

We make sustainable solutions
for our future work.

03 Message from our Chairman

04 Our company and sustainability strategy

08 Creating sustainable solutions

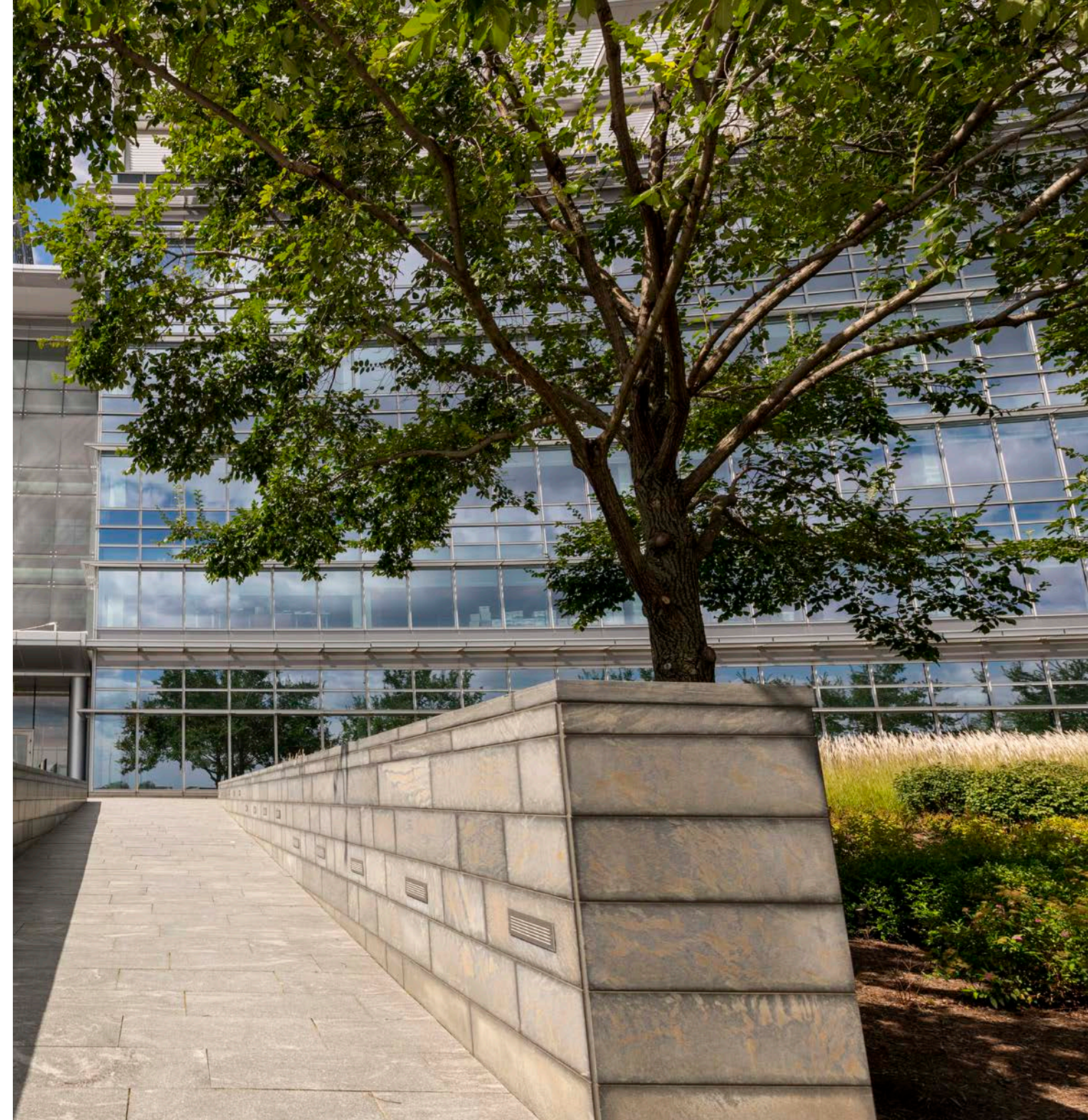
13 Reducing our footprint

20 Engaging our employees

25 Doing business right and transparency

33 Appendix

- Reporting method
- Disclosure standards: TCFD, SASB, GRI
- Priority ESG issues
- Third-party verification
- ESG data book link



Accelerating our work—and embracing our responsibility—to protect the environment and improve lives



To our stakeholders,

The American astronomer Carl Sagan noted, “Our planet is a lonely speck in the great enveloping cosmic dark. In our obscurity, in all this vastness, there is no hint that help will come from elsewhere to save us from ourselves.”

As we reflect on a year that saw the [second-highest number of natural disasters](#) in history, Sagan’s words highlight the extraordinary fragility of our planet—and our equally extraordinary responsibility to protect it. It’s one of several significant and growing responsibilities business leaders shared in 2021: mitigating climate change, preserving the health and well-being of our employees, navigating a fractured global supply chain and working to offset historic inflation and labor shortages.

Despite the complex challenges we faced in the year, we did not slow our efforts to pursue our sustainability commitments. Rather, through the work of our employees around the world, we continued to execute our comprehensive sustainability strategy, which addresses the environmental, social and governance (ESG) issues impacting our stakeholders and all of society today. At Eaton, we know that it’s through the sustained execution of our plan that we’re able to fulfill our mission to protect the environment and improve the lives of people everywhere.

In this report, we’re pleased to share details of our recent progress, which demonstrates we’re on pace—and in some cases well ahead of plan—to achieve our 2030 targets and other sustainability initiatives. Highlights include the following:

- We’ve reduced our greenhouse gas emissions 16% since 2018, putting us on track to achieve our science-based target of a 50% reduction and carbon neutrality by 2030. This reduction to date is the equivalent of removing the emissions approximately 30,000 cars produce in one year.
- We met a milestone with our water and waste reduction targets, achieving more than 50% of our goals in each area, four years ahead of schedule.
- We generated nearly two-thirds of our net revenue through the sale of sustainable solutions—products and technologies that are accelerating the energy transition, enabling electrification and grid stability, and improving air quality—a trend we expect to intensify in coming years.
- Since 2020, we’ve invested more than half a billion dollars in the research and development of sustainable solutions, demonstrating our continued progress toward realizing an investment of \$3 billion in R&D by 2030.

Finally, we know our employees want to work for, customers want to buy from and investors want to invest in mission-driven companies that demonstrate a responsibility to society and show leadership in ESG. So, to further our commitments to ESG matters, we took the historic step of establishing Eaton’s first chief sustainability officer position. We marked a milestone in the transformation of our board of directors, two-thirds of whom are now women or U.S. minorities. We launched our employee engagement survey and learned that 86% of participating employees are proud to work at Eaton. And throughout the year, we received awards from several outside groups that affirmed our progress in the areas that matter most to our stakeholders.

Beyond these and other actions aimed at meeting our ambitious sustainability goals, we produced our second annual [Task Force on Climate-related Financial Disclosures report](#). This comprehensive report represents our efforts to anticipate potential climate change related risks to our company and our customers, and develop plans for responding to these scenarios.

As transparent as we are in reporting the risks climate change brings to our company, we are equally transparent in outlining the new and growing opportunities climate action creates for Eaton. The call for renewable energy is driving the energy transition across the world, generating demand for products, solutions and infrastructure that support the electrification of vehicles and aircraft, as well as a robust and stable utility grid. We’re well-positioned to continue delivering these solutions, and our alignment with these global trends is driving historic growth in our businesses. More importantly, it’s allowing us to contribute to our planet and its people more meaningfully than we have in our 111-year history.

While we appreciate the opportunity to reflect on our progress to date, we know we must not pause in our efforts. Instead, we must continue to accelerate our work to protect the environment. It’s the responsibility of companies everywhere to do so, and at Eaton, it’s a responsibility we embrace.

In the years to come, sustainability will remain at the center of all we do. And through this commitment to society and the world, we’ll keep our promise to improve the lives of people today and the generations who will follow.

A handwritten signature in black ink, appearing to read 'Craig Arnold'.

Craig Arnold
Chairman and Chief Executive Officer

Our vision

To improve the quality of life and the environment through the use of power management technologies and services.

Our aspirational goals

- Be the preferred supplier to our customers and channel partners
- Make work exciting, engaging and meaningful for our employees
- Make communities stronger
- Ensure health, wellness and safety for our employees
- Be a model of inclusion and diversity in our industry
- Be active stewards of the environment

About Eaton

We make what matters work.

We're an intelligent power management company committed to improving the quality of life and the environment. Our products, technologies and services make a difference in the world.

\$19.6B
2021 sales

>85K
employees around the world

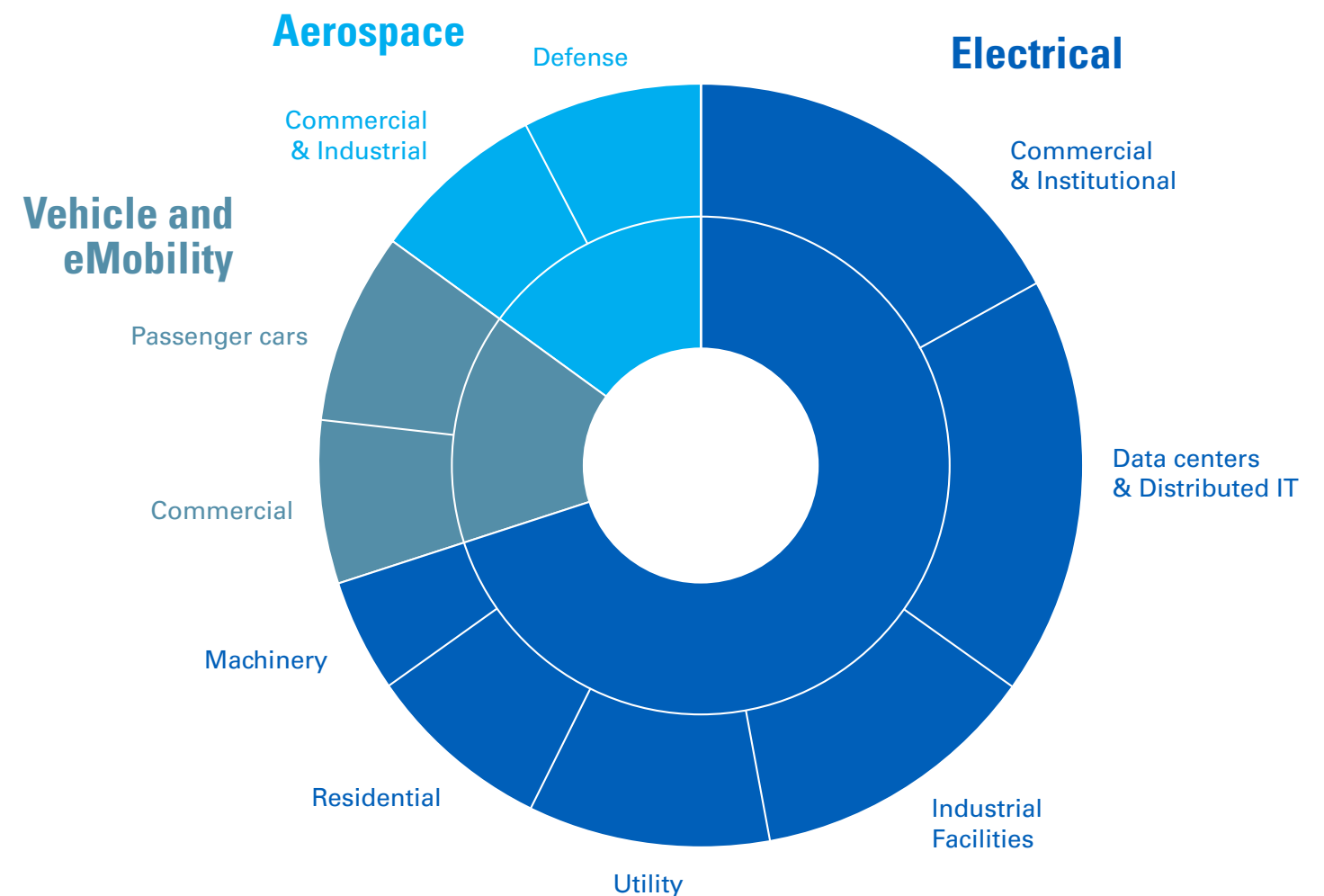
Established **1911**

Operate in
170
countries

NYSE ticker
ETN



Sales across market segments



Our sustainability strategy

The world is experiencing some of the most important secular growth trends that we will see in our lifetime: **the explosive rise of digitalization and the energy transition** from fossil fuels to renewables—changes being driven by unprecedented growth in electrification and climate change.

We’re responding by deploying our four-part sustainability strategy, which addresses environmental, social and governance issues. It also allows us to meet today’s changing power management needs, while making good on our mission to improve the quality of life and the environment.



Our 2030 sustainability targets



Creating sustainable solutions

Electrification, Digitalization, Energy transition

- 15% reduction in Scope 3 emissions
- \$3 billion in research and development



Reducing our footprint

Science-based target, water, waste

- 50% reduction in carbon emissions
- Carbon neutral by 2030
- 100% manufacturing sites zero waste-to-landfill certified
- 10% manufacturing sites zero-water discharge certified



Engaging our employees and communities

Inclusion and diversity, engagement and training

- 80%+ employee engagement rating
- 12 hours training and development per employee each year
- 250,000 hours of volunteer time per year



Doing business right and transparency







Governance, ethics and disclosures

- 50%+ improvement in safety metrics
- No human rights violations from key suppliers
- Report priority ESG issues per SASB and TCFD requirements
- Disclose U.S. minority and global gender pay equity assurance results

EATON 2021 Sustainability Report

5

We're making considerable progress in achieving our goals.
Here are our most recent results:

			
Creating sustainable solutions	Reducing our footprint	Engaging our employees and communities	Doing business right and transparency
<div>Sustainable solutions</div> <div>65%</div> <div>Net sales from solutions that enable a more sustainable future <i>*see page 11</i></div>	<div>Greenhouse gas</div> <div>16% reduced since 2018</div> <div>Reduce Scope 1 and 2 emissions in our operations 50% (science-based target)</div>	<div>Employee engagement</div> <div>83%</div> <div>Achieve and maintain employee engagement scores of 80% or higher</div>	<div>Safety results</div> <div><div>.39</div><div>Achieve Total Recordable Case Rate (TRCR) of 0.25</div><div>.15</div><div>Achieve Days Away Case Rate (DACR) of 0.15</div></div>
<div>Sustainable R&D investment</div> <div>\$528M</div> <div>Invest more than \$3 billion in R&D for sustainable solutions by 2030</div>	<div>Waste</div> <div>65%</div> <div>Certify 100% of our manufacturing sites as zero waste-to-landfill</div>	<div>Training hours</div> <div>12</div> <div>Commit to 12 hours of employee development and training per employee, per year</div>	<div>Suppliers</div> <div>90%</div> <div>Suppliers representing 90% of supplier spend have affirmed our Code of Conduct</div>
<div>Value chain emissions</div> <div>>15% reduced since 2018</div> <div>Reduce Scope 3 emissions from our solutions and value chain 15% (science-based target)</div>	<div>Water</div> <div>5%</div> <div>Certify 10% of manufacturing sites as zero-water discharge</div>	<div>Volunteer hours</div> <div>18,739</div> <div>Record 250,000 hours of employee volunteer time annually</div>	<div>Pay equity</div> <div></div> <div>Share our minority and gender pay equity assurance results</div>
<div> Report priority ESG issues in alignment with SASB and TCFD</div>			



Our strategy and 2030 sustainability targets help advance the United Nations Sustainable Development Goals.

As a participant in the U.N. Global Compact, Eaton is committed to advancing the U.N. Sustainable Development Goals. These ten SDGs are the areas that Eaton is impacting the most.

3

GOOD HEALTH AND WELL-BEING

Employee health and well-being is a business priority. Our management of employee health and safety, our responsible workplace pandemic policies and practices and our wellness initiatives further good health and well-being.

5

GENDER EQUALITY

We assure fair pay equity, prioritize gender diversity in management, leadership and board composition, as well as provide programs for women to advance in STEM.

6

CLEAN WATER AND SANITATION

We use responsible water practices to maximize our efficient use of resources and minimize potential negative impacts caused by effluents. We manufacture solutions that are used in processes that improve water efficiency, quality, sanitation and desalination.

7

AFFORDABLE AND CLEAN ENERGY

Our solutions help to reduce emissions and waste and are also used in renewable energy, grid management and energy storage applications.

8

DECENT WORK AND ECONOMIC GROWTH

Our supplier assurance program focuses on good labor practices. We offer training, apprenticeship, mentoring and employee development programs.

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our power management technologies play a key role in updating infrastructure and retrofitting industries to make them more resource-efficient. Our products reduce emissions and waste and are also used in renewable energy, grid management and energy storage applications.

10

REDUCED INEQUALITIES

Our strategic focus on inclusion and diversity and U.S. minority and gender pay equity helps to advance equality in our operations around the world.

11

SUSTAINABLE CITIES AND COMMUNITIES

Our products help make densely-populated areas more resilient and energy efficient. We are also innovating solutions for rural and developing areas to help ensure power needs are met all over the world.

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

We are driving the movement to a circular economy—one that is aimed at eliminating waste and making the best use of natural resources. By 2030, we aim to achieve zero waste-to-landfill status at 100 percent of our manufacturing facilities.

13

CLIMATE ACTION

We develop products that contribute to climate change mitigation and are transparent about the risks and opportunities climate change poses for our business.

Creating sustainable solutions



At Eaton, we power solutions for global change in a world that needs smarter, more efficient and more sustainable power management solutions.

Companies and communities alike depend on Eaton to solve some of the planet's toughest power management challenges. That's a responsibility we take seriously—because we owe it to future generations to leave the world a safer and more sustainable place to live.

As one of the world's leading global power management companies, we provide solutions to use power more efficiently. We empower homeowners to make smart power use decisions—and we develop power management solutions for utilities, municipalities and businesses to reduce their environmental impact with more energy-efficient products or by harnessing low-carbon and renewable resources like solar, wind and hydroelectric power.

Eaton is heavily invested in the global movement toward the electrification of both vehicle and aerospace transportation, with products that meet the growing demands for electric vehicles, electrical charging

infrastructure, energy storage and grid resiliency. We're working to accelerate the electrification of next-generation aircraft and are investing in research that will enable the use of our existing components for Sustainable Aviation Fuel (SAF). Many of our technologies support the future of more sustainable energy management.

Energy transition: Replacing carbon-based fuels with renewables



"Transitioning to renewable, cleaner energy doesn't come without its challenges. That's why Eaton is reinventing the way power is distributed, stored and consumed—while shaping a low carbon future. We're working to provide flexible and intelligent power opportunities for everyone."

Heath Monesmith

President and Chief Operating Officer, Electrical Sector

- **Energy transition:**
Replacing carbon-based fuels with renewables
- **Electrification:**
Powering next-generation transportation and much more
- **Digitalization:**
New connections optimize energy consumption
- **Positive impact products:**
Designed with purpose

We are experiencing a global shift to more renewable power at an incredible pace. Businesses are embracing cleaner power initiatives and sourcing greater amounts of renewable energy. More consumers are opting for electric vehicles (EVs) as EV charging technology becomes more available and charging point accessibility continues to rise. We're seeing homes, businesses and communities becoming power producers. And digital innovation is allowing businesses and consumers to make smarter energy management decisions using the power of data. With this global shift to more renewable power, we have an opportunity to realize a low-carbon energy future.

We are helping accelerate this [energy transition](#). As energy flows through the grid bi-directionally and through more devices than ever before, our [Everything as a Grid](#) approach is shaping a future where homeowners and businesses can reduce the cost and environmental impact of energy. We are helping customers and communities reinvent the way power is distributed, stored and consumed.

According to [Bloomberg NEF's](#) New Energy Outlook 2021 report, electrification will play a large role in achieving net-zero



Investing in new technology for grid stability

We joined Breakthrough Energy Ventures, established by Bill Gates and other private investors concerned about climate change, to invest in the grid technology company, Reactive Technologies. The organization's innovative GridMix technology can help address challenges around grid instability, which can occur with renewable energy sources, such as wind, solar and battery storage. This strategic investment accelerates our ability to provide digital solutions addressing roadblocks to decarbonization and to support our utility customers in the global energy transition.



Reimagining home as a renewable energy source

The electrification of nearly everything we use increases electricity demand and requires new ways to manage energy costs. Our Everything as a Grid approach supports the two-way flow of electricity, allowing homeowners to produce and consume renewable energy when they need it. Building on this approach, our Home as a Grid strategy uses real-time connectivity, empowering homeowners to lower their own carbon footprint, optimize electric vehicle charging and create a personalized smart home experience. As an example, our xStorage Home residential energy storage system connects to home solar panels and the public grid to charge electric vehicles, using clean energy and minimizing reliance on the grid at peak times.

global emissions in 2050. In the report's proposed pathways to this goal, the use of electricity in industry, transport and buildings raises its share of total final energy from today's 19% to approximately 50% in 2050.

Data centers, offices and factories can be part of this transition via energy storage systems and grid-interactive uninterruptible power systems. This will give rise to vast bi-directional electricity flows requiring a network with the flexibility to cope with higher volatility and demand. Eaton stands ready, with intelligent solutions for a more sustainable, resilient and low-carbon future.



Thought leadership:

Learn more about energy transition readiness in selected European electricity markets in the [Energy Transition Readiness Index](#) published by the Association for Renewable Energy & Clean Technology (REA) and sponsored by Eaton.

Electrification: Powering next-generation transportation and more



“Eaton is providing solutions to accelerate electrification across the mobility value chain. We’re combining our expertise in electrical and vehicle core competencies to solve new challenges and develop the next generation of clean, efficient and reliable transportation. Eaton is also focused on building the infrastructure for electrical charging, distribution and storage that will make electrification possible.”

Paulo Ruiz
President and Chief Operating Officer, Industrial Sector

Switching from fuel to electrical power is a critical lever in the quest to reduce carbon emissions and tackle climate change. From industrial processes to commercial heating and


transportation, electrifying these systems can help drive more renewable energy sources and decarbonize the global economy.

Customers continue to seek Eaton's unique expertise in the electrical and vehicle spaces to realize their electrification strategies. From start-ups to long standing OEMs, we collaborate with companies around the globe to innovate the transportation technologies of the future. We’re helping to drive adoption and evolve EV technology at our sweet spot: the convergence of electrical and mechanical power. In the push to electrify transportation, our eMobility business is laser-focused on intelligent power management solutions for a greener planet and a better world for generations to come.

We’re also innovating new solutions to solve challenges in decarbonizing long-haul, heavy-duty commercial truck transportation. We’re leveraging our expertise in air controller technology to deliver the precise airflow needed to utilize hydrogen fuel cells to power long-haul vehicles. And we’re working to reduce the battery size in a heavy-duty vehicle by a factor of three to five. This reduces not only the up-front costs of the vehicle, but also its weight, in turn improving the freight capacity of a fuel cell truck.

The commercial vehicle business continues to face increasing pressure from emissions regulations. While diesel engines remain the primary power source, electrification will play a critical role in turning challenges into opportunities as we develop scalable, modular commercial vehicle electrification solutions.

Aircraft manufacturers are also looking to push boundaries with aerospace solutions that are quieter, lighter and operate around the clock with less environmental impact. Through zonal hydraulics system architecture, next-generation electric motor pumps (EMP) and high-density power hydraulic and fuel pumps, we provide improved aircraft efficiency through the increased use of electrical power with localized power conversion. Additionally, our engineers use material and process combinations to reduce weight, with some additive manufacturing components produced in our state-of-the-art



Fast EV charging boosts Switzerland’s infrastructure

With electric vehicle charging infrastructure expected to see significant growth over the next decade, in 2021, we acquired Switzerland’s Green Motion SA to expand our electric vehicle charging capabilities. We opened one of Switzerland’s largest fast-charging sites on one of the country’s busiest highways, able to power eight electric cars up to 160 kW. Green Motion’s proven charger designs and its advanced power and billing management software are powerful additions to Eaton’s electric vehicle charging infrastructure offerings.




Switching from fuel to electrical power is a critical lever in the quest to reduce carbon emissions and tackle climate change.



The future of urban air mobility starts with eVTOL technology


We are investing in new technologies related to electrical systems on board aircraft, including electric vertical takeoff and landing (eVTOL) technology. eVTOL technology is helping advance Urban Air Mobility (UAM), a new form of aviation utilizing airspace above congested cities to better serve the public, businesses, disadvantaged communities and emergency responders. UAM is powered by clean electric and alternative fuel energy and presents a unique opportunity to combine Eaton's aerospace pedigree and electric expertise to deliver eVTOL products that are safe and accessible.



New fuses meet demands of high-powered electrified vehicles

Our eMobility business introduced the Bussmann® series EVK fuse to manage and protect charging systems of the latest high-powered EVs, including commercial, passenger and high-performance vehicles like sports cars and large sport-utility vehicles. The fuses distribute heat away from weak spots, a key benefit for any fuse rating and especially critical for high-power fuses. The series is designed with the future in mind as battery requirements increase and new technologies are introduced, such as energy-dense, solid-state batteries.

lab in Charleston, South Carolina. Additive manufacturing helps cut down on waste by reducing scrap material and can also reduce emissions within the supply chain.



Thought leadership:
[Listen for more on our 10 in 10 Podcast: “The chicken or the egg?”](#) Eaton’s Global Product Strategy Manager for eMobility Matt Nolan talks with Fabrice Roudet, head of energy storage and EV charging, about mass EV adoption and preparing for the next wave of eMobility expansion.

Digitalization: enabling sustainable manufacturing and energy management outcomes



"Digitalization is a foundational driver for sustainable outcomes. Leveraging digital technologies and data processing to deliver insights, we have the power to achieve environmentally conscious operations within Eaton, while also enabling our customers to meet their own electrification and green energy goals."

Aravind Yarlagadda
Executive Vice President and Chief Digital Officer

In the search for climate solutions, digitalization is a key player. Digital technologies are projected to reduce global carbon emissions by up to 15% through applications in energy, manufacturing, agriculture and land use, buildings, services, transportation and traffic management.

We have embraced digitalization with intelligent products and software to help customers unlock the value of their data, allowing them to drive intelligent power management with real-time decision-making.

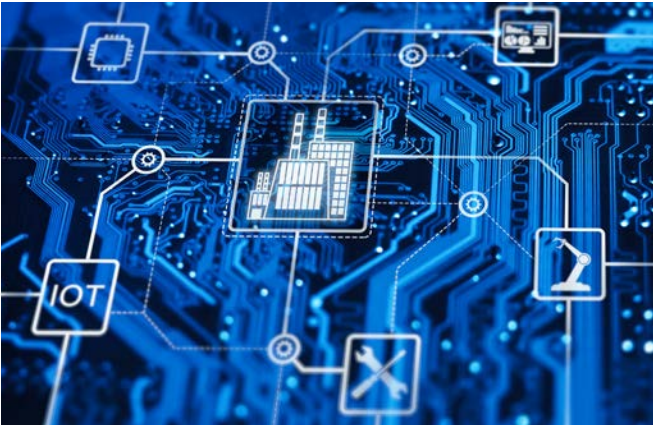
Our [Brightlayer™](#) digital foundation combines deep domain knowledge with artificial intelligence, machine learning

and data processing technologies. The platform layer is designed to help organizations identify and solve their most complicated power management challenges by leveraging our open development components for cloud connectivity, edge enablement, data science and cybersecurity.

With our Brightlayer software suites, we’ve developed industry-oriented packages of software applications, data insights and services that address the unique power management challenges of utilities, data centers, industrial applications and buildings in more inventive and intelligent ways. Through this approach, our customers can customize a digital solution that will provide insights needed to better manage equipment, processes and data.

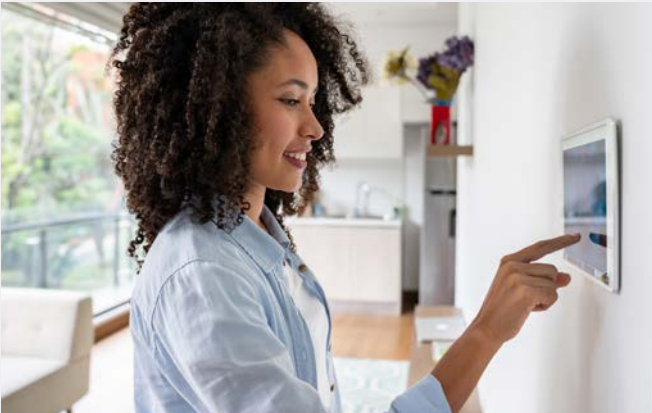
We have developed open Application Programming Interfaces (APIs) so users can process data from any connected asset and then access that data through their existing software or our Brightlayer software suites to provide a more complete picture of power usage. It’s another way we solve power management challenges for a safer, smarter, more sustainable digital future.

In 2021, we helped key customers with our Brightlayer digital offerings, including a major American utility, a global chemical processing company and a global critical infrastructure management company. Our teams also launched two development programs—one that provides intelligent insights for home healthcare by monitoring activities of daily living, and another that provides insights that allow consumers to manage their home energy usage.

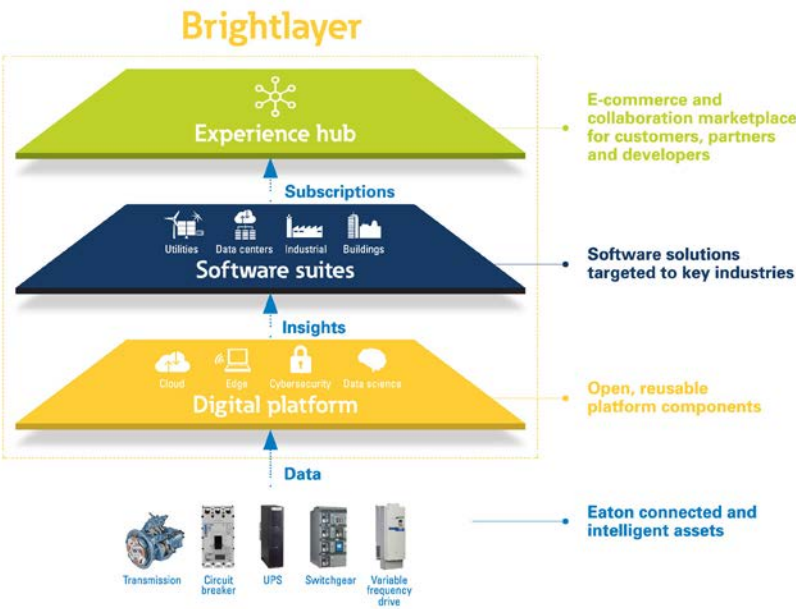


Homeowners try Home as a Grid pilot

Eaton installed smart breakers, part of the company's smart energy portfolio powered by Brightlayer, in the homes of 100 employee volunteers to learn how smart energy management technology can leverage renewables and storage to potentially supply power back to the grid. Homeowners view a personalized summary of their power usage on a dashboard, discovering which of their appliances use the most power, times of peak power usage and estimates on remaining useful life of appliances. Data from the pilot gives Eaton valuable insights into residential energy needs and accelerates innovation that can lead to further decarbonization in homes and buildings.



Our Brightlayer digital foundation combines deep domain knowledge with artificial intelligence, machine learning and data processing technologies.



Positive impact solutions: Designed with a purpose



“Eaton’s innovation strategy is advancing our commitment to cleaner, lower-carbon technologies and solutions. Our engineering programs and technology platforms are driving growth for our company, while powering sustainable solutions to limit climate change.”

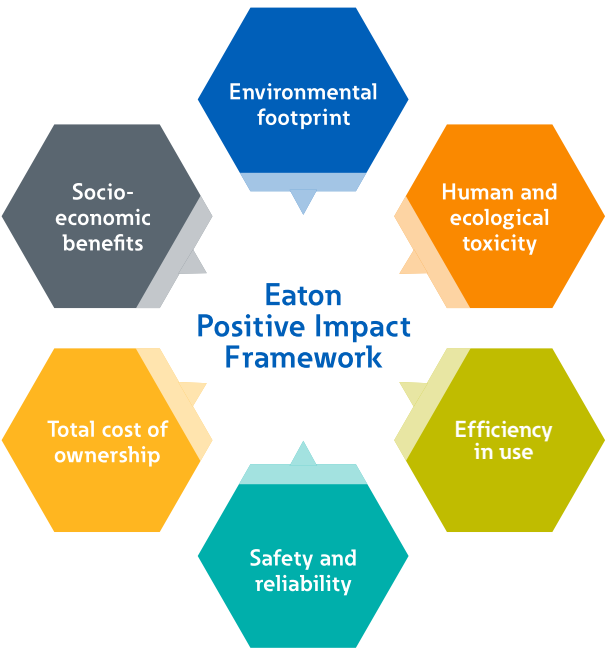
Raja Ramana Macha
Executive Vice President and Chief Technology Officer

Countries around the world have committed to ambitious targets to reduce greenhouse gas emissions. According to the World Resources Institute, net-zero commitments have been made by one-fifth of the world’s largest corporations and account for 68% of global GDP, compared to 16% in 2019. Forty-nine countries plus the European Union have pledged a net-zero target. That represents half of global greenhouse gas emissions.

Around the world, Eaton solutions help solve global sustainability challenges and allow our customers to meet their ambitious climate action goals. Eaton engineers design solutions that enable our customers to conserve resources and make smart energy decisions. That’s why we’ve committed to spending \$3 billion on sustainability research and development by 2030.

We use the six dimensions of our Positive Impact Framework to design solutions that deliver a range of sustainability benefits, including reduced environmental impact, increased use-phase efficiency, safety and reliability. More than 90% of our top new product development programs started in 2021 enable a positive sustainability impact.

Decarbonizing our portfolio of solutions
We help our customers avoid emissions by advancing green and modernized grids, sustainable transport, and by leveraging intelligent technology to enable efficient and economical use of resources.



In 2021, 65% of our net sales were from sustainable solutions that enable electrification, energy transition, electric grid resilience, increasing efficiency in ground and air transportation and improved air quality. Deemed clean tech by some stakeholders, these solutions align with the global aims for sustainable development in alignment with the UN SDGs.

In 2021, we improved our methodology to better align with our financial reporting. We expect our reporting on the sustainability of our solutions will be further refined in the future to conform with pending regulatory reporting requirements on climate and sustainability disclosures. Because of the nature of these expectations and changing regulations across the globe, these numbers are subject to change.

Our innovation strategy is advancing our commitment to cleaner, lower carbon technology and solutions. We are committed to being the best global citizen we can be while helping our customers achieve their sustainability goals at the same time.



Collaborating with academia in our research lab

In Bonn, Germany, our researchers are working alongside other leading players developing tomorrow’s more flexible power grids. The new Eaton Research Lab at the Flexible Electrical Networks (FEN) Research Campus accelerates our R&D efforts with greater access to outstanding researchers, technical facilities and industry partners, as well as crucial government collaboration opportunities. Projects range from developing DC power systems for residential and commercial buildings to energy management systems for industrial facilities, and smart EV charging solutions integrated with our Buildings as a Grid approach.



Smaller, smarter industrial marshalling device

In hazardous industrial areas where there’s a possibility of an explosive atmosphere, our new MTL SUM5 universal marshalling solution combines five marshalling functions in one high-density, modular design for a smaller environmental footprint. Customers can replace multiple conventional cabinets and racks with a smaller package that takes fewer materials to manufacture and less energy to operate. The “plug and play” design eliminates intricate wiring, reduces materials required for construction and simplifies installation and maintenance.



In 2021, 65% of our net sales were from sustainable solutions.



Revolutionizing arc flash safety

An electrical arc flash event can injure personnel, destroy electrical equipment and lead to extended downtime. Eaton’s new Arc Quenching Magnum DS low-voltage switchgear drastically reduces incident energy to provide an unprecedented level of protection for personnel, switchgear and process uptime. Our arc quenching switchgear redirects the fault current into the arc quenching device, de-energizing the switchgear and eliminating the danger of arc flash in four milliseconds—10 times faster than systems that rely on a power circuit breaker to clear a fault.

What we're doing:

- We are targeting \$3 billion in sustainable research and development by 2030. Since 2020, Eaton has invested \$528 million in R&D to grow our sustainable Positive Impact solutions.
- We have integrated our Positive Impact Framework into our new product introduction system to embed sustainable design into our core innovation processes.
- We are improving our carbon accounting for products, goods and materials and use to meet our customers' needs and to drive faster results toward our targets.
- We are part of the World Business Council on Sustainable Development (WBCSD) Carbon Value Accounting working group that will publish a framework for credible accounting and reporting on avoided emissions—the carbon reductions our customers achieve through the use of our solutions and the contribution toward global net-zero carbon goals.

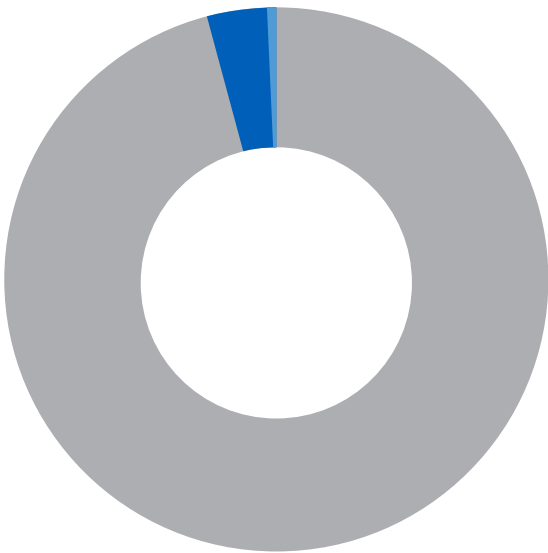
- We are one of 35 stakeholders participating in the development and piloting of the WBCSD Value Chain Carbon Transparency framework for the calculation and exchange of product-level carbon emissions data across value chains.
- In 2021, our Scope 3 emissions were reduced by more than 15% from our 2018 baseline.* Product use emissions represent 96% of our Scope 3 emissions, and there are two primary drivers for the reduction of this category. The first is a shift in the sales mix of our solutions to more efficient technologies and lower carbon intensity products as well as some impact from the greening of the grid. The second is sales volume decline related to the ongoing impact of the pandemic on certain industries. We expect some of these reductions to be more permanent and some to change as industries recover and our company grows. Scope 3 emissions for all other categories were reduced 17% from our 2018 baseline.

* Product use emissions for 2018-2021 do not include recent acquisitions. These emissions will be restated in the future to include them.

Accelerating sustainability through our suite of innovative solutions



Value chain emissions



- Purchased goods, services, and capital goods
- Product use
- All other value chain emissions



Alternatives to SF₆ – the most potent greenhouse gas

SF₆ (sulfur hexafluoride) is a colorless, odorless gas and an excellent insulator in electrical switchgear—but it tops the list of the most potent greenhouse gases. While there are few legal restrictions on SF₆ emissions from switchgear use, cost-effective, reliable SF₆-free alternatives do exist, including vacuum technology Eaton pioneered. Our Xiria ring main unit, launched in 2002 with over 100,000 units sold, proves the market's trust in SF₆-free vacuum technology alternatives. Our commitment is to have SF₆-free alternatives as part of our solutions portfolio covering our applications by 2025.



Our Xiria ring main unit, launched in 2002 with over 100,000 units sold, proves the market's trust in SF₆-free vacuum technology alternatives.



Sustainable fuel cells for heavy-duty machinery

We partnered with leading fuel system manufacturer Ballard Fuel Cell Systems and the National Renewable Energy Laboratory (NREL) to develop heavy-duty truck fuel cell technology. With support from a U.S. Department of Energy grant, we leveraged our Twin Vortices Series (TVS) supercharger technology to improve fuel efficiency and expand our commitment to decarbonize the transportation sector and address global climate change. We have a long history of working with industry counterparts and federal research organizations to create sustainable solutions, reduce our footprint and advance our vision of improving the quality of life and the environment.



Partnering to develop a global standard for “avoided emissions”

There's a growing interest in quantifying climate-positive products that contribute to a low-carbon economy. While we focus on reducing our own product use emissions as part of our Scope 3 target, we also want to ensure that our portfolio of solutions contributes to the global decarbonization challenge. That's why Eaton is an active member of the World Business Council on Sustainable Development, contributing to their Climate Value Accounting workstream. The goal is to publish guidance on how to measure, report and communicate on avoided emissions in a transparent and consistent manner.

Reducing our footprint



"Eaton is boldly focused on decarbonizing electricity and optimizing energy usage for our customers around the world. And we're also leading by example with rigorous carbon, waste and water reduction targets of our own. It's all part of our mission and core to the fabric of our organization."

Harold V. Jones

Chief Sustainability Officer and Executive Vice President,
Eaton Business System

At our sites around the globe, we are focused on reducing energy consumption and greening our energy supply. At the same time, we have defined targets to reduce waste and water use.

One of our critical sustainability goals is to mitigate climate change while improving the efficiency of our operations. We have identified several innovative ways to promote resource use reduction that not only limit emissions and our consumption of resources, but also lower our cost of production. Our businesses are held accountable for

the implementation of these efforts by our Sustainability Executive Council led by Chairman and CEO, Craig Arnold.

Carbon: The race to zero

Eaton is driving actions to reduce global emissions and advance a net-zero future. According to the IPCC, avoiding the most catastrophic impacts of climate change involves limiting global warming to 1.5°C, and reaching net-zero global carbon emissions by 2050. Our greenhouse gas reduction targets put us on a pathway that is aligned with scientific consensus and we've joined the United Nations' Race to Zero to affirm our commitment to science-based climate action.

We are aiding the global decrease in greenhouse gas emissions by reducing our emissions with science-based and carbon neutral operations targets and by helping our customers decarbonize with our digitalization, electrification and energy transition solutions.

We also understand that to limit global warming to 1.5°C, we must remove more carbon through nature-based and technological solutions that create carbon sinks. Credible, high-quality carbon offsets are part of our carbon reduction roadmap that will help to contribute to the development of carbon removal solutions.

- **Carbon:**
The race to zero
- **Waste:**
Reduce, reuse, recycle, repair
- **Water:**
Active water stewardship
- **Industry 4.0:**
Aligning efficiency and automation

We are on track to reduce our greenhouse gas emissions from our operations by 50%. Carbon neutrality builds upon our approved, science-based target of reducing greenhouse gas emissions, which we will achieve by reducing the carbon intensity of our Scope 2 emissions from purchased electricity and reductions to our Scope 1 direct emissions from natural gas, fleet emissions and process fuels. Where emissions cannot be reduced by 2030, we plan to use carbon offsets.

Harnessing renewable energy

Eaton is executing a renewable energy strategy that includes both on-site and off-site, utility-scale renewable development. We are investigating the deployment of on-site solar panels, energy storage and microgrids at 27 key Eaton locations, with multiple projects already underway.

On-site renewables are an important element of our carbon reduction strategy. They generate zero-carbon electricity and help make our sites more resilient, which is also consistent with our business continuity strategy. We are leveraging Eaton products and services as we implement our strategy. We are planning multiple utility-scale, off-site virtual power purchase agreements (VPPAs) that add renewable energy to the grid and advance our renewable energy priorities, helping us make significant progress toward our carbon neutral target.



Puerto Rico plants plan to reduce emissions with solar microgrids

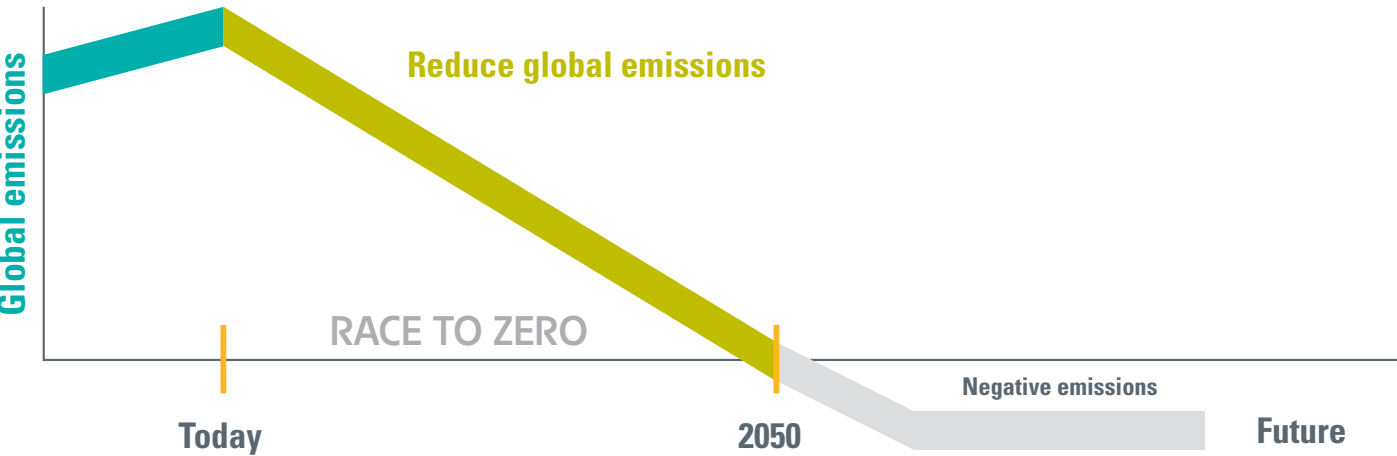
We've broken ground on our Arecibo on-site solar microgrid—a 5MW solar installation with 1.1 MW Tesla storage slated for completion in the first half of 2023. And we're progressing the development plans for our Las Piedras solar microgrid. These systems will allow us to generate, store and consume renewable energy, discharge excess energy back to the local grid and reduce emissions by limiting the need for carbon-intensive electricity during peak demand periods. Built in partnership with Enel X, the clean energy project is designed to withstand Category 5 hurricanes. [Learn more.](#)



ISO 50001 gets us closer to carbon neutrality

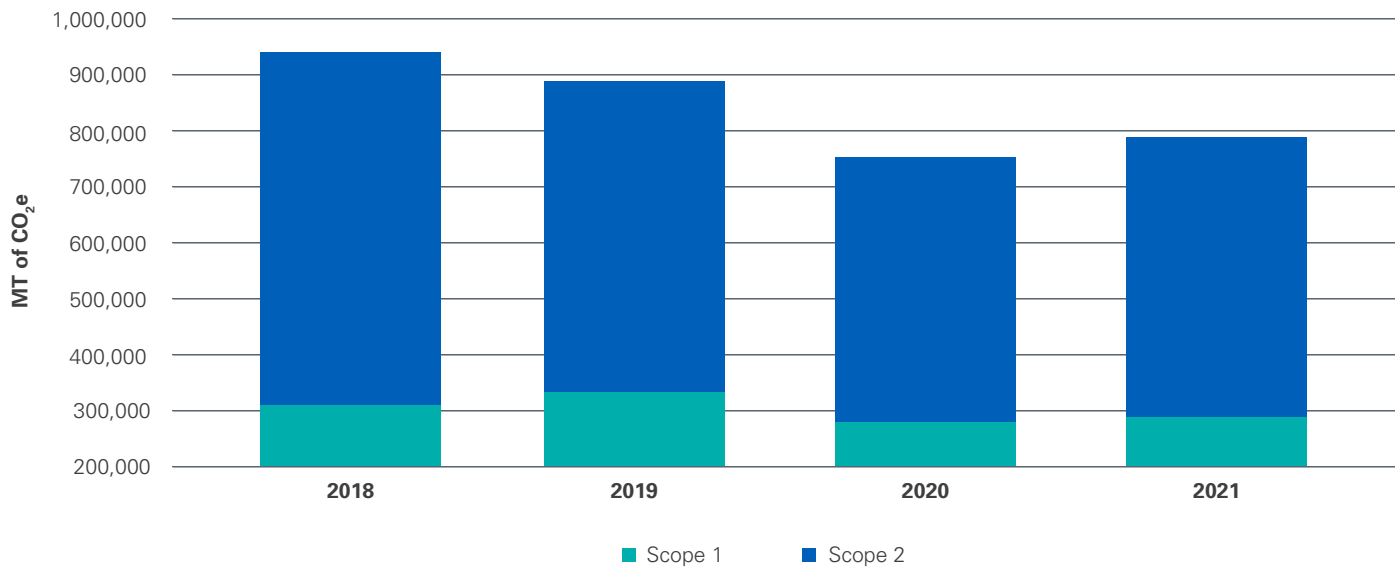
As part of our plan to achieve carbon neutrality by 2030, 17 of our sites have implemented the ISO 50001 Energy Management System. This standard offers a practical way to address impact, conserve resources and improve the bottom line through efficient energy management. ISO 50001 provides a framework to develop policy for more efficient use of energy, new targets and objectives to meet the policy, data to make better decisions about energy use and a way to measure how well the policy works. It is a company-wide expectation that all our significant energy users implement an energy management plan based on ISO 50001. This expectation is validated as part of the Eaton Management of Environment, Safety, Security, and Health (MESH) program.

Global 1.5°C scenario



Reduce global emissions	Ensure a 1.5°C future
Reducing our value chain emissions with science-based and carbon neutral operations targets	Advancing our carbon offset strategy, which includes offsetting emissions with certified renewable energy credits and verified high quality carbon offsets that focus on additionality and carbon removal.
Helping our customers avoid emissions by advancing green and modernized grids, sustainable transport, and a smarter built environment	

We have reduced greenhouse gas emissions 16% since 2018



New sites in Mexico certified LEED Gold

Design for the Environment (DfE) was a guiding force in our new Industrial Control Division Frontera plant in Juarez Mexico. The manufacturing site features energy-efficient LED lighting, skylights and LEED-compliant HVAC units. Also, in Juarez, our Bussmann site earned the zero waste-to-landfill milestone in 2021. Both plants are leased, and we worked with landowners to earn the U.S. Green Building Council's LEED Gold certification for buildings that reduce stress on the environment by being energy- and resource-efficient, generating less waste and lowering the use of energy, water and other resources.



Efficient system generates both heat and power at Poland sites

Two Eaton sites in Poland are installing a High Efficiency Combined Heat and Power (CHP) system to generate electricity by burning natural gas in a generator-internal combustion engine. The heat created by burning the gas provides a secondary energy source for use in facility heating or industrial processes. Cogeneration systems like this are highly efficient, with up to 90% utilization of energy from natural gas combustion. One of our sites is using CHP as a tri-generation system for heat, electricity and air-conditioning, pulling heat from the water and using that chilled water for both production processes and to reduce ambient air temperature.



Mexico plant consolidates shipments to reduce truck transport by 48%

A team at our Eaton Juarez Commercial and Residential Distribution Systems plant in Mexico recently underwent a kaizen activity to identify waste in their trucking and distribution system. To meet customer commitments, many of the containers were only 60% full during shipping. By adding new QR codes to identify major distribution routes and all other product information in a single reading, the team was able to consolidate shipments using color-coded labels to more efficiently plan and track shipments. After implementing the project, the number of trucks was reduced by 48% while increasing their utilization by over 60%.



We're investigating the additional deployment of on-site solar panels, energy storage and microgrid projects in **27 of our facilities around the world.**

Eaton aims to be carbon neutral by 2030. Our carbon roadmap consists of six levers that will help us achieve our target.

Fugitive emissions



Renewable energy



Green fleet



Electrification and fuel switching



Site strategy



Carbon offsets



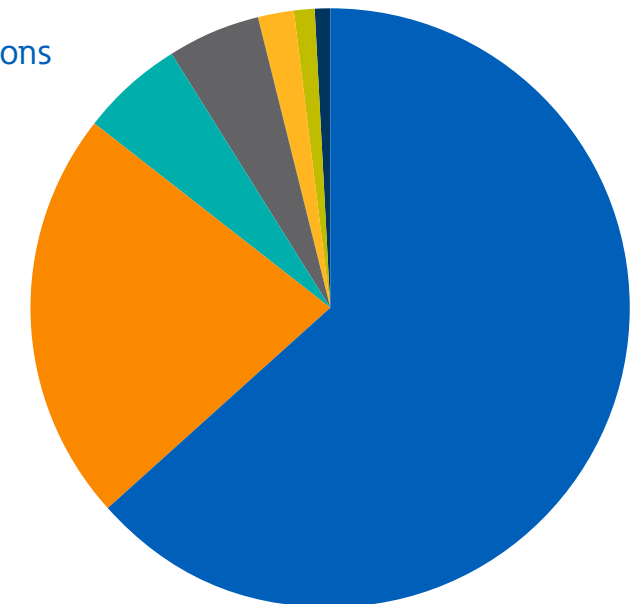
The chart illustrates the timeline for achieving net-zero emissions. It shows historical carbon reductions from 2018 to 2021, followed by projected carbon emissions from 2021 to 2030. The projected emissions line shows a steady decline, reaching 50% reduction by 2028 and 100% reduction by 2030. The chart also highlights the contribution of various reduction projects, including Manufacturing electrical efficiency, SF₆ elimination, Renewable energy, Electrification & fuel switching, Green fleet, and Carbon offsets.

Year	Historical Carbon Reductions (GtCO ₂ e)	Projected Carbon Emissions (GtCO ₂ e)
2018	~900	-
2019	~880	-
2020	~750	-
2021	~780	~780
2022	-	~750
2023	-	~720
2024	-	~650
2025	-	~520
2026	-	~510
2027	-	~500
2028	-	~250 (50% reduction)
2029	-	~125
2030	-	~0 (100% reduction)

Reduction Projects and their Contribution:

- Manufacturing electrical efficiency:** Contributes to the initial reduction from 2018 to 2021.
- Renewable energy:** Contributes to the reduction from 2019 to 2027.
- Electrification & fuel switching:** Contributes to the reduction from 2021 to 2027.
- Green fleet:** Contributes to the reduction from 2020 to 2023.
- Carbon offsets:** Contributes to the final reduction from 2025 to 2030.

- Electricity
- Natural gas
- SF₆
- Fleet and jet
- Other fuels
- Refrigerants
- Wastewater treatment



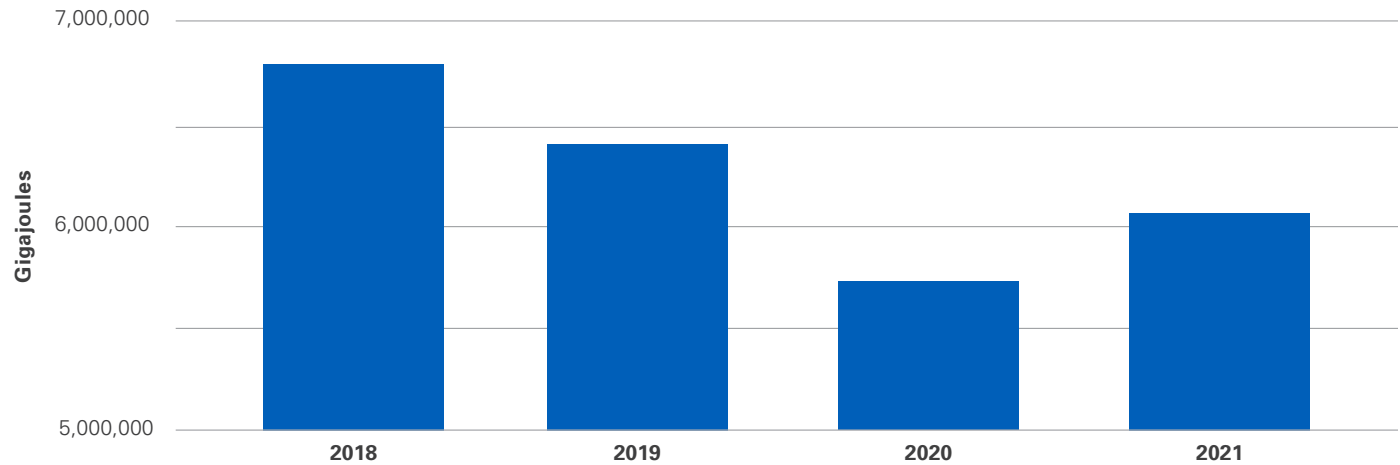
Reducing energy consumption

Focusing on efficiency in key manufacturing processes, we will continue to implement capital projects that reduce electricity through more efficient and automated manufacturing equipment and technologies and building system improvements, such as improved insulation and updated heating and air conditioning.

Our electricity consumption is the largest driver of our greenhouse gas emissions. The large drop in 2020 was due to pandemic production decline. Even with increasing production in 2021, we have been able to maintain substantial electricity reductions since 2019. We have been transitioning to more renewable energy sources and continuing to look for opportunities to leverage even more renewables. Our 2022 annual reduction target is an additional absolute reduction of 4.2% in greenhouse gas emissions.



We have reduced energy use at our manufacturing sites 11% since 2018



Thought leadership:
[Listen for more on our 10 in 10 podcast:](#) “Manufacturing and the journey toward a low-carbon future.” Eaton’s Vice President of Sustainability Karen Lynn talks about how global megatrends and government regulations impact the movement toward a low-carbon future and provides helpful insights on what organizations can do to set sustainability goals.



We have reduced our Scope 1 and 2 greenhouse gas emissions by **16% since 2018.**



Greening our fleets

We’ve committed to transitioning our fleets to electric vehicles by 2030. Adding more efficient fleets for our sales, service and other operational vehicles is part of our multi-tiered approach to reducing our carbon emissions and becoming carbon neutral by 2030. We’re making steady progress in laying the foundation needed to enable a smooth transition and have already initiated several pilots. We’ve also incorporated hybrid and electric options into our vehicle selections.



Fresh idea for paperless instructions

We eliminated paper instruction sheets for several of our heavy-duty grade electrical receptacles, making them available instead on Eaton.com. By not producing the sheets, we estimate a reduction of annual greenhouse gas emissions of 7,760 kg and a reduction in water consumption of 278 m3. That’s about the same as driving 19,500 miles and doing 50 loads of laundry each year. We plan to extend this practice to additional products.

Our 2022 annual reduction target is an additional **absolute reduction of 4.2% in greenhouse gas emissions.**

Waste: Reduce, reuse, recycle, repair

By 2030, we aim to certify 100% of our manufacturing sites as zero waste-to-landfill. We define zero waste-to-landfill as consistently achieving a landfill waste diversion rate of 98% or more through either reuse, composting, recycling or incineration with energy recovery—where the heat generated by incineration is collected and used in order to create more energy than was required for the incineration process. Each of Eaton’s zero-waste sites are subjected to an audit process that includes verifying conformance to our definition and ensuring proper tracking and oversight practices are maintained.

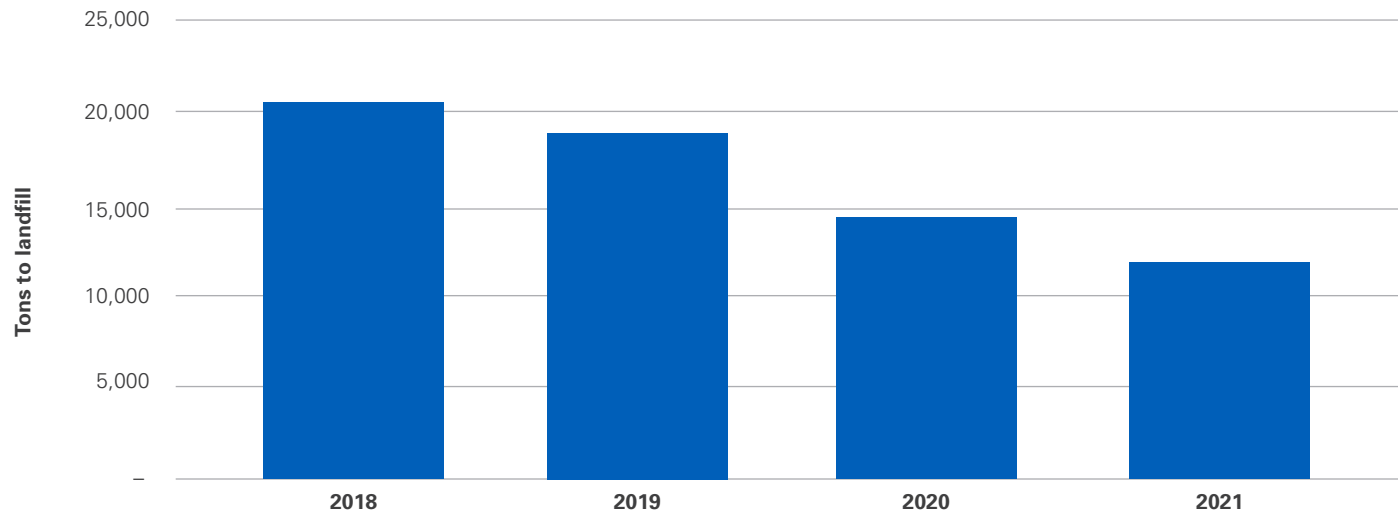
We continue to make progress on this long-term goal by meeting our annual target to reduce total waste bound for landfill by

2% each year—a target we initially set in 2018. We have far exceeded this goal, reducing waste going to landfill by 43% since 2018. The process starts with eliminating waste streams before they reach our facilities and then engaging partners to help us divert our remaining waste from landfills. In 2021, 94% of our manufacturing waste was diverted from landfills or traditional incineration without energy recovery.



Thought leadership:
Thinking differently about packaging. At our Vehicle Group plant in Tczew, Poland, reusing supplier packaging for customer shipments and new energy-saving measures are significantly reducing our environmental impact.

We have reduced our landfilled waste 43% since 2018



We are following the Greenhouse Gas Corporate Protocol for all of our environmental reporting; therefore, we have removed data from our Hydraulics business, which we divested in 2021. Waste data was removed, not only from 2021, but from all earlier years. Without removing this, our data would show an even more significant drop in landfilled waste.

We’re accelerating our contribution to the circular economy through our zero waste-to-landfill program. By the end of 2021, 65% of our manufacturing sites had diverted at least 98% of their waste from the landfill or traditional incineration (without energy recovery).

At Eaton, we are focused on creating benefits by using methods such as reduce, repair and recycling to minimize waste, pollution and carbon emissions. By transitioning to renewable energy sources, our circular model builds economic, natural and social capital.



65%

of our sites are certified as zero waste-to-landfill. Our goal is to certify 100% by 2030.



Texas team goes big for Earth Day

Our Eaton El Paso team celebrated Earth Day 2021 with a campus cleanup event. More than 20 volunteers dedicated their Saturday morning to collecting 496 pounds of trash from the property. The employee-driven event grew out of the site’s commitment to leaving a healthy planet for the future. The El Paso site manufactures power distribution equipment for use in applications including commercial buildings, data centers and industrial facilities.



Eaton China employees go “plogging in the park”

It’s the new fitness rage that started in Sweden in 2016: plogging. It’s a mash-up of “jogging” and “plocka upp,” meaning “pick up.” More than 250 Eaton China employees volunteered to go plogging in local parks, picking up over 250 kg of waste and 850 plastic bottles as part of a new zero-waste plogging program intended to encourage employees to be active stewards of the environment. “Eaton employees not only jog for good health but for the Earth as well,” said Cally Wu, vice president of corporate HR, Asia Pacific.

94%

of our manufacturing waste is diverted through recycling or energy recovery.

Water: Active water stewardship

All living things on our planet need water to survive, so it is critical to implement sustainable means of using and managing water.

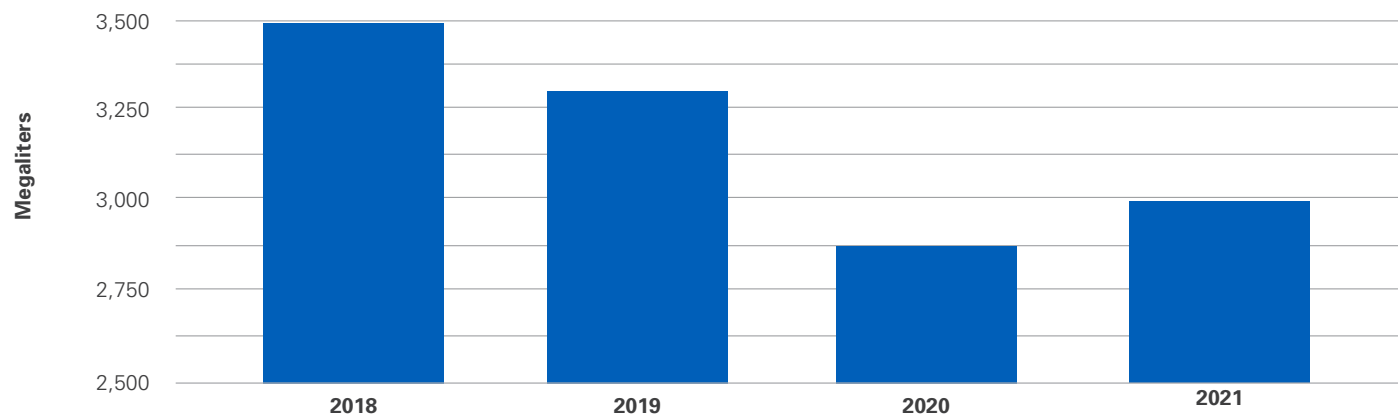
Globally, industrial processes consume about 19% of freshwater withdrawals. To reduce freshwater consumption as much as possible and to ensure that water is used responsibly, we look for ways to treat water once it has been used and reuse it in downstream processes.

We recognize that the water we use at our own facilities is a shared resource. And while our processes are not particularly

water intensive, water is critical to many of our operations. Each of our sites must maintain up-to-date water maps and documentation of the following sources: water intake; water use; and wastewater generation (including noncontact cooling water).

We have reduced water use in manufacturing by 15% since 2018. That's a reduction of 520 megaliters, which exceeds our goal of annually reducing water use by 2%. In 2020, our water use in manufacturing was exceptionally low due to reduced manufacturing during the pandemic.

We reduced our water use in manufacturing by 15% since 2018



We are following the Greenhouse Gas Corporate Protocol for all of our environmental reporting; therefore we have removed data from our Hydraulics business, which we divested in 2021. Water data was removed, not only from 2021, but from all earlier years. Without removing this, our data would show a 40% drop in water use.

Our water goals for 2030

One of our 2030 sustainability goals is to certify 10% of our manufacturing sites as zero-water discharge. Eaton defines zero-water discharge as consistently achieving an industrial wastewater discharge rate of 2% or less. Sites must manage industrial wastewater (i.e., discharges from cooling towers, wash tanks, mop and floor scrubber wastewaters,

air-conditioning condensate, blowdowns from compressors and boilers, laboratory and maintenance wash sinks, reject water from reverse osmosis systems used to treat water prior to using in industrial processes, etc.) in a beneficial manner so that all water is recycled and reused.



Mexico site continually improves water treatment

Our Iztapalapa site has made consistent year-over-year improvements to their wastewater treatment facilities, equipment and processes, including the installation of water meters at every main consumption point. Piping was updated to make it easier to detect and correct leaks. Every liter of water consumed is clearly tracked and an annual Water Efficiency Opportunity Checklist process ensures continuous improvement. The program is expected to result in a 50% annual reduction in potable water used and a 25% annual reduction in the amount of wastewater needing treatment, earning the site zero-water discharge certification.



Reducing our water footprint in India while helping communities

Discharging less than 2% of their industrial wastewater, six of our sites in India earned zero-water discharge certification in 2021. Over a two-year period, over 20 million liters of water were saved with practices that include installing automatic sensor taps and maintaining water tanks. Our teams in Maharashtra also volunteered for Eaton India Foundation's water management program, helping nearly 4,600 families in drought-prone villages through interventions related to soil and water conservation. They helped create more than 150 water harvesting structures and worked to support recultivation of barren lands.



In 2021, we launched our zero-water discharge certification program, and by the end of the year, had certified nine Eaton sites, more than halfway to our 2030 target.

In 2021, we formally launched our zero-water discharge certification program, focusing on our sites located in the most water-stressed regions. By the end of the year, we had certified nine Eaton sites in India, Mexico and China.

We have committed to using responsible water practices to minimize the potential negative impacts of wastewater on the environment and producing solutions that improve water efficiency, quality, sanitation and desalination in communities around the world.

Industry 4.0: The future of efficiency in manufacturing

The future of manufacturing is Industry 4.0. Integrating the automation of traditional manufacturing practices using digital technologies like the Internet of Things (IoT), robotics, additive manufacturing, factory simulation and augmented and virtual reality can have major impacts in reducing resource use and increasing efficiency.

Industry 4.0 technology has allowed us to significantly improve our own manufacturing operations and add value for our customers—with systems and processes that are connected, flexible and optimized. Innovative, scalable and data-driven manufacturing models are resulting in higher product quality, decreased time-to-market, a safer and more productive workforce and reduced environmental footprint.

We have implemented Industry 4.0 solutions in 20 plants, and it will be deployed in more than 100 additional plants over the next four years.

We leverage Industry 4.0 technologies to explore new possibilities, such as cutting-edge solutions in polymer materials, composites and structures to improve efficiency, durability and recyclability. With a dramatic increase in connected devices and the insights they create, we can more efficiently use and conserve resources. Through extensive studies, we're increasing our understanding of additive manufacturing's environmental impact. At Eaton Centers of Excellence in Southfield, Michigan, and Pune, India, we meet the increased demand for complex high-performance components, tools and fixtures while advancing sustainable manufacturing.



Thought leadership:

[Listen for more in our 10 in 10 podcast: "How Industry 4.0 is changing the game for manufacturing."](#) VP of Industry 4.0 Craig Sutton and VP of IT Digital Design & Manufacturing Todd Earls explain the evolution of smart factories and talk about the benefits manufacturers can realize by leveraging digital technologies and interconnected data analysis.



Industry 4.0 solutions light the way in Juarez

Our new manufacturing site in Juarez, Mexico, is one of our "Lighthouse sustainability sites," integrating Industry 4.0 technology in meaningful ways, including highly automated production supported by augmented reality, automated guided vehicles, factory asset intelligence, smart conveyance and more. The site was designed to meet sustainability certifications for zero-water discharge, zero waste-to-landfill and LEED Gold.



Department of Defense grant advances additive manufacturing

Eaton was awarded the "Intelligent and Resilient Infrastructure" grant from the U.S. Army Engineer Research and Development Center to evaluate the use of large-format additive manufacturing machines and advanced materials capable of printing high-strength parts. Our Additive Manufacturing Center of Excellence in Southfield, Michigan, delivers cutting-edge manufacturing technologies in 3D printing for both metal and non-metal applications. In partnership with the University of Toledo, this Department of Defense grant leverages our growth in additive manufacturing and multifunctional composites materials to tackle the challenge of infrastructure modernization.



Playbooks help digitalize Eaton manufacturing sites

In October 2021, our Industry 4.0 team launched the first in what will become a set of playbooks designed to help Eaton sites plan for and operationalize technologies to digitalize and improve efficiency in manufacturing. Each playbook provides our manufacturing facilities with an implementation roadmap of the five standard technologies available, including autonomous robots, additive manufacturing, system integration, simulation and augmented reality.



Engaging our employees



“Eaton is all about people. And in a time when workforce priorities are rapidly changing, it’s never been more critical to keep our teams engaged. That’s why we’re focused on encouraging diverse perspectives, building an inclusive culture and developing our talent. It’s not only what we need to do, it’s the right thing to do—and it’s how we continue to grow our company.”

Ernest Marshall
Executive Vice President and Chief Human Resources Officer

Our employees care about creating a better and more sustainable world. A fully engaged workforce is essential to building a happier, more satisfied workforce.

No one person or single company can advance sustainability initiatives alone. It takes a culture of awareness, inclusion and engagement. Fully engaged employees care about making a difference. They are more productive, innovative and satisfied in their work.

Today’s workforce expects meaningful and engaging work—with opportunities to grow and flourish. That’s why one of the pillars of our sustainability strategy is enlisting and leveraging our employees to multiply our positive impact. We engage with our employees through enterprise-wide town halls, by hosting informal listening meetings or surveying groups of employees on specific subjects.

At Eaton, we often focus on the innovations that can help us get to a low-carbon economy, but we also like to showcase how our employees can choose to support a sustainable lifestyle. All Eaton employees have access to the Eaton Go Green mobile app, which allows them to join teams, take actions to improve the environment and measure their impact. Each quarter we have challenges that encourage employees to get involved and see how small actions add up. We track how much carbon, waste and water has been reduced through actions taken by individuals. Although these metrics do not count toward our corporate metrics, they are a meaningful statistic to the individuals and teams trying to measure their environmental footprint.

The Green Guardians at Eaton are an active employee group of approximately 900 people focused on sustainability. To

- **Creating an inclusive and engaging workplace**
- **Building organizational capability**
- **Balancing work-life effectiveness**
- **Assuring fair pay**
- **Developing our talent**
- **Making a difference where we live and work**

promote sustainable lifestyles, this group spearheads facility-wide projects and events such as composting programs, installing LED lighting and slow-flow faucets, planting community gardens and cleaning local waterways. The group communicates regularly through an open, internal forum where employees share articles, tips and photos. Discussions range from asking for how-to advice on reducing personal fossil fuel use to sharing low-carbon diet recipes.

Creating an inclusive and engaging workplace
We know that diverse perspectives build a better company. The unique talents, experiences and perspectives of our people are our greatest asset—and our greatest differentiator.

As the world shifts around us, our employees’ creativity, passion for the work they do and deep commitment to improving the lives of others are driving innovation across our company—making it possible for us to meet the needs of our customers and all our stakeholders.

The people of Eaton stand united in our commitment to living by our values, embracing inclusion, diversity and equity within our facilities and throughout society. And we remain



Board milestone for women and U.S. minorities

We believe diverse teams drive innovation, growth and strong performance. Our commitment to inclusion and diversity is reflected in the strength of our global leadership team, more than half of whom are U.S. minorities. With two new appointments to our Board of Directors, we mark a milestone in the evolution of our board, with two-thirds of our directors now women or U.S. minorities. Darryl Wilson from The Wilson Collective and Robert Pragada of Jacobs Engineering Group both bring extensive experience in the power, industrial and technology sectors, and a global perspective making them valuable additions to Eaton.

Of the employees who completed our engagement survey in 2021, 86% said they were proud to work at Eaton.



committed to putting diverse perspectives to work, today and in the years to come, to benefit all those we serve. This is not a new journey for us, and we know there is more work to do.

Within our own leadership team, that change is happening. In 2021, Eaton celebrated a milestone in the evolution of our board, with two-thirds of our directors now either women or U.S. minorities. This builds on the strength of our global leadership team, 54% of whom are U.S. minorities.

Our inclusion Eaton Resource Groups (iERGs) help foster awareness and respect in the workplace, as employees make connections with others who share a common purpose, interest or background while discovering diverse perspectives. In 2021, we published our first standalone [Global Inclusion and Diversity Transparency Report](#), which outlines our 2030 inclusion and diversity commitments.

Our inclusion and diversity model

Our vision

→ Improve the quality of life and the environment through the use of power management technologies and services

Our aspiration

→ To be a model of inclusion and diversity in our industry

Our promise

→

Make Eaton a great place to work because of the uniqueness of each individual is valued	Enable development of high-performing teams that deliver results	Give stakeholders confidence about engaging with a sustainable, socially responsible company
---	--	--

Our organizational model

→

Global Inclusion Council (GIC): Chaired by the CEO Provides strategic direction, leadership support and accountability	Regional Inclusion Council (RIC): Chaired by Presidents Provides regional focus, leadership support and resources and accountability
Managers Hold themselves accountable for an inclusive and diverse workplace	Every Employee Is their true self and works inclusively, appreciating differences and accepting new ideas

Our impact

→

The power of many perspectives drives innovation and growth			
 Demonstrate inclusive leadership behaviors to create a sense of belonging	 Embrace inclusive ways of working to engage and develop employees	 Enhance collaboration and learning	 Ensure the diversity of our workforce reflects the marketplace and our communities

By 2030, we aim to:

- Maintain or exceed current representation of women and U.S. minorities on our Board of Directors and senior leadership team
- Increase representation of women in global salaried* roles to 40%
- Increase representation of salaried* U.S. minorities to 34%
- Achieve an inclusion index score of 80% or higher

In 2021, 74% of our global workforce took part in our employee survey, which Eaton conducts every two-to-three years to listen to our employees, improve our culture and make us a better company. This level of engagement marked a 4% increase over our 2018 results, which was the last time we did a global employee survey. The survey found that 86% of employees who completed the survey said they were proud to work at Eaton.

Eaton global employment diversity As of December 31, 2021

	Global total		Global women		U.S. total	U.S. minorities*	
Board of directors	12	4	33.3%		10	4	40.0%
Global leadership team	25	6	24.0%		23	13	56.5%
Executives	587	137	23.3%		413	70	16.9%
Managers	7,185	1,697	23.6%		3,668	731	19.9%
All other employees	78,150	26,827	34.3%		20,171	7,340	36.4%
All employees	85,947	28,667	33.4%		24,275	8,154	33.6%

*Excluding Puerto Rico

Eaton global employment by age As of December 31, 2021

	Employees under 30		Employees 30-50		Employees over 50	
Board of directors	0	0%	0	0.0%	12	100.0%
Global leadership team	0	0%	6	24.0%	19	76.0%
Executives	0	0%	328	55.9%	259	44.1%
Managers	86	1.2%	4,608	64.1%	2,491	34.7%
All other employees	17,542	22.4%	43,774	56.0%	16,834	21.5%
All employees	17,628	20.5%	48,716	56.7%	19,603	22.8%

Building organizational capability

The foundational pillar of our inclusion and diversity learning curriculum is our half-day virtual leadership experience, Valuing Inclusion and Diversity at Eaton—The Power of Perspectives (VID). This experience is offered globally to all leaders of people. Since 2014, over 7,000 leaders have completed the course, with the objective of increasing awareness of personal biases, developing inclusive leadership skills and advancing a culture of inclusion. With an over four out of five-star rating, participants continue to share that the experience is eye-opening and has positively impacted their perceptions, including intentional emphasis on inclusive leadership. To reinforce the VID learning, leaders have access to Key Moments of Choice tools created to aid and encourage their journey from unconscious bias to conscious inclusion.

In 2021, we also launched Conversations that Matter (CTM). This global program fosters compassionate and courageous conversations, internal and external, on a broad range of inclusion and diversity topics to learn, encourage transparent dialogue, increase cultural awareness and positively impact how we interact with one another. These included eight bite-sized discussions of current events called Pop-Ups. The 30-minute conversations were well-received and addressed Transgender Day of Visibility, our recognition as a Best Place to Work for Disability Inclusion and recognition by Newsweek as one of America’s Most Loved Workplaces. More than 1,500 global employees engaged in our inaugural year of CTM events.

*Salaried defined as Eaton salary band 6 and higher.

Fostering inclusion with iERGs

Eaton’s eight inclusion Eaton Resource Groups (iERGs) identified priorities, broke down barriers to culture change, engaged in business projects and drove talent initiatives. And they grew in 2021, from 10,500 members to more than 11,600. They also helped Eaton grow, with more than 20% of referrals for new hires coming from iERG members. Additionally, nearly 700 iERG members served as talent scouts at recruitment events. Internally, they engaged employees globally through over 230 learning events. Topics covered everything from mentoring to suicide prevention. Finally, our iERG members responded more positively by at least 2 points in every employee survey category.

WAVE (Women Adding Value at Eaton), our women’s iERG, conducted Ally Advocacy Circles, a series of small-group discussions with women and men to discuss what it means to be an ally and concrete ways to support and advocate for each other.

Eaton’s enABLE iERG for people with disabilities or managing special needs initiated a partnership with an external organization to leverage the talents of neurodiverse adults to address critical business needs in Eaton’s information technology organization.

Building our learning culture

In 2021, Eaton made several enhancements to Eaton University’s user experience to simplify learning for our employees. Research has shown the most effective learning occurs when you follow the 70% (on the job), 20% (through others), 10% (formal methods) model. Our new Eaton Learning Model follows this framework, making it easier for our employees to maximize their development and improve their performance and growth.

In 2021, each Eaton employee received an average of 12 hours of training and development—meeting our 2030 target. This is our second year reporting this metric. We’ve invested in expanding the capability of our learning management system and are currently scaling deployment to better capture the full training and development our employees undertake.



After implementing these changes, we saw the following improvements year over year:

31% increase in self-paced Eaton University course completions

31% increase in courses completed per user per month

64% increase in career and development content users



“Best Place to Work” for people with disabilities

Eaton was named as a Best Place to Work for Disability Inclusion—earning a score of 90 out of 100—on the 2021 Disability Equality Index® (DEI). The index measures an organization’s commitment to inclusive workplace practices for people with disabilities. Companies are evaluated on culture and leadership, enterprise-wide access, employment practices, community engagement and supplier diversity. The recognition is a testament to Eaton teams making our workplace a welcome space for all.



Showing our pride

Our LGBTQ and allies iERG, PRIDE, celebrated June Pride Month in 2021 by hoisting and displaying the Pride flag at Eaton locations, globally. We also deployed the option to use personal pronouns in official Eaton signatures and trained employees on the relevance and importance of sharing personal pronouns.



Educating girls for greater opportunities in Mexico

Our WAVE iERG in Mexico requested funding to help reduce school dropout rates and child labor in secondary school females. Mexico has the second highest child labor figures in Latin America, with many young girls leaving school to help support their families as domestic workers. Due to lack of technology resources in the schools, this only increased during the COVID-19 pandemic. Eaton provided \$70,000 to support education on future opportunities for girls, with educational kits that make staying in school more attractive.



“The culture at Eaton really drew me in. The people care and everyone wants to see you succeed and do well. Plus, there are a lot of opportunities for growth.”

Shaq Tensley
Eaton Product Manager



“One of my favorite things about Eaton is their commitment to cultivating spaces that allow our voices to be heard. Our employee resource groups such as WAVE, which caters toward women and their allies, provides a plethora of resources and tools that help develop women in engineering as both professionals as well as individuals.”

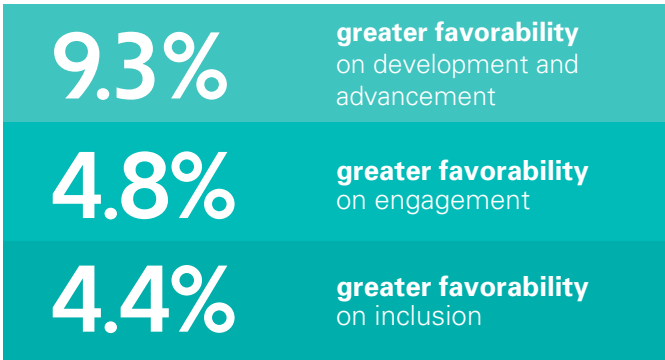
Haishat Alli
Senior Inside Sales Engineer

Enhancing employee development


Creating an engaging and meaningful workplace is one of Eaton’s core aspirations. So, as the competition for top talent ramped up across all industries in 2021, we were already improving how we develop our teams. We redesigned our performance development process to deliver a more positive employee experience at every touchpoint. The new approach provides clarity around expectations, encourages an exchange of meaningful feedback, celebrates outcomes and helps our employees plan their growth and development.

We have also focused on improving the skills of our managers to ensure employees are getting what they need for their personal development. In 2019, we launched leadership sprints, called LeaderX, to build leadership habits and skills, including topics important to our employees such as feedback, coaching, empowerment and appreciation. This new sprint methodology also enabled us to deliver just-in-time support to our leaders during difficult leadership moments over the past couple of years. These special editions included topics such as: Leading during crisis, coming back from COVID, being intentionally inclusive and the power of appreciating other perspectives.

We also enhanced our Eaton Global Mentoring Program by allowing employees to self-nominate for consideration. In 2021, we had 616 pairs participate in our mentoring program, and the cohort reported an average Net Promoter Score of 66 (GREAT) for mentors and mentees combined at the conclusion of the 12-month program. Our 2021 cohort participants reported higher scores over the Eaton average on key aspects of the 2021 Employee Survey, with mentors and mentees combined reporting averages of:



In response to our 2021 success in moving to a self-nomination model, the Eaton Global Mentoring Program mentee participation increased by 80% from 2021 to 2022.



Thought leadership:
[Your employees’ expectations have changed. Have you?](#) Eaton’s Chairman and CEO Craig Arnold addresses current workforce trends and what leaders must do to build a purpose-driven culture to attract and retain talent.

Balancing work-life effectiveness

Balancing personal and professional priorities is a growing need within today’s workforce. Regardless of family or life situations, employees are interested in increased flexibility and the majority of large companies are providing more flexible options. It is imperative to our culture that we support our employees in considering work, family and personal demands.

By 2021, many Eaton employees were already working from home due to pandemic restrictions, and those in site-based roles were given increased flexibility. Eaton was pleased with the productive outcomes of remote work, and we’re recognizing that while some of our employees enjoy working remotely, others prefer to be in the office, and still others prefer a more flexible schedule. With that in mind, we are continuing to offer and encourage employees to work with their managers on what works best for their role.

At the end of 2021, more than 4,300 employees (5% of global employees versus 3% in 2020) participated in our flexible work solutions program. Flexible solutions, which had been in place well before the global pandemic, include compressed work weeks, remote work, job sharing, part-time, flextime and telework. Telework continues to be the most utilized solution, with more than 36% of our employees who use a flexible work solution opting for it. Such inclusive programs help us remain competitive in attracting and retaining the best talent and improving the lives of our employees at work and at home.



Sustainability 101 develops a well-educated workforce

Eaton University is our internal continuing education center, with more than 1,500 courses to empower professional development and lifelong learning for Eaton employees. We launched a new Sustainability 101 course bundle covering a range of topics, including sustainability and business, our sustainability vision and goals and our development of more sustainable products. More sustainability training and education is being developed as we strive to form a workforce committed to building a better world.



We met our goal of providing an average of 12 hours of training and development to every employee in 2021.



“Working from home and working at the office has allowed employees to get benefits from both. Our various collaborative tools are supporting this transition, making flex work both effective and productive.”

Andrea Kirschner
Eaton Engineering Manager



Plant in Poland Among “Friendliest Employers”

Our Vehicle Group plant in Bielsko-Biala was recognized as one of Poland’s friendliest employers by the National Union Organization NSZZ Solidarność. Eaton was among 20 organizations honored for the outstanding care and commitment shown to employees. Plant Manager Lukasz Kakol and HR Manager Aleksandra Worek proudly accepted the award at Warsaw Presidential Palace gardens, in the presence of Andrzej Duda, President of Poland.

Assuring fair pay

Eaton is committed to equal opportunity, pay equity, inclusion and diversity through processes that drive equitable pay decisions. We have a dedicated team that looks at pay data and our compensation programs, policies and practices to ensure employees are paid fairly. When we do find instances in which individual employees are not paid commensurate with their performance, job duties, qualifications and experience, we address them to ensure employees are paid equitably for similar work. Learn more about our [pay equity](#).

Making a difference where we live and work



“We continue to be impressed each year by all our employees do to improve their communities and the lives of the people around them. In the midst of the ongoing pandemic, geopolitical crises, and extreme weather-related disasters that have devastated cities around the world, our teams continued to step up, going above and beyond to help those in need. Their work exemplifies the core values of our company, and makes our communities and our organization stronger.”

Taras G. Szmagala Jr.

Executive Vice President and Chief Legal Officer

2021 demanded flexibility and resilience, as the world continued to navigate the COVID-19 pandemic for yet another year. This unprecedented situation affected our employees, our customers and our communities. Once again, Eaton proved capable of staying operational and providing essential products and services to our customers.

We also reached out to our local communities, helping them to become more vibrant places to live and work. With Eaton sites around the world, we have remarkable opportunities to support what matters most to our employees. We encourage local involvement, believing that doing so creates healthy,

sustainable communities. Due to the pandemic, most employee volunteering was put on hold during 2021. Total volunteer hours for the year were 18,739. New tracking methods will be introduced in 2022.

Eaton sites around the world are responding to a diverse set of community needs. In 2021, we donated approximately \$9 million in charitable contributions around the world, with 75% supporting health and human services; 20% targeted to education; and the remaining 5% given to civic, cultural and other organizations.

Many stories of generosity and creativity in 2021 inspired us, including one from South Molton, U.K., where the team at our aerospace plant requested funds to provide emergency equipment for Devon Air Ambulance. Since the pandemic began, the paramedics had been relying on two critical care cars to support rescue helicopters but sharing just one set of equipment. Eaton donated \$15,000 to purchase additional equipment.

Our Galesburg, Michigan, site once again supported the Wish-A-Mile Bicycle Fundraiser for children diagnosed with a critical illness. Donating over \$70,000 this year, Eaton continues a legacy of supporting the Make-A-Wish Foundation for more than 30 years. Eaton employees joined in by riding bikes or fundraising on their own.

And our employees in China requested funds for the Amity Foundation’s Step by Step program to provide new shoes to rural children. With \$15,500 in Eaton funding, our employees personally delivered the shoes to children in need.



Thought leadership:

[Looking to grow your employees’ engagement in the new year?](#) Help them give back. Eaton’s Executive Vice President and Chief Legal Officer Terry Szmagala discusses how corporate philanthropy can increase employee engagement and foster a culture of volunteerism.



Giving back in Waukesha

Our teams in our Waukesha, Wisconsin, are giving their time—and outdoor space—back to the community. Employees worked with Waukesha County Habitat for Humanity to help build affordable homes for families and donated \$31,000 to the organization in support of their work. Additionally, in partnership with the city, the team granted a property easement to allow for expansion of a recreational trail network. This enables construction of an important link to a much larger trail system supporting bike tourism and economic development between Wisconsin’s capital city of Madison and its largest city of Milwaukee.



Eaton teams also donated \$31,000 to the organization in support of their work.



Creating a space of natural beauty for the community

Employees at our Canadian sites in Burlington, Milton and Mississauga made a collaborative request for funds to support community activities at the Milton Conservation Area. Opened to the public in 2021 after more than 20 years of restoration, the area promotes nature-based recreation, education experiences and wellness activities for the community. The \$15,000 award from Eaton focused on the Kelso Quarry beach development and lakeside seating.



Emergency response to flooding related to climate change in Europe

Rainfall caused deadly floods in western Europe in 2021, all part of recent global trends in extreme weather caused by climate change. Homes were destroyed by flash floods and more than 240 lives were lost as riverbanks suddenly burst. Many of our Eaton colleagues who live in these areas were evacuated or lost their homes and belongings. Eaton created a 1:1 donation match for employees to aid relief efforts, with money going to those directly affected and to assist in community relief and cleanup efforts.

Doing business right and transparency



- Good governance matters
- Making safe and sound work
- Managing the environment, health and safety
- Prioritizing employee well-being
- Owning quality
- Building a sustainable supply chain
- Working ethically and protecting human rights
- Protecting employee privacy and information



Our first chief sustainability officer

A new senior leadership role further strengthens our commitment to our mission—to improve the quality of life for people and the environment through intelligent power management. In 2021, Harold V. Jones was named Eaton’s first chief sustainability officer. Under his leadership on ESG initiatives since 2011, we announced our 2030 Sustainability Targets, published our first-ever Taskforce on Climate-related Financial Disclosures (TCFD) report, became a participant of the U.N. Global Compact, and were named to the FTSE4Good Index Series five years in a row.

Doing business right is at the core of the Eaton brand and a central pillar of how we build our reputation in the marketplace. We nurture the right values and make clear what we mean by acting with integrity. By continuing to meet the high expectations we place on ourselves, we protect

an important part of what makes us uniquely successful in the eyes of customers, suppliers and employees. 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.

Sustainability Executive Council



Good governance matters



"Progress in meeting ambitious ESG objectives doesn't happen without express leadership support and a strong organizational foundation in place. At Eaton, our Board, audit and governance committees have increased responsibility over our comprehensive ESG strategy, and sustainability is embedded at all levels of the organization. This has enabled us to make considerable strides toward advancing our goals."

Christina Bosserd
Senior Vice President, Internal Audit

In 2021, our Board of Directors, including our audit and governance committees, adopted increased responsibility over our sustainability strategy. Our Board of Directors regularly considers sustainability issues, including environmental, social and governance (ESG) issues at full Board and committee meetings. The Board has the following committees which meet regularly throughout the year: Audit;

Compensation and Organization; Finance; Governance; and Innovation and Technology. In addition, at Eaton’s annual strategy sessions, our Board conducts a detailed review of Eaton’s sustainability strategy with management.

The Board is also responsible for oversight of Eaton’s Enterprise Risk Management (ERM) program, which is a critical component of the Company’s operations. Our ERM program is designed to identify, assess, and manage event-based, climate-related and other ESG risks and opportunities facing the Company. Eaton’s Senior Leadership Committee, businesses, regions, and corporate functions participate in the ERM process, which is reviewed by the Board of Directors annually.

Risks designated as “top risks” to Eaton are reviewed at least annually with senior leadership and the Board of Directors. All “top risks” are assigned to a senior leader to serve as the “risk owner(s).” Risk owners are responsible for overseeing and reporting on action plans designed to mitigate the risks to which they are assigned. A dashboard and mitigation plans are provided to the Board of Directors each quarter.

Our [governance table](#) outlines accountability and management of our material sustainability topics.

Making safe and sound work

At Eaton, safety is part of doing business right. A broad set of benefits and programs creates a workplace where employees and contractors working in our facilities share personal responsibility for creating and maintaining a safe work environment. It begins with our Safety Policy, which guides us in our progress toward eliminating injury and illness in our workplace.

The Eaton Safety Principles require each individual to be responsible and accountable for recognizing and correcting at-risk behavior or unsafe conditions. Every person in every Eaton facility is asked to abide by our core safety expectations. We consider these to be absolutes because a violation could result in serious injury or even death.

At facilities around the world, our safety expectations require employees to follow established safety procedures, including hazardous energy control and machine safeguards, work permits and specialized safety procedures for high-risk activities, personal protective equipment as specified, safe driving, and reporting all unsafe conditions and all injuries and illnesses in order to prevent similar incidents or conditions from occurring in the future. [Our Environment, Health & Safety \(EHS\) Handbook](#) provides requirements for working at or visiting an Eaton site.

In the ever-evolving COVID-19 global pandemic, we continue to protect our employees and support our customers. We closely follow guidance from national and global health organizations, such as the U.S. Centers for Disease Control and the World Health Organization, to ensure the health and well-being of our employees. We highly encourage Eaton employees to receive all available rounds of the COVID-19 vaccine, where possible and available across our global workforce.

2021 Total Recordable Case Rate (TRCR)

0.39 (2030 goal 0.25)

Managing the environment, health and safety

Eaton EHS performance is governed by Management of Environment, Safety, Security and Health (MESH), a globally deployed, unified approach which consolidates elements of applicable ISO standards, regulatory requirements and Eaton-specific standards into one integrated management system.

Through MESH, our facilities work toward achieving world-class goals, setting targets for improvement and identifying and sharing best practices. Eaton's MESH program has been declared to be 100% in accordance with ISO 14001 and ISO 45001.

Performance is regularly monitored through an annual self-assurance process as well as a rotating corporate audit process and third-party management certification. We continue to see significant advancement in our EHS metrics year-over-year, while continuing to raise the bar on our expectations.

While COVID-19 safety protocols prevented some of our on-site visits in 2021, we have had a 40% increase in environmental health and safety audits compared to 2020 and trained 281 employees as environmental health and safety assessors. We were able to complete 126 audits across environmental, health and safety, operational excellence and our Eaton Business System, achieving an average of 93% conformance level with our environmental, health and safety standards.

We have launched a sustainability element to our Eaton Business System assessment process. This process unifies and improves the way in which we engage in all processes, including sustainability, and helps us to hit our 2030 targets.

Eaton's ISO 14001 and ISO 45001 certificates can be found on our [sustainability reports and disclosures web page](#).

2021 Days Away Case Rate (DACR)

0.15 (at goal)



One million safe hours milestone in Ohio

In 2021, our Aerospace Group facility in Euclid, Ohio, reached a remarkable safety milestone of one million safe work hours at the plant. The site worked to create safe conditions, find safer solutions and methods and promote safer behaviors. During their million-hour journey, more than 2,000 safety observations and positive reinforcements were submitted, with a closure rate exceeding 90%.



Our Aerospace Group facility in Euclid, Ohio, reached a remarkable safety milestone of **one million safe work hours** at the plant.



COVID-19 vaccine success in India

Teams in India at the Electrical Sector commercial offices in Delhi, Mumbai and Bangalore, and the plant in Pondicherry put forth significant effort to provide COVID-19 vaccines to employees. Beginning in March 2021, they collaborated with the Primary Healthcare Centre and Health Department of the Government of Pondicherry to ensure vaccinations were available, regardless of where employees live. The team also launched a vaccine awareness campaign using posters, mailers and briefings. To date, over 95% of all Eaton India employees are vaccinated and our manufacturing plants have recorded 100% vaccinations of employees with the first dose.



In 2021, we reduced our Total Recordable Case Rate (TRCR) by 7%.

Prioritizing employee well-being

Personal well-being is a critical element to helping our employees be at their best each day. That's why we strive to provide benefits and programs around the world that are industry-competitive and focused on employee well-being. In 2021, we observed International Mental Health Day with a suicide prevention speaker heard by more than 735 employees representing 15 countries. Eaton also supports our mental health allies, who are trusted colleagues and go-to ambassadors for people seeking support or resources for themselves or someone they know. The mental health ally community helps raise awareness so that no one suffers alone. In addition, our global Well-being Champions network helps focus on improving the well-being of our colleagues and serves as key promoters and communicators of our well-being initiatives, with mental health at the forefront of our conversations.

Due to the ongoing COVID-19 pandemic and resulting quarantines, 2021 again presented unusual challenges for our employees around the world. We continued to modify how we work to keep our workforce safe and to help them feel confident about doing their work. We required employees to stay at home if feeling ill, implemented new cleaning and disinfecting protocols as well as social distancing procedures, including staggering shifts, rotating office work schedules and modified workspace and meeting spaces. We restricted visitors and we continue to consult with healthcare organizations to update our response plans, while empowering our local teams to adopt protocols consistent with local requirements and conditions.

To protect employee health and adapt to changing family needs, we advised employees to take advantage of flexible work options when possible. This respect for work-life integration and the need for flexible work solutions is another way we express care for employee well-being.

Personal well-being is a critical element to helping our employees be at their best each day.

Owning quality

Around the world, lives depend on Eaton's commitment to quality. Our Eaton Quality Management System (EQMS), part of the Eaton Business System, works because our quality and operational excellence teams have created a proactive culture at all levels of the organization. We make sure the customer's voice is fully integrated into our design, manufacturing, supply chain and field processes. We leverage our scale in quality management by identifying and implementing best practices and lessons learned throughout our diverse businesses. Our quality management system helps Eaton sites ensure process discipline, identify risks and opportunities, take necessary actions, quickly address issues and achieve efficiency and effectiveness.

Our system has requirements above and beyond the different industries we serve, with ISO 9001 applicable for most of our sites, IATF16949 applicable for sites serving our automotive customers and AS9100 applicable for sites serving our aerospace customers. It also includes customer-specific requirements and corporate procedures as well as businesses and site-specific procedures.

Our quality manual, policies and procedures are frequently reviewed and updated and we have several processes to assess the management system suitability and compliance. On an annual or semiannual basis, every site performs internal audits and executes QMS risk analysis. And we engage with third-party certification bodies to audit our sites every year to ensure QMS compliance and effectiveness. On a longer term basis of roughly three years, we conduct an OpA Validated Assessment, to verify EQMS implementation and maturity.

EQMS has five components. Each of these components does not independently constitute a comprehensive QMS, but together they create an integrated, holistic system designed to meet all requirements. The Eaton-specific QMS policies are defined based on Eaton practices, industry best practices, international standards and other sources.



Around the world, lives depend on Eaton's commitment to quality. Our teams have created a proactive zero-defect culture at all levels.



Solar inverter company honors Eaton quality

Our Xi'an plant was awarded the 2021 Quality Excellence Award from a key customer that specializes in research and development of solar inverters for commercial, industrial and residential applications. The Eaton team lived our "I Own Quality" mantra to deliver quality products and services to this important customer.



Eaton named GM's supplier of the year for 2021

General Motors (GM) recognized Eaton's Vehicle Group as a 2021 Supplier of the Year for exceeding requirements, providing GM customers with innovative technologies, and delivering among the highest quality in the automotive industry. "These top suppliers showed resilience and reinforced their commitment to pursuing sustainability and innovation," said Shilpan Amin, GM vice president, Global Purchasing and Supply Chain. GM, a valued Eaton customer for more than 60 years, is focused on advancing an all-electric future.



Our quality management system implementation and maturity is regularly assessed to ensure proper compliance and effectiveness.

Building a sustainable supply chain



“Our suppliers are essential stakeholders to this organization—and we hold them to the same high standards we hold ourselves. Having strong relationships with our suppliers, who share our values, has been essential to weathering the recent volatility in supply chain, and to making good on our mission to improve the quality of life and the environment.”

Rogerio Branco
Executive Vice President, Supply Chain Management

At Eaton, we care about creating a sustainable and ethically managed supply chain to make the world a better place for all. We strive to create transparent relationships with our suppliers, with clear expectations and explicit guidance governing the way we do business.

Our suppliers’ worker health and safety is a top priority. We require all suppliers to affirm commitments to responsible labor and human rights practices to secure and maintain our business through our [Supplier Code of Conduct](#). The code is embedded in our standard terms and conditions and outlines Eaton’s expectations for supplier workplace standards and business practices, including human rights issues such as modern slavery, human trafficking and conflict minerals.

Partnerships are a crucial component of our sustainable supply chain program. To further support our progress toward our sustainability goals and our supplier sustainability expectations, Eaton has joined the Responsible Business Alliance (RBA). Wherever possible, Eaton will seek to adopt the RBA approach and tools in practical ways in the spirit of the industry’s common goals.

We also strive to engage a diverse supply base reflecting the communities where we live, work and serve. Eaton actively seeks to provide business opportunities to businesses that include small, veteran-owned, disabled-owned, minority-owned, women-owned and historically underutilized business zone suppliers.

We strengthened our supplier diversity program, purchasing approximately \$1.42 billion in goods and services from small and diverse suppliers in 2021, increasing our spend with minority-owned businesses by 4% and our spend with disabled-owned suppliers by 285% from 2020. We also completed the Disability Equality Index and received a score of 90.

In addition to our efforts with our Tier 1 suppliers, Eaton supports a Tier 2 Program through which we work with our suppliers to create more opportunities for diverse-owned businesses. Eaton requires all suppliers who participate in our Tier 2 Program to submit reports detailing their purchases from diverse suppliers every quarter.

Environmental considerations are critical in our interactions with suppliers. Our Supplier Site Assessment process includes a review of supplier EHS performance and product stewardship practices, and we invite a subset of our Tier 1 suppliers, chosen based on risk and spend, to disclose emissions data through the CDP Supply Chain Program. Select strategic suppliers are evaluated in 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.

In 2021, the world experienced a supply chain crisis that impacted industries across the globe. Throughout the year, our teams worked diligently with our suppliers to overcome bottlenecks and shortages. We also worked to source from alternate suppliers and to qualify substitute materials where appropriate. All of these actions are helped mitigate supply chain challenges.



We strengthened our supplier diversity program, purchasing approximately **\$1.42 billion in goods and services from small and diverse suppliers in 2021.**



Eaton earns A from CDP for supplier engagement

Eaton earned an A score for supply chain supplier engagement from CDP, making the organization’s 2021 Supplier Engagement Leaderboard for climate action. Eaton’s supplier engagement rating is tallied from the sections of the CDP Climate Report related to how we manage our interactions with suppliers, our supplier sustainability strategy, our upstream carbon targets and performance and our engagement with our supply chain and strategic suppliers’ sustainability. We increased our supplier engagement by 56% over 2020.



Reusing supplier packaging for big environmental impact

Our Vehicle Group plant in Tczew, Poland, receives automotive components from suppliers in wooden pallets and cardboard boxes, which are regularly sent for recycling. But to further limit waste, and with customer approval, the plant began reusing their supplier’s disposable packaging to ship finished products to our plants in Mexico and Brazil and to customers. Tczew has been a zero waste-to-landfill site since 2015.



Managing supply chain risk

Eaton maintains a robust third-party due diligence program using a risk-based methodology. We screen our channel partners and suppliers who act on behalf of Eaton in high-risk jurisdictions. We expect that all of our partners share Eaton values and adhere to our Code of Conduct and anticorruption policies. Our partners are monitored, and red flags are mitigated. We continuously improve the program. In 2021, for example, we instituted an automated process to track our mitigation efforts and increase our screening levels for high-risk suppliers.

We all own ethics

Our commitment to doing business right is deeply rooted in our company’s history and is fundamental to our culture. We strive every day to drive ethics and compliance to the center of the business.

In 2022, we were once again honored by the Ethisphere Institute as one of the World’s Most Ethical Companies. Eaton was one of only seven companies in the Industrial Manufacturing segment to receive this recognition, and this was the eleventh time that Eaton has been recognized.

We have a solid foundation

Our [Code of Ethics](#) is the foundation of our commitment to doing business right and consists of 12 fundamental principles of ethical behavior.

Along with the Code of Ethics, we have published a detailed [Ethics Guide](#) containing concrete examples and practical guidance on ethical decision making. The Code of Ethics and Ethics Guide are translated into 34 languages and made available to all employees worldwide in addition to being published on [Eaton.com](#).

New Eaton employees receive training on the Code of Ethics, including bribery and anticorruption, as part of the onboarding process and employees receive manager-led ethics training every year. Employees also receive additional ethics and compliance training tailored to their job functions through Eaton’s online learning platform.

We promote a "speak up, listen up, follow up" culture

Employees who have concerns or questions about ethics and compliance are encouraged to speak up by raising their concerns and asking questions. Managers and other leaders are encouraged to listen up by encouraging the reporting of questions and concerns. They—along with the Ethics and Compliance team—follow up by responding to employees’ questions and concerns and taking necessary actions.

Eaton’s Ethics [Help Line](#) is an independent, anonymous whistleblower hotline with legal protection and a dedicated resource for employees and any other person (including customers and suppliers) to ask a question, raise a concern, or report questionable conduct or business practices. The Help Line is staffed 24/7/365 and available in every language and in every country in which Eaton does business.

Eaton promotes transparency and accountability in handling ethics and compliance matters. Matters reported to the [Help Line](#) or directly to Eaton’s Ethics and Compliance team are monitored, tracked, and reported to Eaton’s relevant leadership teams and Board committees. Our key Help Line metrics for 2021 were as follows:

- **1,184 ethics reports**
- **46% of matters investigated were substantiated**
- **1.4 matters per 100 employees**
- **39% of matters were reported anonymously**

In the 2021 employee engagement survey, 91.5% of employees responded that if they discovered misconduct, they would know where to go to report it, which indicates strong awareness of the Help Line.

In addition to the Help Line, employees are encouraged to report questions and concerns to their managers or human resources. At a reporter’s election and subject to local law, reporting may be done anonymously. Allegations of misconduct or questionable practices, regardless of source, are investigated as appropriate and confidentiality is maintained to the fullest extent possible. Eaton has a strict

non-retaliation policy protecting employees who make good faith reports of ethics and compliance concerns.

We are committed to evolving and enhancing our program

We strengthened our commitment to ethics and compliance in several important ways in 2021. We developed and launched a new video interview series called *Integrity in Action* in which leaders around the globe share their experiences, stories, and perspectives on how they lead with our values. Senior leaders help set the ethical tone for the organization, and we must always work to cascade their message. We also substantially expanded our executive onboarding program to provide new leaders with an opportunity to have direct discussions on ethics and compliance topics.

We refreshed two important policies: our Anticorruption Policy and our Gift and Entertainment Policy. We streamlined the policies to make them easier to read, while the guiding principles that provide the foundation for them stayed the same:

- **We never accept or give bribes, which are not limited to money and include anything of value.**
- **We never accept or give lavish or inappropriate gifts, entertainment, or travel.**
- **We disclose gifts, entertainment, and travel that meet certain thresholds.**

We also developed new tools, including our new Gift Registry, which promotes transparency by helping employees to easily disclose and request approval for gifts, travel, and entertainment.

We strengthened our process for integrating new businesses and joint ventures. To drive greater awareness of Eaton’s values within new businesses, we focused on culture as a key element in our mergers and acquisitions integration strategy. Joint venture compliance is also critical to our program, which is why we launched an initiative to further strengthen joint venture compliance protocols.

Annual and refresher training in 2021

Course	Employees trained
Affirmative Action Planning	196
Avoiding Software Piracy	9,566
Careful Communications at Work	33,729
Competition Law	3,054
Data Protection and Privacy Basics	11,605
Eaton's Quality Policy	14,401
Global Competition	8,446
Global Information Security: Safeguarding Company Information	16,706
Insider Threat Awareness	31,066
Insider Trading	6,805
International Trade Compliance	21,165
Sexual Harassment	140
Supporting Human Rights: The Ethical and Legal Choice	1,165
Theft of Intellectual Property and Economic Espionage	14,010

We began modernizing our online compliance training program. We conducted feedback surveys to better understand the perspectives of our employees. We learned that our compliance training needed to be more values-based, engaging, and tailored to Eaton’s operations and roles. We took steps to shorten our online training courses while making them more connected, interactive, and engaging.

As part of our philosophy that we all own ethics, we focused on providing more data, metrics, and lessons learned to Eaton’s businesses and functions to increase transparency. Consistent with this belief, we also substantially revised the ethics and compliance Eaton Business System (EBS) “roadmap,” which sets forth expectations for Eaton’s businesses and functions regarding ethics and compliance. The revised roadmap identifies what “excelling” looks like in terms of owning ethics and compliance and places a significant focus on leaders’ responsibility for incorporating ethics and compliance topics into regularly scheduled meetings and reviews. Businesses and functions are assessed against performance measures during EBS audits, which drives accountability for making ethics and compliance a core part of business operations.

We have a global perspective

As a participant in the U.N. Global Compact, Eaton is committed to supporting the U.N. Sustainable Development Goals and the 10 UNGC Principles based on the Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. This commitment is embodied in our [Code of Ethics](#).

Our Code of Ethics is the foundation of our commitment to doing business right. The Code consists of 12 fundamental principles of ethical behavior. Our employees, officers and directors all have the personal responsibility to read, know and comply with these principles in the performance of their duties.

- 1. **Obedying the law:** We respect and obey the laws, rules and regulations applying to our businesses around the world.
- 2. **Maintaining integrity of recording and reporting our financial results:** We properly maintain accurate and complete financial and other business records,

- and communicate full, fair, accurate, timely and understandable financial results and other priority information. We have developed a system of internal controls designed to preserve the integrity of our records and information.
- 3. **Respecting human rights:** We respect human rights and require our suppliers to do the same.
 - 4. **Delivering quality:** We are committed to producing quality products and providing quality services.
 - 5. **Competing ethically:** We gain competitive advantage through superior performance. We do not engage in unethical or illegal trade practices.
 - 6. **Respecting diversity and fair employment practices:** We are committed to respecting a culturally diverse workforce through practices that provide equal access and fair treatment to all employees on the basis of merit. We do not tolerate harassment or discrimination in the workplace.
 - 7. **Avoiding conflicts of interest:** We avoid relationships or conduct that might compromise judgment or create actual or apparent conflicts between our personal interests and our loyalty to Eaton. We do not use our position with Eaton to obtain improper benefits for others or ourselves. We do not engage in activities or enter into relationships that compete with Eaton.
 - 8. **Protecting assets and information:** We use Eaton property, information and opportunities for Eaton’s business purposes and not for unauthorized use. We properly maintain the confidentiality of information and employee data entrusted to us by Eaton or others.
 - 9. **Acting with integrity:** We do not offer or accept bribes, kickbacks or inappropriate gifts or entertainment. We engage in business practices that are consistent with our ethics and values.
 - 10. **Selling to governments:** We comply with the special laws, rules and regulations that relate to government contracts and relationships with government personnel.
 - 11. **Making political contributions:** We prohibit political involvement on behalf of Eaton to political candidates or parties, even where lawful.
 - 12. **Managing environment, health and safety:** We are committed to being a global leader in safeguarding the health and safety of our employees and protecting the environment.

As a participant in the U.N. Global Compact, we’re committed to supporting Sustainable Development Goals focused on human rights, labor and rights at work.



Learning from our leaders

We developed and launched a new video interview series called *Integrity in Action*, to allow Eaton leaders around the globe to share their experiences, stories and perspectives on how they lead with Eaton values and how they “walk the talk.” Senior leaders help set the ethical tone for the organization, and we strive to share their message. In the first interview, Heath Monesmith, president and chief operating officer of our Industrial Sector, shared that he prioritizes ethics at the top of the agenda for all his operational reviews. We also expanded our executive onboarding program to provide new leaders with an opportunity for direct discussions on ethics and compliance topics.



A new approach to compliance training

We began modernizing our online compliance training with the Compliance Ready program in early 2022. From conducting feedback surveys to understand the perspectives of our employees, we learned that our compliance training needed to be more values-based, engaging and tailored to Eaton’s operations and roles. We shortened our online training courses while making them more interactive and engaging. Employees will now receive a bundle of training each quarter with lessons grouped by topic, giving learners a view of their overall curriculum as they complete assigned courses at their own pace.



We shortened our online training courses while making them more interactive and engaging.

Managing information and cybersecurity risks

Today's customers are requiring more attention to cybersecurity to minimize the threat of operational downtime, data loss, impacts on life-cycle costs and brand reputation. And because cybersecurity incidents can cripple an organization in minutes, customers need suppliers to provide evidence that the products they sell comply with industry cybersecurity standards. Any products we design and manufacture must also meet rigorous cybersecurity standards. Cybersecurity is at the core of our “secure by design” philosophy, and it’s embedded in all the connectable products and platforms we bring to market.

Eaton’s “secure-by-design” philosophy assures that our products meet rigorous cybersecurity and safety design and testing standards. Our cyber experts meet and exceed competencies recognized by international standards organizations. Our cybersecurity processes and secure development life cycle are integrated into product development and guide our labs, procurement and design teams as the foundation of innovation. And our customized testing procedures help ensure our products comply with industry cybersecurity standards.

Political activity and advocacy

Our Code of Ethics specifically states: “We do not make contributions on behalf of Eaton to political candidates or parties, even where lawful.”



We operate a federal political action committee, and use our employee contributions to support candidates we feel can help advance a business community agenda. Eaton does not, however, make contributions to “527 groups” or make independent expenditures directly related to candidates or campaigns. From time to time, Eaton will support issue campaigns that have an impact on the communities in which we live and work. No such contributions are made without the approval of the Senior Vice President of Public and Community Affairs and Corporate Communications, and are never based on political preferences of our executives.

Eaton does support lobbying initiatives in alignment with issues of importance to the company through personal contact by employees, contact by lobbyists under contract to Eaton, and by trade associations of which Eaton is a member. The Governance Committee of Eaton’s Board of Directors meets annually with the Senior Vice President of Public and Community Affairs and Corporate Communications to review our policy on political spending to ensure compliance with our policies.

We commit to disclose political donations and/or lobbying expenditures. Our total U.S. political spending in 2021 was \$1,075,000. The trade association component was \$407,000; outside lobbyists expenditure was \$458,000.

2021 U.S. advocacy areas	Focus
Electric vehicles and transportation infrastructure	Worked with industry stakeholders at the state and federal level to advance electric vehicle and EV infrastructure adoption.
Electrical technology and grid modernization	Participated in state government working groups to drive energy-efficient building codes, electrification, emissions reduction and renewable energy resources. Advocated for state building decarbonization and energy-efficiency policies.
Infrastructure, stimulus, recovery and collaboration	Advocated to support transportation electrification, grid modernization, resiliency and reliability as part of federal and state infrastructure and stimulus discussions—including energy efficiency and renewable energy resources. Worked with industry stakeholders to promote programmatic solutions to help with near-term work for the energy-efficiency sector and the recovery from COVID-19, while ensuring that states continue to move forward on long-term climate goals. Joined business community partners to advocate for state government action on climate change and emissions reduction. Collaborated with industry partners to advocate for state-level investment of federal infrastructure to address climate change and public health.
2021 Europe advocacy areas	Focus
Vehicles and transportation infrastructure	Advocated to support: Europe Euro 7/VI CO2 and NOx regulations that drive adoption of standards that increase emissions reductions. Electric vehicle safety regulations that ensure safe deployment of zero emission vehicles. Development of hydrogen fuel technologies for adoption in the heavy-duty vehicle segment.
Electrical technology and grid modernization	Engaged in the dialogue around the EU Energy Efficiency and Alternative Fuel Directives to promote development of policies and regulations that facilitate deep flexibility markets to accelerate the energy transition to renewable fuels and energy. Advocating for the phaseout of SF6 switchgear to reduce greenhouse gas emissions.

Transparency



"I know our investors are interested in all aspects of environmental, social and governance (ESG) – they want to know we're addressing the full picture. We talk to investors and analysts regularly about product innovations, customer impact, our progress on emissions reduction, diversity metrics, our standards for suppliers and more. It's critical for us to set clear goals in these areas and report transparently the results of our efforts."

Yan Jin

Senior Vice President, Investor Relations

As good global citizens, we tell our story to demonstrate our contribution and meet expectations of transparency. We develop insights about the priorities of our various stakeholders by careful review of external evaluations, recognitions, ratings and rankings. These sources also help us benchmark, stay aware of best practices and inform our ESG progress.

Reporting and disclosure frameworks

We report our material issues in accordance with the Global Reporting Initiative and we have aligned our disclosures with reputable ESG frameworks including: Sustainable Accounting Standards Board (SASB), ISO 26000, Task Force on Climate-related Financial Disclosures (TCFD) and the United Nations Sustainable Development Goals. Detailed content indices for these reporting and disclosure frameworks are [published online](#).

The TCFD publishes recommendations for voluntary climate-related financial disclosures that provide decision-useful information to lenders, insurers and investors. We publish our stand-alone, [TCFD report](#) annually on the governance, strategy, risk management, metrics and targets related to our climate risks and opportunities.

We disclose our governance and management approach for our material sustainability issues, including climate change, on our [Sustainability Governance page](#).

Ratings, rankings and recognition

We are proud to have received recognition from the world's leading ratings and ranking agencies for our sustainability efforts and achievements:

- With operations in Africa since 1927, Eaton is proud to achieve top rating as a [Broad-Based Black Economic Empowerment](#) (BBBEE) contributor in South Africa for the fourth consecutive year. The BBBEE program seeks to address social harm caused by apartheid and to enhance economic participation of previously disadvantaged people of color in the country's economy.
-  Eaton was awarded the **EcoVadis silver level ranking**, scoring 63/100 points, placing us in the 88th percentile for sustainability performance and management.
- We have been recognized by CDP at the Leadership level for environmental transparency and performance. We are honored to receive an A- ranking on our 2021 Climate Change score, which is an above-average ranking for our sector. We also received an A in Supplier Engagement and a B ranking for our CDP Water Security Disclosure. Our CDP climate change report and water response report are available [here](#).
- We received an **ESG Risk Rating level of 17** from Sustainalytics which is considered Low Risk.
- **Institutional Shareholder Services** (ISS) is the world's leading provider of corporate governance. Eaton's ISS Corporate Rating is a C, which places us in the fourth decile as a high performer relative to our industry group.
- We scored 3.3 out of 5 on the **FTSE Russell ESG rating**.
- We earned a **BBB** rating from **MSCI**.
- Eaton has been selected for inclusion in the **FTSE4Good Index Series** for the past five years, demonstrating our strong ESG practices.
- We were included in the 2021 **Carbon Clean 200™** list of publicly traded companies leading the way in the transition to a clean energy future.

Eaton received top rankings from **Institutional Investor** magazine. Top marks we received from sell-side analysts include:

- #1 Best Investor Relations Program and IR Team
- #1 Best CEO
- #2 Best CFO
- #1 and #2 Best IR Professionals
- #1 Best Analyst Day
- #1 Best ESG Program
- #1 in Crisis Management - COVID-19



ESG indices in which Eaton is included:

- MFS Value Fund
- Legg Mason Partners Investment Trust - ClearBridge Large Cap Growth Fund
- Mirova Funds - Mirova Global Sustainable Equity
- BlackRock Global Funds - Sustainable Energy Fund
- MFS Mid Cap Value Fund
- JPMorgan Investment Funds - U.S. Select Equity Fund
- DFA Investment Dimensions Group, Inc. - U.S. Large Cap Value Portfolio
- Hartford Balanced Income Fund
- Folksam LO Världen





2021 recognitions

100 Best Corporate Citizens

■ 3BL Media

100 Best ESG Companies

■ *Investor's Business Daily*

America's Best Employers by State

■ *Forbes*

Best Place to Work for Disability Inclusion

■ Disability:IN

Best Place to Work for LGBTQ Equality

■ Human Rights Campaign

FT Diversity Leader

■ Financial Times

FTSE4Good Index Series

■ FTSE Russell

HIRE Vets Medallion Award - Gold

■ HIREVets.gov

Most Honored Company

■ *Institutional Investor Magazine*

Most Loved Workplaces

■ *Newsweek*

Top 50 Diversity Employer

■ *Minority Engineer Magazine*

Top 50 Employers in STEM

■ *STEM Workforce Diversity Magazine*

World's Most Admired Companies

■ *Fortune*

World's Most Ethical Companies

■ *Ethisphere*

Appendix

Reporting method

Our 2021 Sustainability Report describes the strategy, organization, initiatives, programs, management systems and goals for Eaton's sustainability initiative. It focuses on our priority issues and supplements our financial reporting in the Annual Report. This report is based on activities carried out during the 2021 calendar year (January-December 2021). Given Eaton's size and global operations, data is collected through various internal reporting systems.

GRI

This report has been prepared with reference to the 2021 Global Reporting Initiative (GRI) Standards. GRI is an independent international organization that has pioneered sustainability reporting since 1997. Eaton is committed to the Global Reporting Initiative Standards for reporting the company's sustainability performance. Sustainability reports based on this framework can be used to demonstrate organizational commitment to sustainable development, to compare performance over time, and to measure performance with respect to laws, norms, standards and voluntary initiatives. View our GRI Content Index online.

SASB

Eaton reports on all priority ESG issues identified by the Sustainable Accounting Standards Board (SASB) for our industry. View our ESG Results for our SASB material issues online.

Priority ESG issues

We embody our principle of doing business right by prioritizing the sustainability impacts most important to our stakeholders and us. Eaton periodically assesses our impact on the environment, our communities and the economy. We consider internal and external stakeholder expectations for our sustainability strategy, targets and performance. As part of our periodic review and evaluation of our priority ESG topics, we make sure we are focusing on relevant and emerging issues that impact Eaton and our stakeholders.

Our first analysis of key sustainability topics was finalized in 2014 and, in 2017, we completed our first refresh to ensure our issue prioritization is up-to-date. In 2022, we undertook a comprehensive ESG topic assessment aligned with the latest recommendations of the Global Reporting Initiative GRI Standards. We use the results of our analysis to inform our sustainability strategy and to form the boundaries for our Global Reporting Initiative reporting. A description of our process and results can be found [here](#).

Third-party verification

Our greenhouse gases and zero waste-to-landfill metrics have been third-party verified and are determined to be materially correct. [View our verification statements online](#).

ESG data book and GRI Content Index

- Sustainable Accounting Standards Board Metrics
- Other ESG Metrics

See our full [reports and disclosures](#) for sustainability online.



Our priority ESG topics

Consistent with GRI materiality guidelines

Priority ESG topics	Definition	Impact boundary
Engaging our employees		
Inclusion and diversity	Employing a diverse workforce — in a range of age, ethnicity, physical abilities, religion, gender, sexual orientation, or other character attributes — and working to build a culture of inclusion around these different perspectives; this also includes eliminating discrimination.	Internal
Reducing our footprint		
Climate action, greenhouse gas emissions	Taking steps to minimize the contribution of our operational footprint to global climate change; the impact of responding and adapting to climate change on our business strategy and growth.	Internal, downstream
Energy	Responsible consumption of energy, increasing use of renewables and alternative fuels.	Upstream, internal, downstream
Materials	Demonstrating good stewardship of the materials included in our packaging and products, including management of chemicals and recycled content.	Upstream, internal, downstream
Waste	Managing and minimizing our waste footprint through efficiencies, recycling and reuse; this also includes reduction and responsible handling of hazardous waste and e-waste.	Internal
Water	Using our water resources wisely, through reducing consumption, making efficiency gains, increasing water recycling and remediating water sources when necessary.	Internal
Positive impact solutions		
Positive-impact products	Developing solutions-oriented products that provide environmental, health or social benefit; examples of these products could include electrification, digitalization and energy transition, water efficiency and grid resilience solutions.	Internal, downstream

Product innovation	Researching and developing new products for Eaton and successfully integrating technological advancements to grow the productivity and value of the company.	Internal, downstream
Product lifecycle	Assessing and reducing the impact of a product from material sourcing through disposal; ensuring products are conceived in alignment with Design for the Environmental principles (Includes Environmental Product Declarations).	Internal, downstream
Doing business right and transparency		
Business ethics	Ensuring education and policies are in place to promote ethical behavior, as well as the means to safely and anonymously report transgressions; includes management and policies to prevent corruption, bribery, and anti-competitive behaviors.	Upstream, internal
Occupational health and safety	Providing safe working conditions and access to resources to maintain and improve workers' physical and emotional well-being.	Internal
Information security and customer privacy	Protecting data from potential negative incidents, using customer information only for its original intended purpose (unless explicitly agreed otherwise), and ensuring the privacy and security of employees, customers, and suppliers by protecting information systems from unintended or unauthorized access.	Internal, downstream
Customer health and safety	Respecting human dignity by providing a fair, living wage, promoting indigenous people's rights, and eliminating the use of underage and forced labor throughout Eaton's value chain, promoting fair labor practices and re-specting workers' freedom of association and right to collective bargaining.	Upstream, internal
Supplier social assessment	Management of supply chain impacts to human rights and communities.	Upstream
Supplier environmental impacts	The upstream environmental footprint from our suppliers' waste, water and energy consumption.	Upstream
Procurement practices	Includes spending on local suppliers, small and medium enterprises, female and minority-owned enterprises.	Upstream



We make sustainable solutions for our future work.

We're focused on making a difference in the world—improving people's lives, the communities where we live and work, and the planet future generations depend on. Because this is what really matters. And we're here to make sure it works.

[Learn more at Eaton.com/sustainability](https://www.eaton.com/sustainability)