Eaton Corporation RY2018 Scope 3 GHG Verification Statement

Eaton Corporation (Eaton) engaged EarthCon Consultants Inc. (EarthCon) to conduct a verification with a limited level of assurance of its Scope 3 emissions of carbon dioxide equivalent (CO₂e) for the 2018 reporting year (1 January 2018 – 31 December 2018). Eaton’s Scope 3 emissions were assessed and reported according to the requirements of the WBCSD/WRI Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The verification of Eaton’s GHG emissions was conducted to satisfy third-party verification requirements of the CDP Leadership Index.

Eaton is a diversified industrial manufacturer of:

- electrical systems and components for power quality, distribution and control;
- fluid power systems and services for industrial, mobile and aircraft equipment;
- truck drivetrain systems for safety and fuel economy, and;
- automotive engine air management systems, powertrain solutions and specialty controls for performance, fuel economy and safety.

Scope of Verification

The Scope 3 operational boundary includes Scope 3 GHG emissions categorized according to the upstream and downstream Scope 3 sources as defined in the WBCSD/WRI Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). Excluded from the scope of this verification is any assurance of information relating to Scope 3 sources identified as not relevant to Eaton’s operations or its value chain, including processing of sold products, upstream and downstream leased assets, investments, and franchises.

The Scope 3 organizational boundary includes Eaton’s global operations as defined by Eaton’s Inventory Management Plan using the operational control organizational boundary approach and Eaton’s value chain (upstream and downstream) as defined in the WBCSD/WRI Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).
Verification Process

EarthCon conducted the verification in accordance with the requirements of ISO 14064-3: *Greenhouse gases – Specification with guidance for the validation and verification of greenhouse gas assertions*. EarthCon reviewed Eaton’s documentation and data utilized in the calculation of the Scope 3 emissions, and evaluated them for conformity with the requirements of the *WBCSD/WRI Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. Reported emissions were considered free of material misstatement if found to be less than 5% on a carbon dioxide-equivalent basis. Eaton’s assertion was tested according to a risk-based approach, including:

- Review of the accuracy and relevancy of sources of activity data that were utilized in the GHG calculations;
- Assessment of the methodology utilized by Eaton to estimate the source of Scope 3 GHG where primary data was not available for calculations;
- Assessment of the validity of all assumptions made;
- Confirmation of the accuracy of GHG calculations utilized;
- Confirmation that appropriate emission factors and conversion equations were utilized in Eaton’s GHG calculations.

Eaton reported Scope 3 emissions of 67,455,149 metric tonnes of carbon dioxide-equivalent (CO$_2$e) for reporting year 2018.

Conclusion

Based upon the above, EarthCon has concluded that there is no evidence that Eaton’s reported Scope 3 emissions for the 2018 reporting year (ending December 31, 2018) are not materially correct and are not a fair representation of GHG data and information.
Statement of Independence, Impartiality and Competence

EarthCon Consultants, Inc. is an independent environmental services company that provides business-oriented solutions to the industrial, commercial, and private sectors through a network of over 30 locations across North America. EarthCon is listed in the Top 200 Environmental Firms in the US (based on revenue) by the Engineering News-Record.

This verification has been conducted independently and to our knowledge there has been no conflict of interest. The verification team has over 30 years of combined experience in conducting assurance over GHG, environmental and health and safety information, systems and processes.

Attestation

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