

W0. Introduction

W0.1

(W0.1) Give a general description of 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:

- 1) We provide sustainable products and solutions that help our customers solve their most critical power management challenges.
- 2) We are committed to improving our own environmental footprint, including the reduction of greenhouse gas (GHG) emissions that can lead to climate change.
- 3) 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.

We are dedicated to reducing our environmental impacts and using natural resources efficiently. We demonstrate environmental stewardship by asking all employees to take an active role in conserving resources, working efficiently and improving our communities. We strive to reduce our energy, emissions, water and waste footprints and are continuously working to improve our performance. As global demand for water grows, we continue to reduce our water consumption and to implement responsible water practices. Our processes are not particularly water intensive, but water is critical to many of our operations. And as water stress becomes more pronounced in some areas in which we operate, this will continue to be an area of focus for us.

Our commitment to “doing business right” begins at the highest levels of our leadership and is brought to life each day through the actions of our employees. Our corporate governance policies establish a common set of expectations and governance practices that guide senior management and the Board of Directors. Our Management of Environmental Safety and Health program (MESH) is the policy framework and internal management of environmental and safety issues including water, wastewater and stormwater.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2018	December 31 2018

W0.3

(W0.3) Select the countries/regions for which you will be supplying data.

Argentina
Australia
Austria
Belgium
Brazil
Canada
Chile
China
Colombia
Costa Rica
Czechia
Denmark
Dominican Republic
Finland
France
Germany
Hungary
India
Indonesia
Italy
Japan
Malaysia
Mexico
Morocco
Netherlands
Norway
Philippines
Poland
Portugal
Puerto Rico
Republic of Korea
Romania
Saudi Arabia
Serbia
Singapore
South Africa
Spain
Taiwan, Greater China
Thailand
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Smaller facilities for which it is not currently possible to track water use and sites that do not add value to products.	Facilities that are included in our boundary for Eaton's water metrics meet the following criteria: 1. Facility adds value to products or hardware (manufacturing, assembling, integration/testing); 2. Facility has more than 50 employees or a high-risk profile (as determined by group or regional Environmental Health and Safety teams); 3. Facility has been affiliated with Eaton for at least three years. Sites that are excluded are smaller and/or do not fall within the scope outlined above.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Our manufacturing processes are not water intensive, however having sufficient water availability is essential to our operations. Without access to water, production would cease. Many of our customers and suppliers have similar operations to our own, and also rely heavily for water use in production operations. Purchased water is as essential to our value chain as it is to our own operations.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Neutral	Few of our sites rely on recycled water. Those that do, however, depend on it to the same degree that most of our sites depend on their purchased water. Without access to sufficient supply, production would cease. Many of our customers and suppliers have similar operations to our own, and also rely heavily for water use in production operations. Recycled water is as essential to our value chain as it is to our own operations.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	We measure purchased water, groundwater, surface water withdrawals and rainwater used from all sites within our reporting boundary.
Water withdrawals – volumes from water stressed areas	100%	We measure groundwater and surface water withdrawals at all sites, including sites in water stressed areas, that are within our reporting boundary. We use the WRI Aqueduct tool to determine water stressed locations with a baseline water stress score of High or Extremely High as measured by the WRI Aqueduct tool.
Water withdrawals – volumes by source	100%	We track water withdrawals by purchased water, groundwater, surface water withdrawals and rainwater used at all sites within our reporting boundary.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sectors]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not monitored	We do not track water withdrawal quality at the corporate level. This is tracked at the site-level per local regulations and/or as necessary for production. Per our MESH policy, each site must maintain up-to-date water map and documentation including chemical analysis of all relevant pollutants. Sampling and testing records including all test reports; and Operating records for key operating parameters. All documentation must be kept in a manner that allows for easy review by internal or external inspectors or regulators. All wastewater records should be kept for a period of three years unless otherwise required by a regulatory authority or permit. Sites perform annual self-assessments and undergo corporate assessments every three years to check compliance with our MESH policy.
Water discharges – total volumes	Not monitored	We do not track this metric at the corporate level. We assume our water discharges are nearly equal to our water withdrawals because our products do not contain a high water content. Each site within the reporting boundary is responsible for tracking water discharge volumes per our MESH policy. Sites must follow local, regional and national regulations as well as our MESH policy minimum standards which mandates wastewaters be characterized including volume or flow rate. Sites perform annual self-assessments and undergo corporate assessments every three years to check compliance with our MESH policy.
Water discharges – volumes by destination	Not monitored	We do not track this metric at the corporate level. Each site within the reporting boundary is responsible for tracking water discharge destinations per our MESH policy. Sites perform annual self-assessments and undergo corporate assessments every three years to check compliance with our MESH policy.
Water discharges – volumes by treatment method	Not monitored	We do not track this metric at the corporate level. Each site is responsible for tracking water discharge volumes per our MESH policy. Where required, information from the characterization of the wastewater must be provided to the permitting authority and/or to the third-party wastewater treatment system operator. Information concerning expected volumes and chemical properties of the wastewater must also be provided to the extent required by regulatory authority or third-party treatment system operator. If a facility is in a country that has no specific wastewater regulations or guidance, then the facility must identify reasonable “good practice” standards from other countries in the region. Then, using this benchmark information, the site must establish its own set of standards. At no time is a site allowed to discharge wastewater, either sanitary or industrial, without treatment. Sites self- assess annually and are assessed for compliance with our policy every three years.
Water discharge quality – by standard effluent parameters	Not monitored	We do not track this metric at the corporate level. Each site must maintain up-to-date documentation including chemical analysis of all relevant pollutants; Sampling and testing records including all test reports; and Operating records for key operating parameters. Where required, information from the characterization of the wastewater must be provided to the permitting authority and/or to the third-party wastewater treatment system operator. If a facility is in a country that has no specific wastewater regulations or guidance, then the facility must identify reasonable “good practice” standards from other countries in the region. Then, using this benchmark information, the site must establish its own set of standards. At no time is a site allowed to discharge wastewater, either sanitary or industrial, without treatment. Sites perform annual self-assessments and undergo corporate assessments every three years to check compliance with our MESH policy.

	% of sites/facilities/operations	Please explain
Water discharge quality – temperature	Not monitored	Each site must evaluate all regulatory requirements that pertain to operation, treatment and disposal of wastewater. Third-party treatment system operators may also have requirements. Where required by regulation or a third-party treatment system operator, information from the characterization of the wastewater must be provided to the permitting authority and/or to the third-party wastewater treatment system operator. Information concerning expected volumes and chemical properties of the wastewater, must also be provided to the extent required by regulatory authority or third-party treatment system operator. If a facility is in a country that has no specific wastewater regulations or guidance, then the facility must identify reasonable "good practice" standards from other countries in the region. Then, using this benchmark information, the site must establish its own set of standards. Sites self- assess annually and are assessed for compliance with our policy every three years.
Water consumption – total volume	Not relevant	We assume our water consumption--water withdrawn via purchased water, groundwater, surface water or rainwater-- and not returned to the ecosystem or a 3rd party for treatment is negligible. Our products in general do not have a high water content and our processes and operations are not water intense. We do not track this metric at the corporate level. We assume our water discharges are nearly equal to our water withdrawals because our products do not contain a high water content. Each site within the reporting boundary is responsible for tracking water discharge volumes per our MESH policy. Sites must follow local, regional and national regulations as well as our MESH policy minimum standards which mandates wastewaters be characterized including volume or flow rate. Sites perform annual self-assessments and undergo corporate assessments every three years to check compliance with our MESH policy.
Water recycled/reused	Not monitored	Recycled and re-used water is tracked at the site level per our MESH policy. Each site must maintain up-to-date water map and documentation of the following: Sources of water intake; Sources of water use; Sources of wastewater generation (including non-contact cooling water); Pipes, trenches, sumps, etc. for collecting and handling wastewater; and Discharges of wastewater from the facility. All documentation must be kept in a manner that allows for easy review by internal or external inspectors or regulators. Sites perform annual self-assessments and undergo corporate assessments every three years to check compliance with our MESH policy.
The provision of fully-functioning, safely managed WASH services to all workers	100%	All our sites within the reporting boundary are assessed to make sure our employees all have access to clean drinking water and toilets. As part of our Management of Environmental Safety and Health (MESH) assessments, we regularly audit all regulatory requirements related to general workplace services such as water, lighting, signage, and policies for special needs population. Sites perform annual self-assessments and undergo corporate assessments every three years to check compliance with our MESH policy.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	4832	Lower	This figure includes purchased water, ground water, surface water and rain water sources used in calendar year 2018. Absolute water consumption in calendar year 2018 was .6% lower. Water consumption indexed to sales in calendar year 2018 indexed was 6% lower.
Total discharges		Lower	We do not track water discharges at the corporate level. They are tracked at the site level per our MESH policy. It is our assumption that discharges are the same approximate volume as our total consumption. Where this is not the case at specific sites, this will be documented in the site's water balance and water data maintained per Eaton's MESH policy.
Total consumption		About the same	We do not store large quantities of water at our sites. Nor is water a significant part of our products. The total water consumed and not discharged back into the environment or to a 3rd party for treatment is not significant.

W1.2d

(W1.2d) Provide the proportion of your total withdrawals sourced from water stressed areas.

	% withdrawn from stressed areas	Comparison with previous reporting year	Identification tool	Please explain
Row 1	24.6	This is our first year of measurement	WRI Aqueduct	Forty-six of our sites within the reporting boundary are in locations experiencing baseline water stress scores of High (40-80%) or Extremely High (>80%) according to our most recent results of the WRI Aqueduct Water Risk Atlas tool. This amount represents 24.6% of our total water withdrawals.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	86	Lower	Freshwater withdrawals were slightly lower in calendar 2018 compared to calendar year 2017.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater – renewable	Relevant	705	About the same	Groundwater use was about the same when comparing calendar year 2018 with calendar year 2017.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	
Produced/Entrained water	Relevant	4	About the same	Rain water use is minimal and about the same use.
Third party sources	Relevant	4037	Lower	Water purchased from third party sources was slightly lower in calendar year 2018 when compared with 2017.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

Less than 1%

% of total procurement spend

Less than 1%

Rationale for this coverage

We are conducting a pilot with our Spanish language supplier engagement survey that asks a more detailed set of questions about the EHS requirements in our Supplier Code of Conduct which includes the following 2 policy and management questions: 1) Does your company have a formal, written environmental policy in place? 2) Does the policy address: legal compliance with relevant environmental regulations, management of solid waste, wastewater, and air emissions, including applicable environmental permitting, and/or minimization of environmental pollution?

Impact of the engagement and measures of success

We do not yet have a measure of the impact for this pilot program at this time.

Comment

This is part of a project to expand the metrics we track on our supplier scorecards for our strategic suppliers.

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Onboarding & compliance

Details of engagement

<Not Applicable>

% of suppliers by number

<Not Applicable>

% of total procurement spend

<Not Applicable>

Rationale for the coverage of your engagement

All 50,000+ 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. This includes identification of key EHS risks and impacts; the development of operational controls to minimize impacts and preparation of response plans to address emergencies. Eaton requires all suppliers to comply with applicable regulations and to minimize wastewater emissions through appropriate measures and proper wastewater disposal. We require our suppliers to affirm our Supplier Code of Conduct.

Impact of the engagement and measures of success

<Not Applicable>

Comment

<Not Applicable>

Type of engagement

No other supplier engagements

Details of engagement

<Not Applicable>

% of suppliers by number

<Not Applicable>

% of total procurement spend

<Not Applicable>

Rationale for the coverage of your engagement

Impact of the engagement and measures of success

<Not Applicable>

Comment

<Not Applicable>

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

0

Total value of fines

0

% of total facilities/operations associated

0

Number of fines compared to previous reporting year

About the same

Comment

In 2018, Eaton had stormwater, wastewater and water use regulatory findings, but none were considered significant and no fines were issued.

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Partial

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Not defined

How far into the future are risks considered?

>6 years

Type of tools and methods used

Tools on the market
International methodologies
Databases

Tools and methods used

WRI Aqueduct

Comment

We assessed our manufacturing sites within the reporting boundary using the WRI Aqueduct tool to determine the number of facilities operating in regions with high or extremely high baseline water stress.

Supply chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Other, please specify (We use Design for the Environment (DfE) to reduce the overall impact of a product across its lifecycle. We use Life Cycle Assessment (LCA) adhering to ISO 14040/14044 standards.)

Frequency of assessment

Not defined

How far into the future are risks considered?

>6 years

Type of tools and methods used

Other

Tools and methods used

Internal company methods

External consultants

Comment

We continually take environmental concerns into account as a part of our product design process. The principle objective of Design for the Environment (DfE) is to reduce the overall impact of a product across its lifecycle — production, distribution, use and end of life. Four characteristics guide our design teams during their work: energy efficiency, resource efficiency, recycling and compliance with regulations. We use Life Cycle Assessment (LCA) to calculate the potential environmental impacts of selected products adhering to ISO 14040/14044 standards.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Eaton looks at basin/catchment areas around our facilities to determine if they are located in water-stressed areas.
Water quality at a basin/catchment level	Relevant, always included	Based on the use of water in our processes, water quality is not considered in our corporate-level water risk assessments. As part of our MESH Program, site level risk assessments and company specific requirements for water, we evaluate water quality.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	As part of our MESH Program, site level risk assessments and company specific requirements for water, we evaluate the impact of our water use on stakeholders. We do that as part of our characterization of water program and reviewed as part of our site level risk assessment as part of the "context of the organization" as part of our conformance with ISO14001:2015. As part of that conformance, we evaluate annually environmentally upstream and downstream impacts which would includes water impacts to suppliers and community stakeholders.
Implications of water on your key commodities/raw materials	Relevant, not included	We are in the process of exploring an expansion of our supplier scorecard program to include additional environmental metrics, including water, as part of our Supplier Risk Management Program, which includes key sustainability metrics, adverse media and other screening tools that generally cover a broad range of community impacts. We are in the process of conducting a pilot with our Spanish language supplier engagement survey that asks a more detailed set of questions about the EHS requirements in our Supplier Code of Conduct which includes the following 2 policy and management questions: 1) Does your company have a formal, written environmental policy in place? 2) Does the policy address: legal compliance with relevant environmental regulations, management of solid waste, wastewater, and air emissions, including applicable environmental permitting, and/or minimization of environmental pollution? These efforts will help us to better evaluate the extent to which water risks are substantive.
Water-related regulatory frameworks	Relevant, always included	As part of our MESH Program, site level risk assessments and company specific requirements for water, we evaluate the site-specific regulatory frameworks. Some Eaton facilities are subject to water discharge regulations which is managed through our EHSMS ("MESH") program.
Status of ecosystems and habitats	Relevant, always included	As part of our MESH Program, site level risk assessments and company specific requirements for water, we evaluate the proximity and impact on ecosystems and habits. We do that as part of our characterization of water program and reviewed as part of our site level risk assessment.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	All our sites within the reporting boundary are assessed to make sure our employees all have access to clean drinking water and toilets. As part of our Management of Environmental Safety and Health (MESH) assessments, we regularly audit all regulatory requirements related to general workplace services such as water, lighting, signage, and policies for special needs population. Sites perform annual self-assessments and undergo corporate assessments every three years to check compliance with our MESH policy.
Other contextual issues, please specify	Relevant, always included	As part of our site level assessments in conformance with ISO14001:2015 other risks are assessed as they surface during the review.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Customers are factored into sites' water risk assessments as part of the "context of the organization" in conformance with ISO14001:2015.
Employees	Relevant, always included	Employee water use is considered in sites' water risk assessments when calculating projected annual water use. Employees are factored into sites' water risk assessments as part of the "context of the organization" in conformance with ISO14001:2015.
Investors	Relevant, not included	Investors are not currently factored into sites' water risk assessments.
Local communities	Relevant, always included	Local communities are factored into sites' water risk assessments as part of the "context of the organization" in conformance with ISO14001:2015.
NGOs	Relevant, not included	NGOs are not currently factored into sites' water risk assessments.
Other water users at a basin/catchment level	Relevant, not included	Other water users are not currently factored into sites' water risk assessments.
Regulators	Relevant, always included	Local regulators are considered in sites' water risk assessments when calculating projected annual cost of water use.
River basin management authorities	Relevant, always included	River basin management authorities are factored into sites' water risk assessments as part of the "context of the organization" in conformance with ISO14001:2015.
Statutory special interest groups at a local level	Relevant, not included	Statutory special interest groups at a local level are not currently factored into sites' water risk assessments.
Suppliers	Relevant, not included	Suppliers are not currently factored into sites' water risk assessments.
Water utilities at a local level	Relevant, always included	Water utilities are considered in sites' water risk assessments when calculating projected annual cost of water use.
Other stakeholder, please specify	Not considered	

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

At the site level, water risk is assessed by EHS and facility personnel based on an evaluation of projected water needs, cost and conditions within the local water basin/catchment area. If an assessment identifies a risk as "high" a mitigation plan is developed and implemented, with annual reviews of performance. Water reduction projects are also identified, funded and implemented to reduce water consumption in line with targets set out in the mitigation plan.

Above a site level, Eaton uses WRI Aqueduct to evaluate longer-term water-related risks. Aqueduct's global water risk mapping tool helps Eaton understand where and how water risks and opportunities are emerging worldwide and apply this knowledge to set strategic priorities for addressing those risks.

At the supplier level, all 50,000+ 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. This includes identification of key EHS risks and impacts; the development of operational controls to minimize impacts and preparation of response plans to address emergencies. Eaton requires all suppliers to comply with applicable regulations and to minimize wastewater emissions through appropriate measures and proper wastewater disposal. We require our suppliers to affirm our Supplier Code of Conduct. 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 are evaluated. CDP disclosure and performance criteria is also a critical metric for relevant suppliers to be considered for Eaton's supplier awards.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

There are 46 facilities within our water reporting boundary that scored High (40-80%) or Extremely High (>80%) in the WRI Aqueduct Tool's measurement of Baseline Water Stress. While Baseline Water Stress is not a measurement of financial or strategic risk, this is an indicator of the percentage of our sites that have potential for risk. We are considering using Eco Lab's Water Risk Monetizer to calculate the financial and strategic risk of sites within our reporting boundary in the next two years.

We have identified sites that are exposed to water risks, but at this time, through our Enterprise Risk Management process, we have not identified these potential risks as having strategic and financial impact on our businesses. Eaton management continuously monitors the material risks facing the company, including strategic, financial, operational, legal and compliance risks. Under the oversight 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 and other standard procedures and practices, our business address issues associated with climate change and other environmental issues, including but not limited to customer requirements/issues (e.g., need for agricultural or water quality products to address water management regulations, consumer demands, profitability); operational issues (including new regulations and voluntary norms); and supply chain (including weather related disruptions influenced by climate change disruptions such as drought, flooding, water quality issues, etc.). Substantive change to the business, operations, revenue, or expenditure from water risk is defined as implications from water cost or availability that negatively affect operations, i.e. losing license to operate, inability to continue operations, significant increases in water bills or the cost to treat water.

At the facility 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 are reviewed. An outcome of these meetings is the development of local response plans designed to address these occurrences. 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. Eaton facilities conduct self-assessments each year, and undergo a corporate MESH assessment and Operational Assessment led by independent internal teams every three years. Results are reported each year to Business operations leadership; EVP, EBS and Sustainability; and, where appropriate, the Board of Directors.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	There are 46 facilities within our water reporting boundary that scored High (40-80%) or Extremely High (>80%) in the WRI Aqueduct Tool's measurement of Baseline Water Stress. While Baseline Water Stress is not a measurement of financial or strategic risk, this is an indicator of the percentage of our sites that have potential for risk. We are considering using Eco Lab's Water Risk Monetizer to calculate the financial and strategic risk of sites within our reporting boundary in the next two years. We have identified sites that are exposed to water risks, but at this time, through our Enterprise Risk Management process, we have not identified these potential risks as having strategic and financial impact on our businesses. This process also determined that high financial impact in lost sales, lost profits, monetary damages or penalties is an amount greater than \$5 million, and/or significant loss of brand reputation.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Evaluation in progress	We are in the process of exploring an expansion of our supplier scorecard program to include additional environmental metrics, including water, as part of our Supplier Risk Management Program, which includes key sustainability metrics, adverse media and other screening tools that generally cover a broad range of community impacts. We are in the process of conducting a pilot with our Spanish language supplier engagement survey that asks a more detailed set of questions about the EHS requirements in our Supplier Code of Conduct which includes the following 2 policy and management questions: 1) Does your company have a formal, written environmental policy in place? 2) Does the policy address: legal compliance with relevant environmental regulations, management of solid waste, wastewater, and air emissions, including applicable environmental permitting, and/or minimization of environmental pollution? These efforts will help us to better evaluate the extent to which water risks are substantive.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

New R&D opportunities

Company-specific description & strategy to realize opportunity

By 2050, the world's population will exceed 9.8 billion—placing increased pressure on already insufficient food production and water resources. Our products and services enable machinery that boosts agricultural productivity and solutions that increase harvest equipment efficiencies and improve crop yield. Because of variances in performance demands brought on by weather extremes, hydraulic systems on agriculture and forestry equipment often require customized solutions. Eaton's Application & Commercial Engineering (ACE) teams are dedicated to providing customers with application and system engineering support tailored to solving the industry's toughest problems, including weather extremes that create water challenges. We also make self-cleaning and mechanically cleaned filters to remove sediment and other suspended solids commonly found in surface and ground water. Water quality agencies and industry rely on these filters, helping to meet their watershed protection obligations and protect public health

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

The positive financial impact from new products and services in this area is not tracked at the enterprise level.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of water-related performance standards for direct operations Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to water stewardship and/or collective action	Water is one element within our larger EHS policy that applies to our direct operations. The tenets of this policy are included in our Supplier Code of Conduct. Specific water targets and goals are set outside of our policy. We also have an internal detailed water policy that is not public and covers specific operating procedures for wastewater and stormwater management at the site level.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Director on board	Responsibility for all Environmental issues resides with Eaton's Environment, Health and Safety Council. Eaton has delegated overall management responsibility for climate change-related issues to a corporate officer, Harold Jones, Executive Vice President -- EBS & Sustainability, who is a member of Eaton's Senior Leadership Committee and regularly reports on environmental issues to Eaton's Chairman and CEO, Craig Arnold, and up to the Board at least annually if not more frequently.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Providing employee incentives Reviewing and guiding risk management policies Reviewing and guiding corporate responsibility strategy Setting performance objectives	The EVP, Eaton Business System and Sustainability is a member of the Senior Leadership Council and is primarily responsible for climate related and environmental issues including water. The SLC meets on a regular basis on major business issues, including environmental issues. Updates on mitigation activities and risk management are reported to the Board of Directors on an annual basis or more frequently depending on circumstances.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (Harold Jones, EVP, Eaton Business System & Sustainability)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

Responsibility for all Environmental issues resides with Eaton's Environment, Health and Safety Council. Eaton has delegated overall management responsibility for climate change-related issues to a corporate officer, Harold Jones, Executive Vice President - EBS & Sustainability, who is a member of Eaton's Senior Leadership Committee and regularly reports on environmental issues to Eaton's Chairman and CEO, Craig Arnold, and up to the Board at least annually if not more frequently.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Water issues are integrated into long-term business strategies, in particular with our products used in agriculture and water treatment. By 2050, the world's population will exceed 9.8 billion—placing increased pressure on already insufficient food production and water resources. Our products and services enable machinery that boosts agricultural productivity and solutions that increase harvest equipment efficiencies and improve crop yield. Because of variances in performance demands brought on by weather extremes, hydraulic systems on agriculture and forestry equipment often require customized solutions. Eaton's Application & Commercial Engineering (ACE) teams are dedicated to providing customers with application and system engineering support tailored to solving the industry's toughest problems, including weather extremes that create water challenges. We also make self-cleaning and mechanically cleaned filters to remove sediment and other suspended solids commonly found in surface and ground water. Water quality agencies and industry rely on these filters, helping to meet their watershed protection obligations and protect public health.
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Availability of water is built into our management of change process. When a new operation is initiated, water availability and permitting are considered. Our EHS management system MOC process requires all proper permitting and documentation, including those related to water, to be considered during the initial phases of all new projects. Availability of water is also built into our management of change and New Product Development processes. When a new product, process, or operation is initiated, water availability and permitting are considered. Our EHS management system MOC process requires all proper permitting and documentation, including those related to water, to be considered during the initial phases of all new projects.
Financial planning	Yes, water-related issues are integrated	5-10	Water costs are included in financial planning annually over our 5-year planning horizon.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

-11

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

Eaton tracks water related CAPEX progress in a global database for sites within the reporting boundary. Projects completed in 2018 represent an 24% decrease in water CAPEX expenditure when compared with 2017. We do not measure water-related OPEX at the corporate level. We anticipate the trend to be about the same for water related CAPEX in the near future.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	Scope 2 (indirect) GHG emissions. As part of our efforts to avoid the most significant impacts of climate change, we analyzed our Scope 1 and 2 emissions in 2017 using the Sectoral Decarbonization Approach against a 2 degrees Celsius scenario and evaluated options to address those emissions. We learned a great deal about what it would take to align our reductions with science-based levels, and we understand that both demand- and supply-side options will have to be deployed. Also, in 2017 we set a 2 percent absolute reduction target for 2018 that was a continuation of efforts that began in 2015 to reduce our greenhouse gas emissions. At the end of 2018, we determined that we needed a long-term goal for our Scope 1 and 2 emissions, informed by science. Our leadership set an absolute goal of 20 percent reduction of our Scope 1 and 2 total by 2025 from a 2015 baseline. We developed an energy and carbon roadmap to analyze the combination of options that would help us in this journey.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenario(s)	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	2DS	Includes but is not limited to: lack of water supply for our operations in certain geographies; increasing intensity of storms with flooding; sea level rise with potential to impact facilities; similar issues with our suppliers' locations and disrupted deliveries; potential for new solutions to provide better quality water and quantities; potential for new solutions to effectively manage water in agriculture through improved machinery.	Includes but is not limited to: increased short- and long-term analysis of water impacts and climate change scenarios; target and goal setting around water consumption in our operations; evaluation of engineering solutions to eliminate water from our processes; increased resiliency of our operations to intensifying storms and flooding; forward planning of new facility siting in areas less likely to be impacted by climate change-related water issues; engagement with our suppliers to reduce their consumption and increase planning/resiliency; continual evaluation of our R&D priorities to provide better products to our customers to meet their needs and larger societal needs.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

Our annual water reduction targets are an effective motivator for water conservation at our facilities. At this time, we have determined an internal price on water is not needed to continue to make progress.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals	Targets are monitored at the corporate level	In 2017 Eaton publicly committed to reduce its water consumption in 2018 by 3% indexed to sales. This goal that supports our aspiration of being active stewards of the environment was cascaded down to each business division within the corporation.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water consumption

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

In 2017 Eaton publicly committed to reduce its water consumption in 2018 by 3% indexed to sales. In 2017, This goal that supports our aspiration of being active stewards of the environment was cascaded down to each business division within the corporation.

Quantitative metric

% reduction per revenue

Baseline year

2017

Start year

2018

Target year

2018

% achieved

6

Please explain

In 2017 Eaton publicly committed to reduce its water consumption in 2018 by 3% indexed to sales. In 2018, This goal that supports our aspiration of being active stewards of the environment was cascaded down to each business division within the corporation. Eaton surpassed this goal by reducing consumption by 6.1%.

W9. Linkages and trade-offs

W9.1

(W9.1) Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?

Yes

W9.1a

(W9.1a) Describe the linkages or tradeoffs and the related management policy or action.

Linkage or tradeoff

Linkage

Type of linkage/tradeoff

Decreased GHG emissions

Description of linkage/tradeoff

Like other organizations, Eaton recognizes that the water-energy connection is significant. It takes energy to extract groundwater or pump it out of surface waters, transport it, filter/sanitize it and deliver it to end users. As this is part of our Scope 3 emissions, we understand that the more efficient we are at using water, and the less our processes require water, energy use decreases, meaning less GHGs enter the atmosphere.

Policy or action

We are working to develop a Scope 3 target and develop our water stewardship approach in alignment with our company-wide sustainability strategy. This may include monetizing water risk, assessing sites on water management maturity levels and creating customized water targets by geography or risk.

W10. Verification

W10.1

(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?

No, but we are actively considering verifying within the next two years

W11. Sign off

W-FI

(W-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.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Executive Vice President of Eaton Business System and Sustainability	Chief Sustainability Officer (CSO)

W11.2

(W11.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	21600000000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SW0.2a

(SW0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	IE	00B8KQN827

SW1.1

(SW1.1) Have you identified if any of your facilities reported in W5.1 could have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your site facilities?

No, this is confidential data

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services across its operations.

Product name

Company-wide water intensity metric is cubic meters of water withdrawn per million dollars of sales in 2018.

Water intensity value

223.6

Numerator: Water aspect

Water withdrawn

Denominator: Unit of production

Million dollars of sales

Comment

Eaton's water intensity metric is 223.6 cubic meters of water withdrawn per million dollars of sales in 2018. This is a 6.1% decrease over our 2017 water intensity metric. We also track this by business sector. Our electrical sector's 2018 water intensity metric is 157.9 cubic meters of water withdrawn per million dollars of sales. Our industrial sector's water intensity metric is 326.8 cubic meters of water withdrawn per million dollars of sales.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Public	Investors Customers	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms