



Sustainability Linked Bond Framework

August 2022

About this Framework

The world is experiencing some of the most important secular growth trends that we will experience in our lifetime.

The explosive rise of digitalization and the energy transition from fossil fuels to renewables are being driven by unprecedented growth in electrification and climate change.

Eaton has responded by deploying our four-part sustainability strategy, which addresses environmental, social and governance issues.

Our long-term strategy is detailed in our sustainability report.

We believe Sustainability-Linked Bonds represent the next step in aligning Eaton’s long-term financing structures with our ambitious sustainability targets.

As such, this Sustainability-Linked Framework defines a set of guiding principles for bonds linked to the achievement of material, quantitative, pre-determined, ambitious, regularly monitored and externally verified sustainability objectives through a Key Performance Indicator (“KPI”) and Sustainability Performance Targets (“SPTs”) in accordance with the globally accepted International Capital Markets Association (“ICMA”) Sustainability-Linked Bond Principles (“SLBP”).

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1. Eaton Overview



We make what matters work.

We're an intelligent power management company and what we do improves the quality of life and the environment. Our products, technologies and services make a difference in the world.

\$19.6B
2021 sales

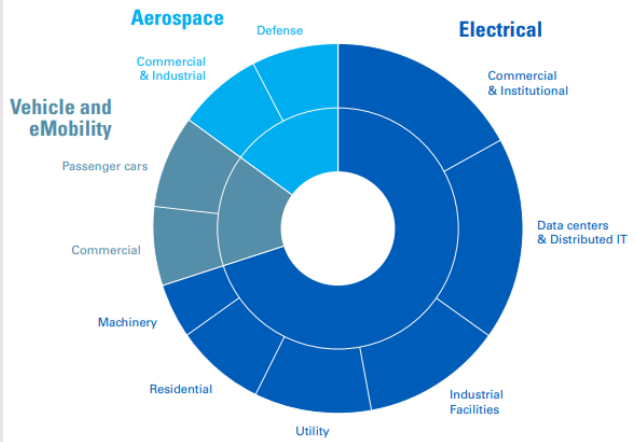
Operate in
170
countries

>85K
employees around the world

NYSE ticker
ETN

Established **1911**

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 four part strategy involves creating sustainable solutions, reducing our footprint, engaging our employees and communities, and doing business right and transparency.



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.

Priority SDGs

2030 sustainability targets



Creating sustainable solutions

- 15% reduction in Scope 3 emissions
- \$3 billion in sustainability R&D



Reducing our footprint

- 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

- 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

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



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 help 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.



2. Sustainability Strategy

Sustainable Solutions



- **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



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 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.

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.

Eaton has committed to investing \$3 billion between 2020 and 2030 in R&D dedicated to more sustainable solutions, including products that reduce emissions and enable electrification and grid management, which will aid greater

By 2030 we aim to:

- Invest \$3 billion in research and development to create sustainable product solutions
- Reduce emissions from our installed base of products and upstream sources by 15%
- Leverage our leadership in providing efficient solutions to accelerate the global energy transition

incorporation of both on- and off-grid renewables.

A few examples of digital innovations that we're investing in to address a number of the world's most pressing challenges:

- Enabling the smart grid of the future and improving grid reliability and efficiency with advanced intelligence;
- Embedding intelligent products in the electrical infrastructure of buildings to help customers better manage their energy use;
- Combining our vehicle and electrical expertise to develop differentiated electric vehicle technologies; and
- Designing intelligent and connected solutions that improve uptime and reduce total life cycle costs for aerospace customers.

Accelerating sustainability through our suite of innovative solutions



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. From 2020-2021, Eaton has invested \$528mm in sustainability R&D.

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.



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.

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.

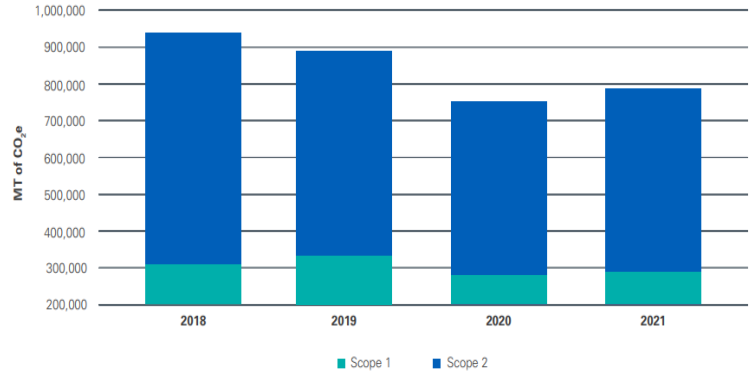
Reducing Our Footprint



Reducing our footprint

- Carbon: Joining the global movement to limit climate change
- Water: Reducing usage and improving quality
- Waste: Rethinking growth in a circular economy
- Industry 4.0: Transformation begins at home

We have reduced greenhouse gas emissions 16% since 2018

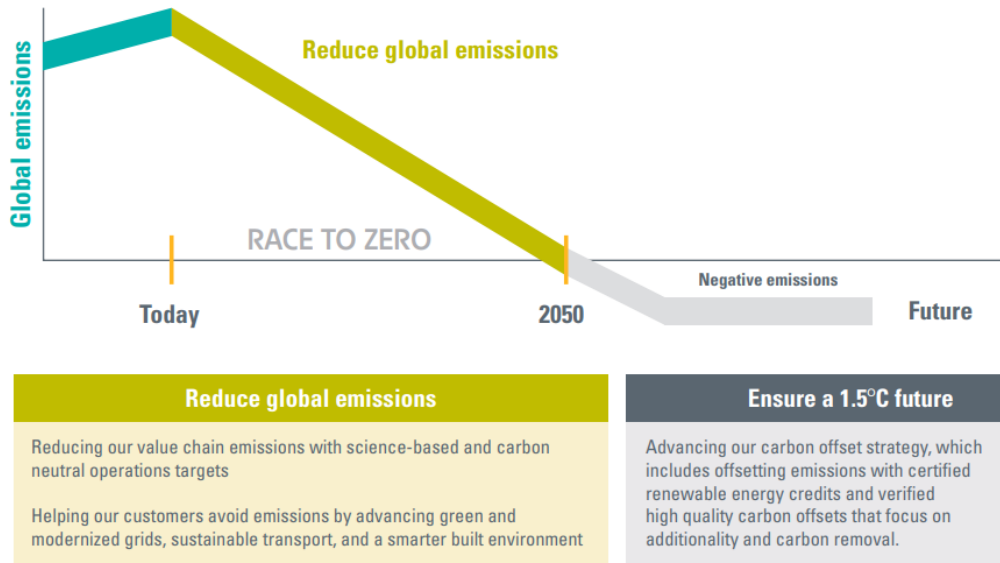


At our sites around the globe, we are focused on reducing energy consumption and greening our energy supply. At the same time, we have defined targets to reduce waste and optimize water use.

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.

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.

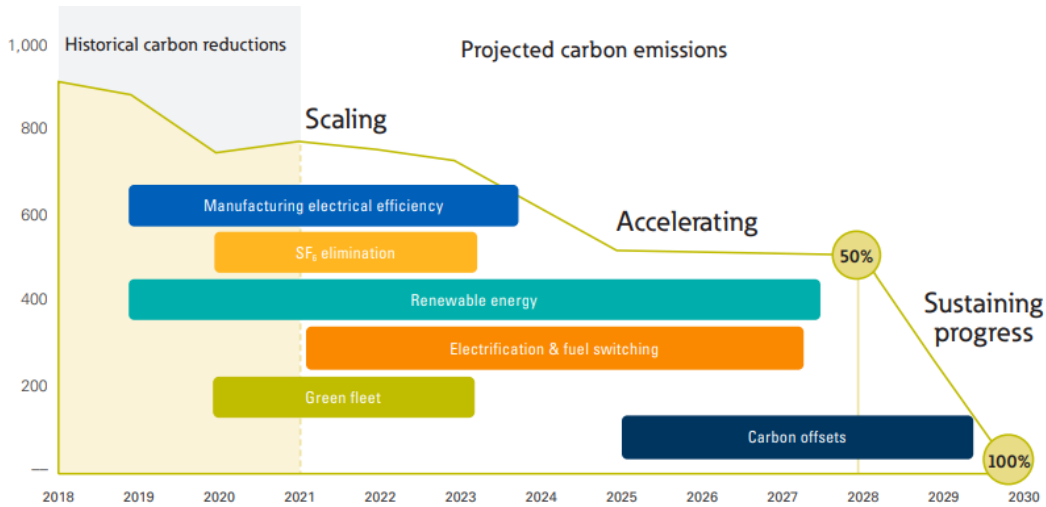
Global 1.5°C scenario



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.

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 are working with our suppliers and customers to meet our science-based target of a 15% reduction of indirect Scope 3 GHG emissions by 2030, using a 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.



Diversity and Inclusion

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.

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 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.

In order to continue improving, we have set ambitious goals to increase representation of salaried global women in management and executive roles to 40% by 2030, increase representation of salaried U.S. minorities in management and executive roles to 34% by 2030, and achieve an inclusion index score of 80% or higher.

Our inclusion and diversity model



Sustainability Governance

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.

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.

– Craig Arnold, Chairman and Chief Executive Officer



Sustainability Executive Council



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 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
- 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

Additional Resources

- [2021 Sustainability Report](#)
- [Global Inclusion and Diversity Transparency Report](#)
- [2022 TCFD Report](#)
- [ESG Databook and GRI Content Index](#)
- [2022 CDP Climate Change Response](#)
- [CY2021 Emissions Verification Scopes 1 and 2](#)
- [CY2021 Emissions Verification Scope 3](#)
- [CY2018 Emissions Verification Scopes 1 and 2](#)
- [Board of Director Governance Policies](#)
- [Slavery and Human Trafficking](#)
- [Supplier Code of Conduct](#)
- [EHS Policy](#)
- [Ethics and Compliance](#)
- [Anti-Corruption Policy](#)
- [Conflict Mineral Disclosure](#)

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

3. Sustainability-Linked Bond Framework

In accordance with its strategy, Eaton Corporation plc and its subsidiaries (together, “Eaton”) has designed this Sustainability-Linked Bond Framework (the “Framework”) under which Eaton intends to structure Sustainability-Linked Bonds (each, an “Eaton Sustainability-Linked Bond”).

The Sustainability-Linked Bond Principles June 2020¹ (“SLBP 2020”), as administered by the International Capital Market Association (“ICMA”), are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking sustainability outcomes and promote integrity in the development of the Sustainability-Linked Bond (“SLB”) market by clarifying the approach for capitalizing with SLBs. Eaton’s Sustainability-Linked Bonds structured under this Framework are in alignment with the five core components of the SLBP 2020.

- 1) Selection of Key Performance Indicator (“KPI”)
- 2) Calibration of Sustainability Performance Targets (“SPTs”)
- 3) Bond characteristics
- 4) Reporting
- 5) Verification

SLBs are an instrument in which the financial and/or structural characteristics may vary according to the achievement, or failure, of predefined sustainability goals. In this sense, we are explicitly committing to future improvements in the sustainability outcomes that are relevant to our business, within a predetermined timeline.

As a result, SLBs are a forward-looking performance-based instrument. The proceeds of SLBs may be used for general purposes or any other purpose; hence, the use of proceeds is not a determinant in our categorization. Thus, please note that SLBs are not to be confused with Sustainability Bonds (i.e., Use-of-Proceeds bonds as currently defined by the Sustainability Bond Guidelines 2021²).

Selection of Key Performance Indicator (KPI)


KPI: Greenhouse Gas Emissions (Scope 1 and 2)

KPI 1	Absolute Greenhouse Gas Emissions from Operations – Scope 1 and 2 (metric tons CO ₂ e)
Definition and Boundary	<p>Eaton’s operational boundary is defined as:</p> <ul style="list-style-type: none"> • Direct (Scope 1) GHG emissions from <ul style="list-style-type: none"> ○ Stationary fuel combustion; ○ Mobile fuel combustion; ○ Fugitive emissions from refrigeration equipment, fire suppression systems, and the manufacturing of electrical equipment; ○ Process emissions from the treatment of wastewater. • Energy indirect (Scope 2) GHG emissions from the consumption of purchased electricity and purchased heat.
Baseline	<p>2018: 935,148 MT of CO₂e</p> <ul style="list-style-type: none"> • Scope 1: 308,303 MT of CO₂e • Scope 2: 626,845 MT of CO₂e

¹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slb/>

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>



Related Sustainability Goal	Reduce carbon emissions from our operations by 50% by 2030 vs. 2018 baseline
Calculation Methodology	GHG emissions are calculated and reported in reference to the requirements of the <i>Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Revised Edition (2004)</i> and the <i>GHG Protocol Scope 2 Guidance (2015)</i> developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI)
UN Sustainable Development Goal Alignment	

KPI Background

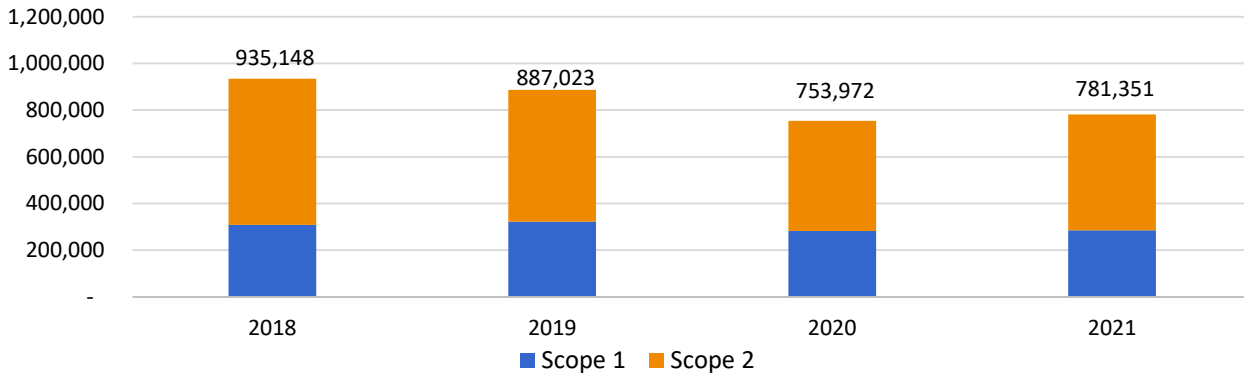
To determine meaningful sustainability accounting metrics in our industry, we utilized the Sustainability Accounting Standards Board (SASB) Electrical & Electronic Equipment Sustainability Accounting Standard. Energy Management is a critical sustainability disclosure topic in our industry and a key focus for Eaton as we consider our energy mix. This is evident in our Scope 2 emissions for 2021 which account for 63.6% of emissions covered by the KPI, as described above.

When we say “we make what matters work,” that means we are also helping to make a healthy planet work. Eaton supports the global movement to limit the world’s temperature increase to 1.5°C. At our sites around the globe, we are focused on reducing energy consumption and greening our energy supply. Our energy consumption is the largest driver of our greenhouse gas emissions. We have been transitioning to more renewable energy sources and continuing to look for opportunities to obtain even more renewables.

Eaton implemented a range of manufacturing energy efficiency projects in 2021 that included process improvements, compressed air efficiency, waste heat capture and other technologies resulting in approximately 4,572 MT Scope 1 and 2 CO₂e reductions at a cost of approximately \$4 million. In the past 6 years, Eaton has completed 229 projects at a cost of about \$9 million.

Eaton Corporation PLC Historical GHG Emissions (Scope 1 and 2)				
Metric Tons CO ₂ e	2018	2019	2020	2021
Scope 1	308,303	321,897	281,945	284,695
Scope 2	626,845	565,126	472,027	496,656
Total Scope 1 and 2 Emissions	935,148	887,023	753,972	781,351
<i>Change Relative to Baseline</i>	<i>N/A</i>	<i>-5.1%</i>	<i>-19.4%</i>	<i>-16.4%</i>

Greenhouse Gas Emissions (MT of CO₂e)

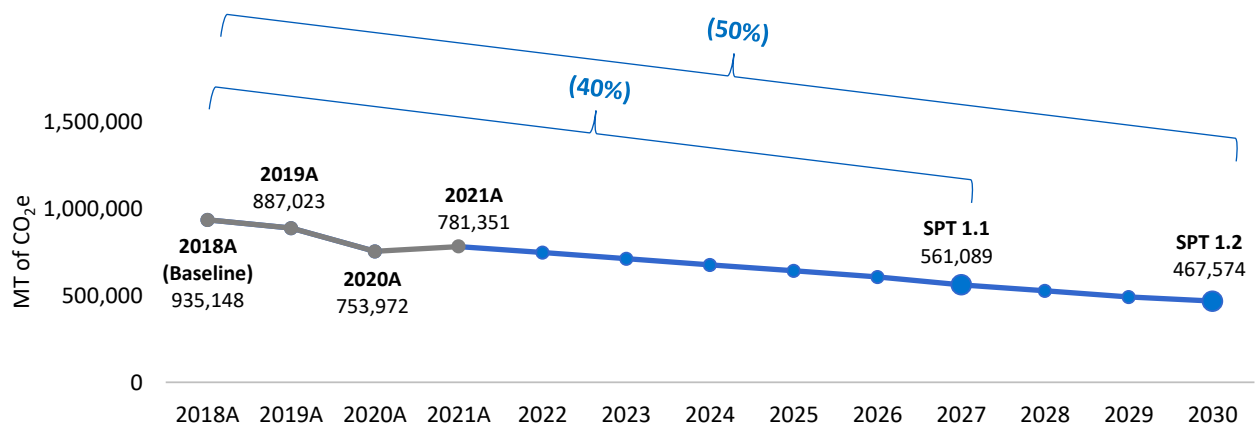


The large drop in 2020 was due to pandemic production decline. Even with increasing production in 2021, we have been able to maintain substantial electricity reductions since 2019.

Calibration of Sustainability Performance Targets (SPTs)

SPT: Reduce Scope 1 and 2 GHG Emissions

SPTs 1.1 and 1.2	SPT 1.1: Achieve at least a 40% reduction in absolute Scope 1 and Scope 2 GHG emissions by year-end 2027 vs. 2018 baseline. This is equivalent of reaching 561,089 MT of CO ₂ e per annum by year end 2027.	SPT 1.2: Achieve at least a 50% reduction in absolute Scope 1 and Scope 2 GHG emissions by year-end 2030 vs. 2018 baseline. This is equivalent of reaching 467,574 MT of CO ₂ e per annum by year end 2030.
Targets and Baseline	Target: 40% Reduction Target Observation Date: December 31 st , 2027 Baseline Level: 935,148 MT of CO ₂ e	Target: 50% Reduction Target Observation Date: December 31 st , 2030 Baseline Level: 935,148 MT of CO ₂ e



SPT Rationale and Ambition

Eaton has chosen 2018 as the baseline year because which was the most recent year with complete verified data available when we set our targets, in line with the guidelines of Science Based Target Initiatives guidelines.

SPT 1.2 is our corporate SBTi-approved target for Scope 1 and 2 emissions while SPT 1.1 is derived through linear interpolation of SPT 1.2. This ambition in corporate target setting was approved with SBTi's 1.5°C-aligned targets, as well as our goal to achieve carbon neutrality. 1.5°C-aligned targets support the IPCC's Sixth Assessment Report which was 'code red' for humanity. In line with SBTi-approval requirements, the potential use of offsets or avoided emissions calculations will not be counted as emissions reduction toward Eaton's SPT 1 achievement progress.

Eaton has chosen to measure GHG emissions in absolute terms (MT of CO₂e) rather than a CO₂ intensity measure, as the company is committed to reducing its overall GHG emissions.

Based on our peer benchmarking analysis conducted in July 2022, our Scope 1 and 2 GHG emissions reduction targets were in line with or more ambitious than most of our global peers.

Key Factors That Support the Achievement of the SPT

- Increasing renewable energy procurement that adds new renewable energy onto the grid
- Advancement of new technologies and new generation equipment that is more efficient
- Sourcing more renewables and on-site renewable energy to reduce energy demand during peak loads
- Geospatial mapping and resilience assessment of critical suppliers, ports and logistics
- Identification of dual manufacturing locations and suppliers for operational resilience
- Business sector verification of site-level deployment of a Heat Stress Program at relevant locations
- Support from the Board of Directors, which includes a member who chairs the Governance Committee and is responsible for environmental issues, including climate change
- Participation in state government working groups to drive energy efficient building codes, electrification, and emissions reduction
- Identifying more efficient, lower-cost, lower carbon energy sources and products

Potential Barriers to Target Achievement

- Extreme events, such as pandemics and natural disasters
- Equipment failure, unexpected facility shutdowns, among other operational factors
- Market constraints in availability and pricing of energy efficient equipment and renewable energy
- Regulatory uncertainty, for example related to the procurement of renewable energy

Financial Characteristics

Eaton will link at least one of the SPTs defined in this Framework to the financial characteristics of an Eaton Sustainability-Linked Bond. For any Eaton Sustainability-Linked Bond aligned with this Framework, if the SPT(s) has not been achieved by the Target Observation Date, or if the performance level against the SPT(s) cannot be calculated or reported in satisfactory manner supported by a verification assurance certificate provided by an external reviewer, or if Eaton does not publish the relevant verification assurance certificate within the time limit as prescribed by the terms and conditions of the Eaton Sustainability-Linked Bond (each a "Trigger Event"), a premium will be payable by Eaton in the form of a step-up in coupon. The amount, timing and mechanism for payment of the premium will be specified in the respective Eaton Sustainability-Linked Bond offering documents and other final terms of the instrument. To evaluate the premium payable by Eaton for each SLB, we will consider the tenor of the respective tranche and its relation to the Target Observation Dates, progress to



date on the KPI at the time of issuance, and comparable SLB transactions to determine the appropriate economic value (i.e. total basis points at risk).

For the avoidance of doubt, if the selected KPI have achieved their SPT(s), and reporting and verification for the SPT(s) have been provided and made public in accordance with the reporting and verification sections of this Framework, the financial characteristics of any bond issued by Eaton under this Framework shall remain unchanged.

Baseline Recalculations

In the event of significant or structural changes at Eaton (including acquisitions, divestitures, or mergers) that individually, or in the aggregate, represent more than 10% of the consolidated assets of the Eaton Corporation plc, calculated by reference to the audited consolidated financial statements of the Eaton Corporation plc for the fiscal year ended December 31, 2018), KPI methodology changes, or changes in data reported due to improved calculation methodologies or better data accessibility, Eaton may, in good faith and at its sole discretion, make adjustments to the boundary of the KPI, calibration of the SPTs or the Baseline stated in the Framework, as applicable. Any future adjustments to the KPI or Baseline will maintain or increase the proposed level of ambition of the SPTs stated in this Framework.

Any adjustments to the SPTs will be reported in the annual Sustainability-Linked Bond report (see Reporting section below) and will be accompanied by a verification statement from an independent qualified external reviewer (see Verification section below).

Reporting

Eaton will annually publish a public report on the Investor Relations website which will include:

- Up-to-date information on Eaton’s performance on the KPI, including the baseline where relevant, and a discussion of the progress towards the SPT(s);
- A verification assurance report relative to the SPT outlining the performance of the KPI and the related impact, and timing of such impact, on the bond’s financial and/or structural characteristics; and
- Any other information that Eaton deems relevant (e.g. updates to Eaton’s sustainability strategy or on the related KPI governance, and more generally any information relevant to the analysis of the KPI and SPT(s)).

When feasible, the report may also include:

- Qualitative or quantitative explanations of the contribution of the main factors, including M&A activities, behind the evolution of the performance of the KPI;
- Illustration of the positive sustainability impacts of the performance improvement;
- Any re-assessments of the KPI and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope; or
- Updates on new or proposed regulations from regulatory bodies relevant to the KPI and the SPTs, if available.

This report will be published within 6 months after each fiscal year-end, and will be provided annually, at least until the date/period relevant for assessing the achievement of the SPT(s) has been reached. Thereafter, Eaton will continue to provide updates related to its KPI performance through its annual Sustainability Reporting.

External Review

Second Party Opinion

Eaton has commissioned S&P Global Ratings to conduct an external review of its Sustainability-Linked Bond Framework, and to issue a Second Party Opinion (“SPO”) on the Framework’s alignment with the Sustainability-Linked Bond Principles (2020). The SPO will be made available on S&P Global Rating’s website.



Verification

Eaton will continue to obtain independent external verification of performance for the stated KPI, which it has done since 2018, by a qualified external reviewer consistent with reasonable levels of assurance.

Verification by an independent external verifier to at least a limited level of assurance will be provided annually, at least until the date/period relevant for assessing the achievement of the SPT(s) has been reached and in connection with any Trigger Event as specified in the respective SLB offering documents. The verification of the performance of the KPI will be made publicly available on Eaton's Investor Relations website.

Disclaimers and Cautionary Statements

The information and opinions contained in the Framework are provided as of the date of this Framework and are subject to change without notice. None of Eaton or any of its subsidiaries or affiliates assume any responsibility or obligation to update or revise any such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise.

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