

Assurance statement: AA1000

Trucost was engaged by Dover Corporation to provide assurance of the environmental data held within its 2019 CDP Response.

Intended users

The intended users of this assurance statement are the management and stakeholders of Dover Corporation (hereafter 'Dover').

Responsibilities of Dover and assurance provider

The management of Dover has sole responsibility for the preparation and content of the CDP Climate Change Response (hereafter, CDP Response). Trucost's statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

Assurance standard

Trucost undertook the assurance in accordance with AA1000AS (2008 with 2018 addendum) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000APS (2018) Principles of inclusivity, materiality and responsiveness and impact (the Principles)
- ✓ The reliability of specified environmental performance information (greenhouse gas emissions)

Trucost used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate Dover's performance information and adherence to the Principles.

Scope and limitations

Trucost was engaged to assure the data and claims in Dover's 2019 CDP Response, covering the period 1st January 2018 - 31st December 2018. Dover took an operational control approach. Trucost verified the following greenhouse gas (GHG) emissions (as calculated by Dover):

SCOPE	SOURCE	UNIT	QUANTITY	YEAR-ON-CHANGE
GHG Scope 1	Natural gas, fuel oil and diesel		29,665	-5,336
GHG Scope 2	Electricity	Metric tons CO ₂ e	138,381	-15,320 ¹
GHG Scope 3	Employee commuting		35,232	1,833
	Business travel, air travel		19,267	-7,283

¹ For the Scope 2 emission category in FY2017, Trucost evidenced higher figures due to a technical issue wherein the quantitative figures were approximately 6% higher the actual

Methodology

Trucost's assurance activities included the following:

- Review of the processes by which Dover defines the sustainability issues that are relevant and material to its operations and its stakeholders
- Interviews with managers responsible for sustainability performance and data collection
- Assessment of the extent to which Dover's sustainability activities adhere to the Principles
- Review of processes and systems used to gather and consolidate environmental data
- Verification of data accuracy for a selection of sites, including an audit of conversion factors and calculations

Findings, conclusions and recommendations

The principles: Nothing came to Trucost's attention to suggest that the data and claims in Dover's CDP response does not adhere to the principles.

Data reliability:

Dover has implemented rigorous processes to collect and aggregate its global greenhouse gas emissions. Upon evaluating this system, Trucost did not find evidence to insinuate that the processes and systems in place to collect and collate environmental data are such that the Dover's GHG emissions would be erroneously described.

Dover uses a centralized web-based platform (Resource Advisor) through a service provider to manage energy consumption data. The web-based platform covers around 70% of Dover's operations. The remainder of the data is also hosted on the SMT portal. Dover provided Trucost with the majority of original data sources necessary to cross-check greenhouse gas emissions from energy use part of the Resource Advisor platform. Upon evaluating the data collected, Trucost found that overall data held within the software was accurate. Energy use corresponding to Dover's upstream energy businesses — Apergy were excluded from the scope of assurance procedures considering the spin-off in May 2018.

Trucost recommends that Dover include the following data points as part of the scope of assurance in the next reporting cycle; emissions from mobile sources and refrigerants. Additionally, Dover can also conduct an internal review of the data management processes part of the SMT portal to ascertain if the data can be added to the scope of the assurance, in the future.

Trucost encourages Dover to continue reviewing and updating GHG emissions factors annually or as available. Emission factors used in the calculations of scope 1 and 2 emissions were sourced from nationally or internationally recognized databases. All minor corrections were sufficiently addressed.

energy consumption. Trucost confirmed this anomaly has since been repaired in the current reporting cycle to avoid potential error in emission calculations.

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PRINCIPLE	COMMENTS
<p>Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>Dover continues to engage with a range of stakeholders on its sustainability efforts in partnership with a third party corporate organization. Dover engages with the following stakeholders through various structured and unstructured programs; suppliers, investors, shareholders, customers and its employees. The individual operating companies have been proactively responding to customer requests and incorporating these requests into key areas of product development. The feedback and outcomes of these programs across Dover’s three segments are reported to the Chief Council and Supply Chain Heads. In the current reporting year, Dover also focused on standardizing the roll-out of renewable energy programs and allocation of energy credits across its geographies. Dover will continue to improve and refine its sustainability initiatives by incorporating feedback from the stakeholder engagements.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>Dover is continuously involved in identifying material issues both at a corporate level and at an operating company level. It conducts quarterly assessments and annual reviews to update its materiality assessments. The prioritization of the material issues identified occurs by financial significance, year-on-year performance and feedback from facility managers and other roles dedicated to the environment, health and safety. Dover identifies critical material risks for its acquisitions at the due diligence phase and consequently integrates these risks during quarterly reviews. The company focused on Labor Safety and Community Impact as the two material focus areas in the current reporting cycle by assigning project leads to programs. The project leads aim to consistently drive these programs across Dover. Dover has assigned an executive level position to govern and address gaps in these programs. Dover considers the reviewing and updating of material issues to provide opportunities for improvement.</p>
<p>Responsiveness: an organization’s response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders</p>	<p>Dover has a dedicated Sustainability Steering and Working Committee that drives actions related to energy and climate change and communicates related success stories externally. Energy usage and related GHG emission continues to be one of the priorities to Dover’s business strategy. In FY2018, Dover involved a third party agency to conduct assessments and provide recommendations on energy procurement and energy efficiency initiatives. The investor relations team and engaged employees also provide opportunity for the Working Committee to solicit feedback and integrate these as part of Dover’s business strategy. Two-way communication with suppliers has helped Dover track its suppliers’ performance with respect to its Code of Conduct. This communication strategy has also helped Dover to respond to the management of supply chain disruptions due to regulatory updates in the APAC region.</p>
<p>Impact: An organization’s approach to monitor, measure and be accountable for how its actions impact broader ecosystems</p>	<p>Dover monitors both direct and indirect impacts from physical, regulatory, operational and financial risks. In FY2018, the company with the help of a third party implemented a screening system with an objective to ensure compliance of suppliers to Dover’s ESG standards. The system is supplemented by conducting frequent audits. Dover also tracks metrics on demand management by employing simple manufacturing at a corporate and facility level. Dover has also implemented product innovations and the development of digital technologies to support the transition to an energy-efficient economic system. The company plans to expand its climate targets with renewed goals and conduct a review of its Sustainability policy in the future.</p>

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Assurance provider

Trucost has been researching, standardizing and validating corporate environmental performance data since 2000. Trucost's research team has the relevant professional and technical competencies and experience to conduct an assurance to the AA1000 standard. Trucost did not provide any services to Dover during FY2018 that could conflict with the independence of this work.

Trucost, part of S&P Global
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Libby Bernick

Global Head of Corporate Business



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