

Ichaya Dhungel KC Business Regional Manager, EHS

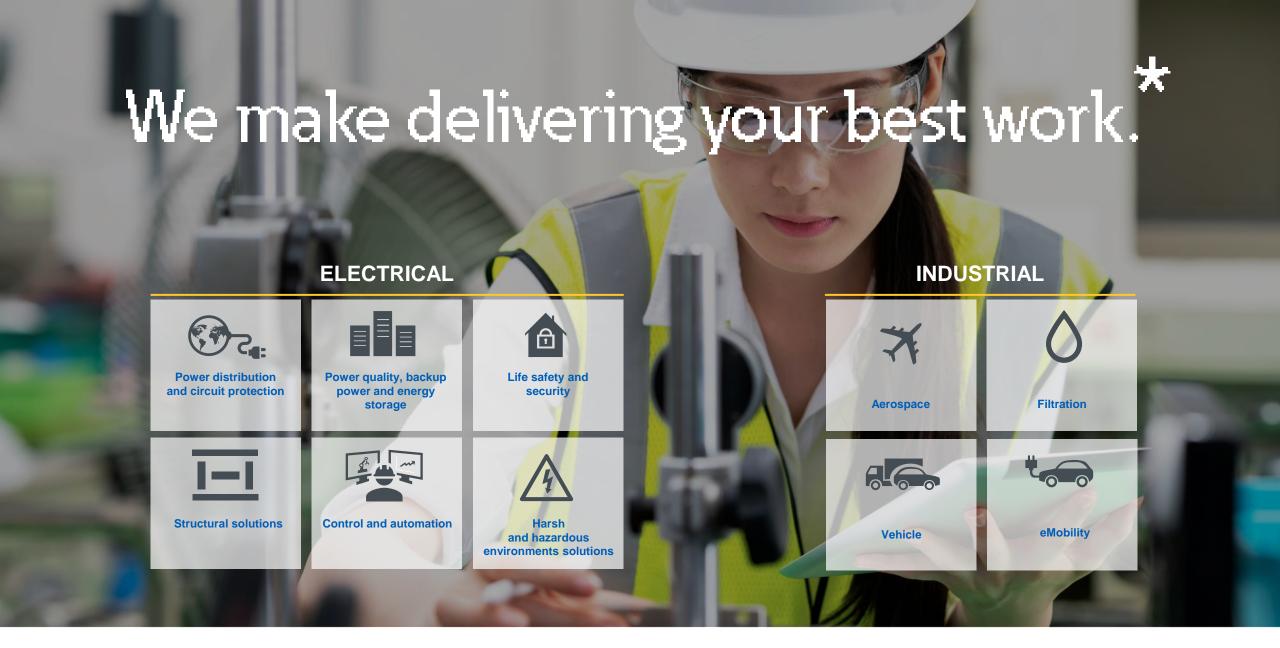


Who is Eaton?

We are an intelligent power management company doing business in more than 170 countries with annual sales of over \$23.2 billion USD.

We make what matters work."







Headquarters and key locations





Eaton in North Carolina

North Carolina Statewide Footprint



Locations



500+ **Suppliers**



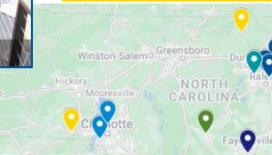
2022 Supplier **Spend**











Vehicle Group Manufacturing

Kings Mountain

Pinehurst



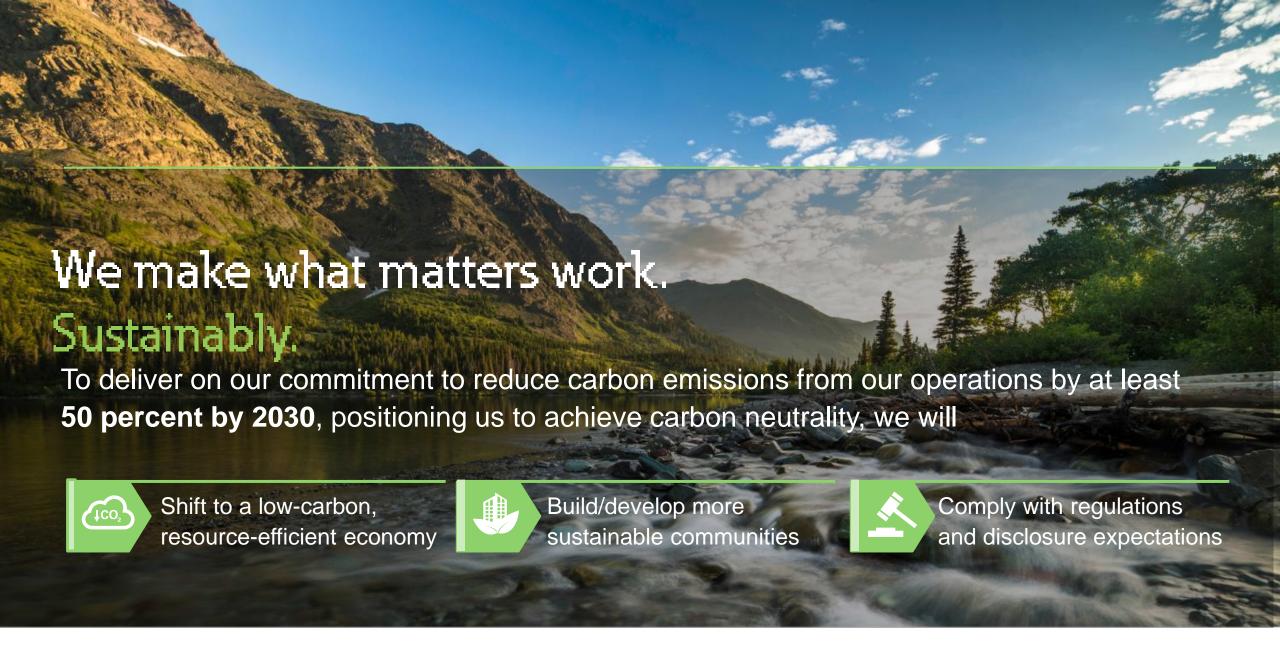




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Critical Power System (CPS) Raleigh Area Facilities

	The HUB @ Forum Drive	Service Training Center (STC)	Raleigh Plant (RPO)	Capital Plant (CPO)	Youngsville Plant (YPO)	Knightdale WH (KWO)					
Primary Function	CPS Division HQ	Training Internal & External	Assembly & Test	Service & Outbound Logistics	Assembly & Test	Warehouse FAA Depot					
					FATON						
Location	8609 Six Forks Rd Raleigh, NC	4812 Hargrove Rd Raleigh, NC	3301 Spring Forest Rd Raleigh, NC	8380 Capital Blvd Raleigh, NC	45 Weathers St Youngsville, NC	540 Hinton Oaks Blvd Knightdale, NC					
Size	93,500 ft ²	34,750 ft ²	176,000 ft ²	185,000 ft ²	140,000 ft ²	120,000 ft ²					
Other Functions	 Division Finance, HR, PLM GCSS ESS Federal Operations 	 Service Tech Training Product Demo Product Documentation 	 Assembly & Test: 3- Phase UPS, Ancillary Equipment DCS Engineering CPS Engineering 	 FG Consolidation & Distribution Service Supply Chain Battery Cabinet assembly Repair Depot D-IT Engineering 	Assembly & Test: 1- Phase UPS, SPD, Rack PDU	 Inbound Material Storage & Distribution FAA Operations 					





Our sustainability strategy

The world is converging on a vision for the future. One in which **9 billion people can live well** within planetary boundaries by 2050. Scientific consensus has **sharpened the urgency and ambition** required to meet this vision.

To limit global warming to a level in which humans can still thrive, we must halve global carbon emissions by 2030, and reduce them to net zero by 2050. And it is not just carbon, we know we must also consider our impacts on nature and sustainable development.

At Eaton, we believe we can help solve this. We can improve the quality of life and the environment while we grow and create good opportunities for our employees, our customers and society.

We are deploying our four-part sustainability strategy, which addresses environmental, social and governance issues and positions us to develop climate solutions that advance the world's transition from fossil fuels to renewable sources of energy, accelerate the electrification of vehicles, airplanes, buildings and communities, and meet the exponential growth in society's demand for software, data and intelligent insights with our digital solutions.

Our mission is to improve the quality of life and the environment



Creating sustainable solutions

- Energy transition
- Digitalization
- Electrification
- Sustainable R&D



Reducing our footprint

- Science-based GHG target
- Carbon neutrality
- Zero waste to landfill
- Zero water discharge



Engaging our employees and communities

- Employee engagement
- Inclusion and diversity
- Employee training and development
- Volunteering and charitable giving



Doing business right and transparency

- Ethics and compliance
- Health and safety
- Sustainable supply chain
- U.S. minority and gender pay equity
- Governance



We're making considerable progress in achieving our goals



Creating sustainable solutions

Sustainable solutions

71%*

Goal: Increase net sales from solutions that enable a more sustainable future

Sustainable R&D investment

\$1.3B**

Goal: Invest more than \$3 billion in R&D aligned with our Positive Impact Framework by 2030

Value chain emissions

25% down since 2018

Goal: Reduce Scope 3 emissions from our solutions and value chain by 15% (science-based target)



Reducing our footprint

Greenhouse gas

31% reduced since 2018

Goal: Reduce Scope 1 and 2 emissions in our operations 50% (science-based target)

Waste

79% certified

Goal: Certify 100% of our manufacturing sites as zero waste to landfill

Water

16% certified

Goal: Certify 10% of manufacturing sites as zero water discharge



Engaging our employees and communities

Employee engagement

84%

Goal: Achieve and maintain employee engagement scores of 80% or higher

Training hours

14.7

Goal: Commit to 12 hours employee development and training per employee, per year

Volunteer hours

73,183

Goal: Record 250,000 employee volunteer time, annually



Doing business right and transparency

Safety results

.43

Goal: Achieve Total Recordable Case Rate (TRCR) of 0.25 .20

Goal: Achieve Days Away Case Rate (DRCR) of 0.15

Suppliers

95%

Goal: Suppliers representing 100% of supplier spend have affirmed our Code of Conduct

Pay equity



Goal: Share our minority and gender pay equity assurance results

Report material sustainability matters in alignment with the TCFD, SASB and CSRD reporting frameworks.

^{*}Net sales were from sustainable solutions that enable the energy transition, digitalization, industrial automation, EV charging, electrification of transport and grid resilience and stability

**Sustainable R&D represents an estimate of our R&D spend that aligns with certain aspects of our Positive Impact Framework and other similar investments.



AT OUR SITES AROUND THE GLOBE, we are focused on reducing energy consumption and decarbonizing our energy supply, and have committed to rigorous, defined targets to reduce waste and water discharge.

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.

31%

reduction in our greenhouse gas emissions since 2018

79%

of our manufacturing sites certified as zero waste to landfill

- Reducing greenhouse gas emissions
- Zero waste
- > Industry 4.0
- Water stewardship

16%

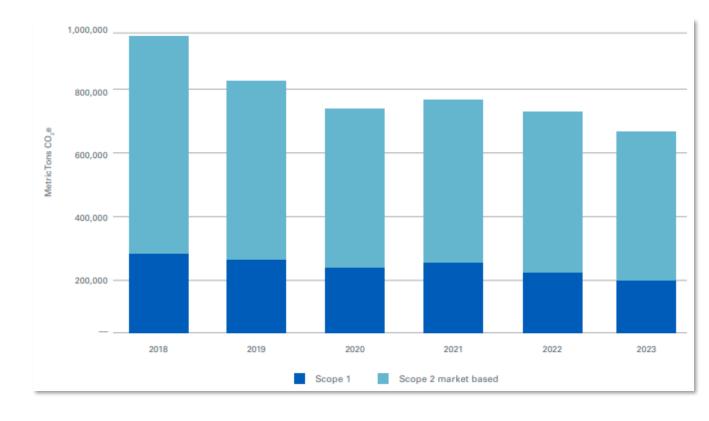
of our manufacturing sites certified as zero water discharge



Reducing our footprint: Emissions and energy use

- We are driving actions to decarbonize our emissions and advance a net-zero future. According to the IPCC, to avoid the most catastrophic impacts of climate change we must limit global warming to 1.5°C and reach net-zero global carbon emissions by 2050.
- Our greenhouse gas reduction targets put us on a pathway that is aligned with reaching this target and have been approved by the Science-Based Targets initiative (SBTi).
- Our goal is to reduce greenhouse gas emissions from our operations by 50%. We will achieve this 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.

We have reduced our emissions in our operations by 35% since our baseline in 2018

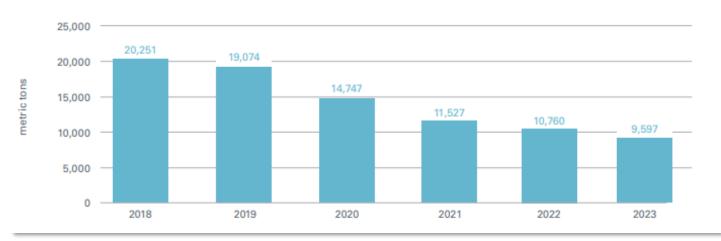


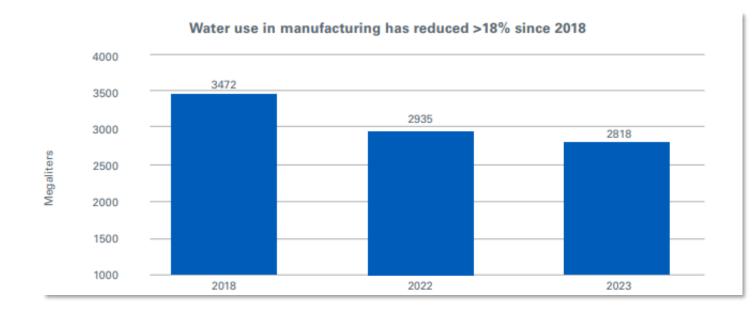


Reducing our footprint: Waste and water

- We continue to make progress on our waste reduction target to reduce total waste bound for landfill by 2% each year—far exceeding this goal, reducing waste going to landfill by 53% since 2018.
- We have reduced water use in manufacturing by more than 18% since 2018.
- ▶ In 2023, we exceeded our target to certify 10% of our manufacturing sites as zero water discharge, certifying 16% by the end of the year.

Landfilled waste has decreased 53% since 2018 (metric tons)







Commitment to climate action

- We are working to both reduce our energy demand and green our energy supply.
- We are focusing on the first six primary levers to reduce our Scope 1 and 2 greenhouse gas emissions.
- In the near-term we are not prioritizing the use of carbon offsets, but we may use credible carbon offsets in the future to meet our carbon neutral aims.
- From 2023-2025, we are prioritizing energy efficiency, fugitive emissions and renewable energy procurement that prioritizes additionality adding new renewable energy to the grid.

Manufacturing efficiency



We will continue to implement capital projects that reduce electricity through more efficient and automated manufacturin equipment and technologies as well as building envelope and sytem improvements.

Fugitive emissions



We will implement alternative solutions to reduce fugitive emissions from refrigerants and sulfur hexaflouride (S _s) from our systems and processes.

Renewable energy



We will deploy on-site solar panels, energy storage and microgrids in key Eaton locations. We will add new renewables to the grid through off-site utility-scale solar and wind projects.

Green fleet



We have committed to deploy electric vehicles, charging infrastructure and more efficient fleets for our sales, service and othe operational vehicles.

Electrification and fuel switching



We will switch to sustainable fuel sources where possible for processes that combust fuel on-site. Where we can't, we'll electrify processes with renewables.

Site strategy



We will continue to ensure efficient operations by implementing a strategy to right-si e the square footage of our buildings and manufacturing operations globally.

Carbon offsets

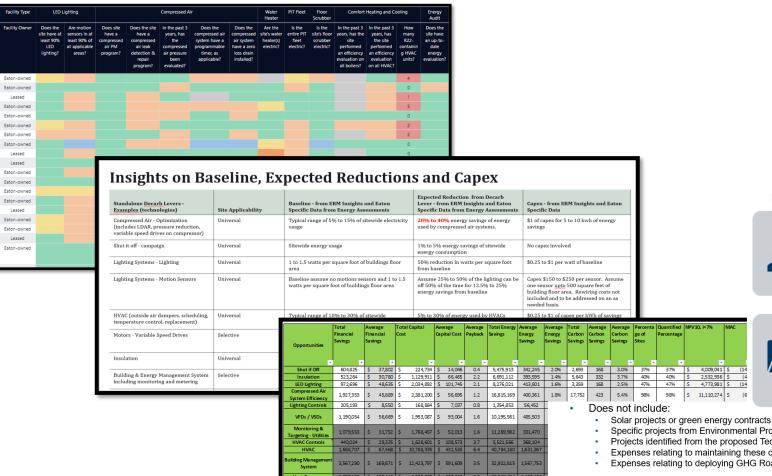


We will offset emissions that aren't addressable through other levers with certified rene able energy credits and verified high quality carbon offsets that focus on additionality and carbon removal.

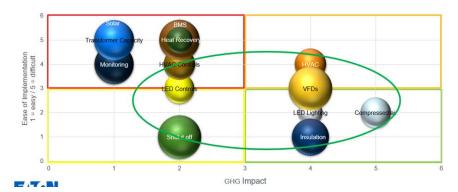


Sustainability Opportunity Map

Developing a strategy by reviewing over 200+ sites



GHG Opportunity by # of Sites





Centralized fund for enterprise-wide deployment projects

Cross-functional review team



Business-driven projects to tackle process specific opportunities to close year-to-year gap

· Sites submit projects through Environmental Project Database (EPD) and Business EHS reviews and nominate which move forward

- Specific projects from Environmental Project Database
- Projects identified from the proposed Technology Improvements technical team
- Expenses relating to maintaining these capital investments (i.e., routine compressor maintenance)
- Expenses relating to deploying GHG Roadmap (project management, system upgrades, etc.)

Opportunity	# of Sites w/ Opportunity	Estimated Capital Investment (\$USD)	Average Energy Cost Savings (First year, \$USD)	Net Project Cost (\$USD)	Average Payback (years)	Energy Reduction (mwh)	GHG Reduction (mtco2e)	Cost per Opportunity (USD\$)	GHG Impact per Opportunity (mtco2e)	Cost per
LED Lighting	62	\$11,199,136	\$6,798,818	\$4,400,318	1.6	33,597.41	11,177.07	\$180,631.22	180.2752717	\$1,002
Lighting Controls	149	\$13,003,340	\$4,517,475	\$8,485,865	2.9	24,231.09	9,052.98	\$87,270.74	60.75828394	\$1,436
Compressed air	99	\$7,116,733	\$5,875,676	\$1,241,058	1.2	35,583.67	14,599.04	\$71,886.20	147.4650303	\$487
VFDs	194	\$2,128,476	\$867,563	\$1,260,913	2.5	5,321.07	2,152.03	\$10,971.52	11.09292053	\$989
Insulation	151	\$4,238,455	\$1,412,818	\$2,825,636	3.0	19,406.54	6,654.85	\$28,069.24	44.07182768	\$637
	Totals	\$37,686,140	\$19,472,350	\$18,213,790	2.2	118,139.8	43,636.0			



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- Employee engagement
- Inclusion and diversity
- Employee training and development
- Volunteering and charitable giving



Doing business right and transparency

- Ethics and compliance
- Health and safety
- Sustainable supply chain
- U.S. minority and gender pay equity
- Governance









- Inclusion and diversity
- Volunteering and charitable giving

OUR EMPLOYEES ARE THE HEART AND SOUL OF EATON—so we

strive to create a workplace that's exciting, engaging and meaningful. We want them to feel welcome, do their best work and choose to stay.

While individual engagement remains a critical focus for our company, the heart of an inclusive experience lies in leaders who actively build an environment of trust where individuals and teams thrive

83%

of employees who took global survey agree that they can be themselves at work. 86%

of employees who took global survey agree they're proud to work at Faton 73K

Hours our employees volunteered in their communities in 2023



Our Mission is to Improve the Quality of Life and the Environment

Eaton Raleigh Sustainability Achievements



Eaton Raleigh sites have been members of the North Carolina Environmental Stewardship Initiative since 2015, with two sites holding Steward level certifications and another anticipated for 2024.

Eaton Raleigh sites have consistently diverted landfill waste and recycled more than 5 million tons since 2015.



F.T.N

This

Eaton site
has been certified
Zero Water
Discharge

Eaton Raleigh sites have produced no industrial water discharge since 2023.

2030 Sustainability Targets





Creating sustainable solutions

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

Reducing our footprint

- 50% reduction in carbon emissions
- 100% manufacturing sites zero waste-to-landfill
- 10% manufacturing sites zerowater discharge





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 per SASB and TCFD requirements
- Disclose U.S. minority & global gender pay equity assurance results

Environmental Stewardship Initiatives Recognition

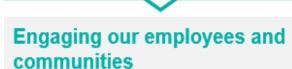
Celebrate the Wins





- Networking & partnership opportunities
- External recognition for our organizations/employees
- Employee engagement to drive improvements
- Continuous learning environment





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- 12 hours training and development per employee each year
- 250,000 hours of volunteer time per year







This Eaton site has been certified Zero Water Discharge

Sustainability Champion

Leads the way in environmental, health, safet or community-focused programs





- All three Raleigh Area Plants achieved Zero Water Discharge Certification (ZWaD) during the quarter.
- The sites were able to reduce freshwater demand and industrial wastewater discharge which directly supports Eaton's 2030 Sustainability goals.
- Now, all three locations are both Zero Waste to Landfill <u>and</u> Zero Water Discharge aligned with the divisional goal for all our locations to be ZWTL and ZWaD by 2026!







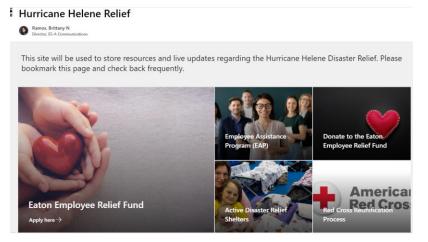




Employee Engagement and Community Involvement

Hurricane Helene Relief Efforts!

Western North Carolina/South Carolina







Donate your

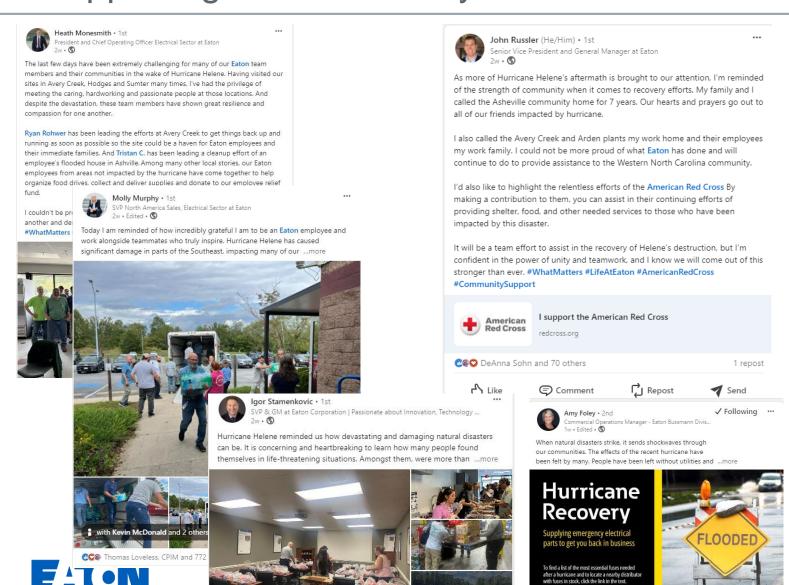
e-stars

volunteer

- 100% employees accounted for and safe
- Significant property damage or total loss of home and belongings and we still have hundreds without utility services for power and water
- Deployed "Executive Support Team" immediately including all impacted Plant Managers, VPGM and President for the Sector and all functional support team
- Daily Call to ensure we are providing relief efforts, supplies, Employee Assistance Program (EAP) etc
- Employee Support (Supplies, Generator, Food, Blanket, Jacket etc)



Hurricane Recovery Supporting our community and our team!



Powering Business Worldwide

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