, and facility processes.

**Impact of engagement, including measures of success**
In addition to holding all suppliers accountable to the requirements in Eaton’s Code of Conduct and Terms and Conditions via both standard terms acceptance tracking as well as tracking of supplemental acceptance affirmations of Eaton's Code of Conduct, select strategic suppliers are also included in a performance scorecard and risk management program, through which key sustainability metrics (including CDP disclosure) are evaluated. CDP disclosure and performance criteria is also a critical metric for relevant suppliers to be considered for Eaton's supplier awards.

**Comment**
C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Collaboration & innovation

Details of engagement
Other – please provide information in column 5

Size of engagement

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement
Eaton collaborates with OEMs / other organizations across all our relevant business segments to improve our products and help meet our customers’ needs. We estimate that technology developments could help raise segment margins from 15.8% in 2017 to 16.3-16.9% in 2018. In 2017, a 1% increase in segment margins would have represented an increase in segment operating profit of about $200 million. Eaton expects an additional $250 million in annual revenue by 2020 from new products in our Vehicles Business that help customers lower fuel consumption, improve efficiency and solve customers’ need to meet regulations.

Impact of engagement, including measures of success

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

<table>
<thead>
<tr>
<th>Focus of legislation</th>
<th>Corporate position</th>
<th>Details of engagement</th>
<th>Proposed legislative solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, please specify (CAFE standards)</td>
<td>Support</td>
<td>Eaton endorses the EPA’s new Corporate Average Fuel Economy (CAFE) 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 also supports the US EPA 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 CAFE 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.</td>
<td>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. The EPA will be reviewing the CAFE standards as part of its mid-term review process. Eaton submitted comments regarding technologies to meet the standards.</td>
</tr>
</tbody>
</table>

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?
Yes

C12.3c
(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
National Electrical Manufacturers Association

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
NEMA strongly supports a climate policy that achieves meaningful greenhouse gas reductions at the lowest practicable costs. NEMA members are leaders in providing demand management and energy-efficient products and technologies to the market. These technologies, if deployed and utilized, lead to far more efficient use of energy sources, be they fossil fuels or others, 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.

How have you, or are you attempting to, influence the position?
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 public buildings are using the energy efficient technologies that provide operational savings and reduce emissions. Method: we are working through trade organizations and the government (DOE). Actions advocating: develop rule-making and products/technologies strategies for reasonable LEED practices in public buildings that will help customers meet LEED requirements and evolving carbon emissions regulations. Nature of engagement: meet with legislators; provide information on Eaton’s energy efficiency products.

(C12.3f)

(C12.3f) 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?

Responsibilities of the EVP, Eaton Business System (EBS) & Sustainability: as a member of Eaton’s Senior Leadership Committee (SLC), the EVP, EBS and Sustainability reports (inter alia) climate related issues on a monthly, quarterly and annual basis. The SLC is the highest level non-Board committee and reports directly to the Board of Directors on major corporate and business issues. Other members of the SLC who are directly involved in policy, legal, strategy and other functions coordinate with the EVP, EBS and Sustainability to ensure a consistent approach on climate change issues both internal and external to our organization.

C12.4

(C12.4) 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
In mainstream reports

Eaton’s annual report is now a web-only document posted at Eaton.com/annualreport. The GHG references are on p. 6. We have also published our annual sustainability report on Eaton.com with GHG data included.

Status
Complete

Attach the document
Eaton Corporation PLC 2017 Annual Report.pdf

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

**Publication**
In voluntary communications

*Eaton’s Sustainability public web page includes all aspects of Eaton’s sustainability goals, targets, emissions, stakeholders, etc.*

**Status**
Complete

**Attach the document**
Sustainability web site.png

**Content elements**
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

---

**Publication**
In voluntary communications

*Our detailed metrics are downloadable from our public web site at Eaton.com/sustainability*

**Status**
Complete

**Attach the document**
2017-Sustainability-Metrics.pdf

**Content elements**
Emissions figures
Emission targets

---

**Publication**
In voluntary communications

*Eaton’s analysts Sustainability Metrics Summary is provided to investors and financial analysts, and can be downloaded from Eaton.com by the public.*

**Status**
Complete

**Attach the document**
Q. 12 eaton-sustainability-analyst-download-2017 metrics.pdf

**Content elements**
Emissions figures
Emission targets
Other metrics
Other, please specify (Includes other CSR metrics)

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**C14. Signoff**

---

**C-FI**

*(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization’s response. Please note that this field is optional and is not scored.*
C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craig Arnold, Chairman and Chief Executive Officer</td>
<td>Chief Executive Officer (CEO)</td>
</tr>
</tbody>
</table>

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

<table>
<thead>
<tr>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>20404000000</td>
</tr>
</tbody>
</table>

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

<table>
<thead>
<tr>
<th>ISIN country code (2 letters)</th>
<th>ISIN numeric identifier and single check digit (10 numbers overall)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IE</td>
<td>00B8KQN827</td>
</tr>
</tbody>
</table>

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

- Requesting member
  - BMW AG

Scope of emissions

- Scope 1

Emissions in metric tonnes of CO2e

102
CNH Industrial NV

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e
149

Uncertainty (±%)

Major sources of emissions
Natural gas - stationary combustion

Verified
No

Allocation method
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The GHG source (stationary combustion units fired by natural gas) were identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to BMW as a proxy for percentage of Scope 1 emissions. The allocation was not verified, but the underlying emissions data are.

Fiat Chrysler Automobiles NV

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e
921

Uncertainty (±%)

Major sources of emissions
Natural gas - stationary combustion

Verified
No

Allocation method
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The GHG source (stationary combustion units fired by natural gas) were identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to Fiat Chrysler as a proxy for percentage of Scope 1 emissions. The allocation was not verified, but the underlying emissions data are.
Requesting member
Ford Motor Company

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e
1776

Uncertainty (±%)

Major sources of emissions
Natural Gas - stationary combustion

Verified
No

Allocation method
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The GHG source (stationary combustion units fired by natural gas) were identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to Ford as a proxy for percentage of Scope 1 emissions. The allocation was not verified, but the underlying emissions data are.

Requesting member
General Motors Company

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e
2339

Uncertainty (±%)

Major sources of emissions
Natural gas - stationary combustion

Verified
No

Allocation method
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The GHG source (stationary combustion units fired by natural gas) were identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to GM as a proxy for percentage of Scope 1 emissions. The allocation was not verified, but the underlying emissions data are.

Requesting member
Hewlett Packard Enterprise Company

Scope of emissions
Please select

Emissions in metric tonnes of CO2e
200

Uncertainty (±%)

Major sources of emissions
Natural gas - stationary combustion

Verified
No
### National Grid PLC

**Scope of emissions**
Scope 1

**Emissions in metric tonnes of CO2e**
68

**Uncertainty (±%)**

**Major sources of emissions**
Natural gas - stationary combustion

**Verified**
No

**Allocation method**
Other, please specify (See explanation below)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

The GHG source (stationary combustion units fired by natural gas) were identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to Hewlett Packard as a proxy for percentage of Scope 1 emissions. The allocation was not verified, but the underlying emissions data are.

---

### Volkswagen AG

**Scope of emissions**
Scope 1

**Emissions in metric tonnes of CO2e**
1840

**Uncertainty (±%)**

**Major sources of emissions**
Natural gas - stationary combustion

**Verified**
No

**Allocation method**
Other, please specify (See explanation below)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

The GHG source (stationary combustion units fired by natural gas) were identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to Volkswagen as a proxy for percentage of Scope 1 emissions. The allocation was not verified, but the underlying emissions data are.

---

### BMW AG

**Scope of emissions**
Scope 2

**Emissions in metric tonnes of CO2e**

---
Uncertainty (±%)

Major sources of emissions
Purchased electricity

Verified
No

Allocation method
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The GHG source (purchased electricity) was identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to BMW as a proxy for percentage of Scope 2 emissions. The allocation was not verified, but the underlying emissions data are.

Requesting member
CNH Industrial NV

Scope of emissions
Scope 2

Emissions in metric tonnes of CO2e
731

Uncertainty (±%)

Major sources of emissions
Purchased electricity

Verified
No

Allocation method
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The GHG source (purchased electricity) was identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to CNH as a proxy for percentage of Scope 2 emissions. The allocation was not verified, but the underlying emissions data are.

Requesting member
Fiat Chrysler Automobiles NV

Scope of emissions
Scope 2

Emissions in metric tonnes of CO2e
4528

Uncertainty (±%)

Major sources of emissions
Purchased electricity

Verified
No

Allocation method
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The GHG source (purchased electricity) was identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to Fiat as a proxy for percentage of Scope 2 emissions. The allocation
was not verified, but the underlying emissions data are.

<table>
<thead>
<tr>
<th>Requesting member</th>
<th>Ford Motor Company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of emissions</strong></td>
<td>Scope 2</td>
</tr>
<tr>
<td><strong>Emissions in metric tonnes of CO2e</strong></td>
<td>8728</td>
</tr>
<tr>
<td><strong>Uncertainty (±%)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Major sources of emissions</strong></td>
<td>Purchased electricity</td>
</tr>
<tr>
<td><strong>Verified</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>Allocation method</strong></td>
<td>Other, please specify</td>
</tr>
</tbody>
</table>

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The GHG source (purchased electricity) was identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to Ford as a proxy for percentage of Scope 2 emissions. The allocation was not verified, but the underlying emissions data are.

<table>
<thead>
<tr>
<th>Requesting member</th>
<th>General Motors Company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of emissions</strong></td>
<td>Scope 2</td>
</tr>
<tr>
<td><strong>Emissions in metric tonnes of CO2e</strong></td>
<td>11499</td>
</tr>
<tr>
<td><strong>Uncertainty (±%)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Major sources of emissions</strong></td>
<td>Purchased electricity</td>
</tr>
<tr>
<td><strong>Verified</strong></td>
<td>Please select</td>
</tr>
<tr>
<td><strong>Allocation method</strong></td>
<td>Other, please specify</td>
</tr>
</tbody>
</table>

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The GHG source (purchased electricity) was identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to GM as a proxy for percentage of Scope 2 emissions. The allocation was not verified, but the underlying emissions data are.

<table>
<thead>
<tr>
<th>Requesting member</th>
<th>Hewlett Packard Enterprise Company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of emissions</strong></td>
<td>Scope 2</td>
</tr>
<tr>
<td><strong>Emissions in metric tonnes of CO2e</strong></td>
<td>985</td>
</tr>
<tr>
<td><strong>Uncertainty (±%)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Major sources of emissions</strong></td>
<td>Purchased electricity</td>
</tr>
<tr>
<td><strong>Verified</strong></td>
<td></td>
</tr>
</tbody>
</table>
Please select

**Allocation method**
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The GHG source (purchased electricity) was identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to HP as a proxy for percentage of Scope 2 emissions. The allocation was not verified, but the underlying emissions data are.

---

**Requesting member**
National Grid PLC

**Scope of emissions**
Scope 2

**Emissions in metric tonnes of CO2e**
336

**Uncertainty (±%)**

**Major sources of emissions**
Purchased electricity

**verified**
No

**Allocation method**
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The GHG source (purchased electricity) was identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to National Grid as a proxy for percentage of Scope 2 emissions. The allocation was not verified, but the underlying emissions data are.

---

**Requesting member**
Volkswagen AG

**Scope of emissions**
Scope 2

**Emissions in metric tonnes of CO2e**
9044

**Uncertainty (±%)**

**Major sources of emissions**
Purchased electricity

**verified**
No

**Allocation method**
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The GHG source (purchased electricity) was identified as part of the boundary setting exercise for the 2017 GHG inventory. Emissions were allocated by using a percentage of sales to Volkswagen as a proxy for percentage of Scope 2 emissions. The allocation was not verified, but the underlying emissions data are.

---

**Requesting member**
BMW AG

**Scope of emissions**
Scope 3
Emissions in metric tonnes of CO2e
45884
Uncertainty (±%)
Major sources of emissions
Emissions are from 11 of 15 Scope 3 categories calculated, of which Use of Sold Products is the largest.
Verified
No
Allocation method
Other, please specify (Please see explanation below)
Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The Scope 3 guidance was used to identify Scope 3 emissions categories and calculate emissions. Emissions were allocated by using a percentage of sales to BMW as a proxy for the percentage of emissions. Scope 3 emissions data were not verified in 2017, nor was the allocation to customers.

Requesting member
Fiat Chrysler Automobiles NV
Scope of emissions
Scope 3
Emissions in metric tonnes of CO2e
414438
Uncertainty (±%)
Major sources of emissions
Emissions are from 11 of 15 Scope 3 categories calculated, of which Use of Sold Products is the largest.
Verified
No
Allocation method
Other, please specify (See explanation below)
Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The Scope 3 guidance was used to identify Scope 3 emissions categories and calculate emissions. Emissions were allocated by using a percentage of sales to Fiat as a proxy for the percentage of emissions. Scope 3 emissions data were not verified in 2017, nor was the allocation to customers.

Requesting member
Ford Motor Company
Scope of emissions
Scope 3
Emissions in metric tonnes of CO2e
798896
Uncertainty (±%)
Major sources of emissions
Emissions are from 11 of 15 Scope 3 categories calculated, of which Use of Sold Products is the largest.
Verified
No
Allocation method
Other, please specify (See explanation below)
Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The Scope 3 guidance was used to identify Scope 3 emissions categories and calculate emissions. Emissions were allocated by
using a percentage of sales to Ford as a proxy for the percentage of emissions. Scope 3 emissions data were not verified in 2017, nor was the allocation to customers.

**Requesting member**  
General Motors Company

**Scope of emissions**  
Scope 3

**Emissions in metric tonnes of CO2e**  
1052152

**Uncertainty (±%)**

**Major sources of emissions**  
Emissions are from 11 of 15 Scope 3 categories calculated, of which Use of Sold Products is the largest.

**Verified**

No

**Allocation method**  
Other, please specify (See explanation below)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

The Scope 3 guidance was used to identify Scope 3 emissions categories and calculate emissions. Emissions were allocated by using a percentage of sales to GM as a proxy for the percentage of emissions. Scope 3 emissions data were not verified in 2017, nor was the allocation to customers.

---

**Requesting member**  
Hewlett Packard Enterprise Company

**Scope of emissions**  
Scope 3

**Emissions in metric tonnes of CO2e**  
90124

**Uncertainty (±%)**

**Major sources of emissions**  
Emissions are from 11 of 15 Scope 3 categories calculated, of which Use of Sold Products is the largest.

**Verified**

No

**Allocation method**  
Other, please specify (See explanation below)

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

The Scope 3 guidance was used to identify Scope 3 emissions categories and calculate emissions. Emissions were allocated by using a percentage of sales to HP as a proxy for the percentage of emissions. Scope 3 emissions data were not verified in 2017, nor was the allocation to customers.

---

**Requesting member**  
National Grid PLC

**Scope of emissions**  
Scope 3

**Emissions in metric tonnes of CO2e**  
30787

**Uncertainty (±%)**

**Major sources of emissions**  
Emissions are from 11 of 15 Scope 3 categories calculated, of which Use of Sold Products is the largest.
Verified
Please select

Allocation method
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The Scope 3 guidance was used to identify Scope 3 emissions categories and calculate emissions. Emissions were allocated by using a percentage of sales to National Grid as a proxy for the percentage of emissions. Scope 3 emissions data were not verified in 2017, nor was the allocation to customers.

Requesting member
Volkswagen AG

Scope of emissions
Scope 3

Emissions in metric tonnes of CO2e
827803

Uncertainty (±%)

Major sources of emissions
Emissions are from 11 of 15 Scope 3 categories calculated, of which Use of Sold Products is the largest.

Verified
No

Allocation method
Other, please specify (See explanation below)

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
The Scope 3 guidance was used to identify Scope 3 emissions categories and calculate emissions. Emissions were allocated by using a percentage of sales to Volkswagen as a proxy for the percentage of emissions. Scope 3 emissions data were not verified in 2017, nor was the allocation to customers.

SC1.2
SC1.2 Where published information has been used in completing SC1.1, please provide a reference(s).

Emissions quantification methods used for the inventory are largely based on the application of WRI/WBCS Greenhouse Gas Protocol and supporting documentation. Emission factors and activity (usage) data for applicable emission sources are gathered from US EPA eGRID, The Climate Registry, and the International Energy Agency and used to quantify GHG emissions according to best practice methodologies. More information on the specific emission factor sources is described below. Global Warming Potential: All GHG emissions are calculated in metric tons per pollutant and converted to metric tons of carbon dioxide (CO2) equivalents (or “CO2-e”) using the global warming potentials (GWPs). GWPs allow policy makers to compare the impacts and reductions associated with various gases in our environment relative to a reference gas – CO2 was chosen as this reference gas and has a GWP equivalent to 1. The GWPs are based on the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (SAR) published in 2007. For pollutants other than CO2, the 100-year GWP factors are used to scale emissions to CO2-e. Electric Power Emissions by Grid Sector (U.S. Only): The Emissions and Generation Resource Integrated Database (eGRID) is the leading source of air emissions data for the electric power sector. eGRID’s data is based upon data provided by all U.S. electricity generating plants that provide power to the electric grid and report data to the U.S. government. The U.S. is divided into several regions, which are represented by eGRID factors based upon the electrical generation fuel mixture (i.e., coal, natural gas, nuclear, etc.) for that region. Thus, each utility provider is assigned to a particular region, which results in a corresponding eGRID factor that is used to calculate the appropriate air emissions. Electric Power Emissions (International): Outside the US: CO2 Emissions from Fuel Combustion (2016 Edition), International Energy Agency (IEA), Paris, emission factors were used for all sites in Europe and rest-of-world. Quantification Method: The following methods are used to quantify GHG emissions from the sources identified at Eaton facilities: • Direct emissions from stationary combustion of natural gas will be quantified by compiling natural gas invoices issued to each facility by utilities, recording the monthly usage (in MMBtu or MWh), and applying the appropriate emission factor for natural gas combustion. • Indirect emissions from electricity consumption will be quantified by compiling electric power invoices issued to each facility by utilities, recording the monthly usage (in kWh), and applying the appropriate emission factor by region in which the electricity is generated. Emission factors used for Eaton’s inventory are based on guidance documents provided by WRI/WBCSD, The Climate Registry (TCR) Default Emission Factors (released 2015 for natural gas), the U.S. EPA (U.S. electric power sources only) and the International Energy Agency (2016 Edition).

SC1.3

SC1.3 What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

<table>
<thead>
<tr>
<th>Allocation challenges</th>
<th>Please explain what would help you overcome these challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity of product lines makes accurately accounting for each product/product line cost ineffective</td>
<td>Challenge: Being unable to measure where and how energy is used. Generally we do not sub meter our factories. Therefore, it is generally difficult to determine a footprint of a single unit of production. Eaton produces close to one million products at more than 200 manufacturing facilities worldwide. We have no method of allocating products to a specific facility, then connecting them to one of our thousands of customers. Potential solution: Submetering of plants would overcome this challenge.</td>
</tr>
<tr>
<td>Customer base is too large and diverse to accurately track emissions to the customer level</td>
<td>Challenge: Eaton sells over a million SKUs to a diversified set of components to our customer base, which are used in a variety of different situations, making it nearly impossible to estimate the impact of our products in use. Potential solution: Implementing lifecycle assessment methodology into all new product development to keep a database of downstream emissions, including customer use phase.</td>
</tr>
<tr>
<td>Other, please specify (Monitoring for all product deliveries)</td>
<td>Potential solution: Developing a logistic process to measure energy would overcome this challenge.</td>
</tr>
<tr>
<td>Other, please specify (Product packaging disposal emissions)</td>
<td>Potential Solution: Developing a package disposal profile would overcome this challenge.</td>
</tr>
</tbody>
</table>

SC1.4

SC1.4 Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes
(SC1.4a) Describe how you plan to develop your capabilities.

In the future Eaton plans to enhance scope 3 emissions tracking. Additional enhancements would include: • Continue to develop our Life Cycle Assessment (LCA) process to include more products and achieve a better understanding of a product’s GHG impact, including allocation to customers. Establish a process to monitor finished products including transport and packaging waste disposal. • 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. We asked our most strategic suppliers to join us in our sustainability efforts by working with our partner CDP and completing the Supplier Questionnaire. Eaton engaged GZA GeoEnvironmental, Inc. as an additional resource to assist our suppliers in responding to the questionnaire offering training and one on one consultation. These suppliers are strategic to our operations representing nearly 20% of Eaton’s total upstream spend on goods and services. Success was measured by the number of respondents and the quality of information submitted. The CDP supply chain results showed Eaton as a leading company in both number of suppliers asked and number accepting our invitation. • Increase employee awareness and understanding of emissions worldwide to provide support to our programs to reduce our carbon footprint and increase our environmental handprint in our efforts to achieve our aspirational goal of becoming Active Stewards of the Environment.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC3.1

(SC3.1) Do you want to enroll in the 2018-2019 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP’s 2017-2018 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization’s goods or services, if so, what functionality will you be using?

Yes, I will provide data

SC4.1a

(SC4.1a) Give the overall percentage of total emissions, for all Scopes, that are covered by these products.

1
SC4.2a

(SC4.2a) Complete the following table for the goods/services for which you want to provide data.

Product-Level-Carbon-Emissions-2017.xlsx

<table>
<thead>
<tr>
<th>Name of good/service</th>
<th>Description of good/service</th>
<th>Type of product</th>
<th>SKU (Stock Keeping Unit)</th>
<th>Total emissions in kg CO2e per unit</th>
<th>±% change from previous figure supplied</th>
<th>Date of previous figure supplied</th>
<th>Explanation of change</th>
<th>Methods used to estimate lifecycle emissions</th>
</tr>
</thead>
</table>

SC4.2b

(SC4.2b) Complete the following table with data for lifecycle stages of your goods and/or services.

Product-Level-Carbon-Emissions-2017.xlsx

SC4.2c

(SC4.2c) Please detail emissions reduction initiatives completed or planned for this product.

Name of good/service | Initiative ID | Description of initiative | Completed or planned | Emission reductions in kg CO2e per unit |
----------------------|--------------|---------------------------|----------------------|----------------------------------------|
Product-Level-Carbon-Emissions-2017.xlsx

SC4.2d

(SC4.2d) Have any of the initiatives described in SC4.2c been driven by requesting CDP Supply Chain members?

No

Submit your response

In which language are you submitting your response?

English
Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>Public or Non-Public Submission</th>
<th>I am submitting to</th>
<th>Are you ready to submit the additional Supply Chain Questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am submitting my response</td>
<td>Public Investors Customers</td>
<td>Yes, submit Supply Chain Questions now</td>
</tr>
</tbody>
</table>

Please confirm below
I have read and accept the applicable Terms