

We make diverse perspectives work.\*



*Powering Business Worldwide*



# \* Because we know that diverse perspectives build a better company.

At Eaton, we know 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 and making it possible for us to meet the needs of our customers and all our stakeholders.

Despite the challenges of the past year and a half, 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.

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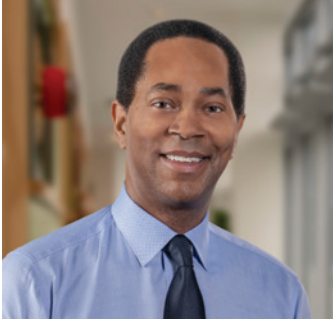
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## Standing up for what matters **when it matters most**



There are moments when events unfold in society that run counter to the values promoted within organizations. And during those times, we're faced with the choice of standing up for what we believe in, or staying quiet.

This past year was punctuated by moments that challenged companies to decide how they would lead in this important moment in history: to be quiet and avoid the risk of offending someone, or to take a position and lead by our stated values. At Eaton, we chose to take a position and lead by our values.

empowered to contribute to our company and society in meaningful ways.

We're also committed to being transparent about our efforts, so in this inaugural issue of our inclusion and diversity report, we're pleased to provide a comprehensive update on all we're doing to create a welcoming and equitable work environment. We've also included our inclusion and diversity metrics, which reflect how we're progressing toward our goals.

As part of the business community, we understand that our responsibility goes well beyond the impact we have within our own organization. We're in a position to drive real and lasting change throughout society as our efforts have a significant impact on our employees and

**“As part of the business community, we understand that our responsibility goes well beyond the impact we have within our own organization. We're in a position to drive real and lasting change throughout society.”**

Our mission is to improve the quality of life of those around us, and we're committed to doing all we can to improve society as a whole. We condemn in the strongest terms acts of hate, racism, misogyny, xenophobia and discrimination of any kind. So, when the events of the year sparked outrage around the world, the people of Eaton stood together, calling for social justice and equality for all, and demanding an end to systemic racism and discrimination.

As a leader, I believe it is my responsibility and the responsibility of all Eaton leaders to promote the behaviors and aspirational goals that create the culture of our company. They guide us in how we interact with our customers, suppliers and our communities. Among these is our goal to become a model of inclusion and diversity—a place where our employees feel they belong, where they're valued, and where they feel

their families, our vast network of suppliers, and the 600 communities where we operate around the world. And it's a responsibility that we embrace.

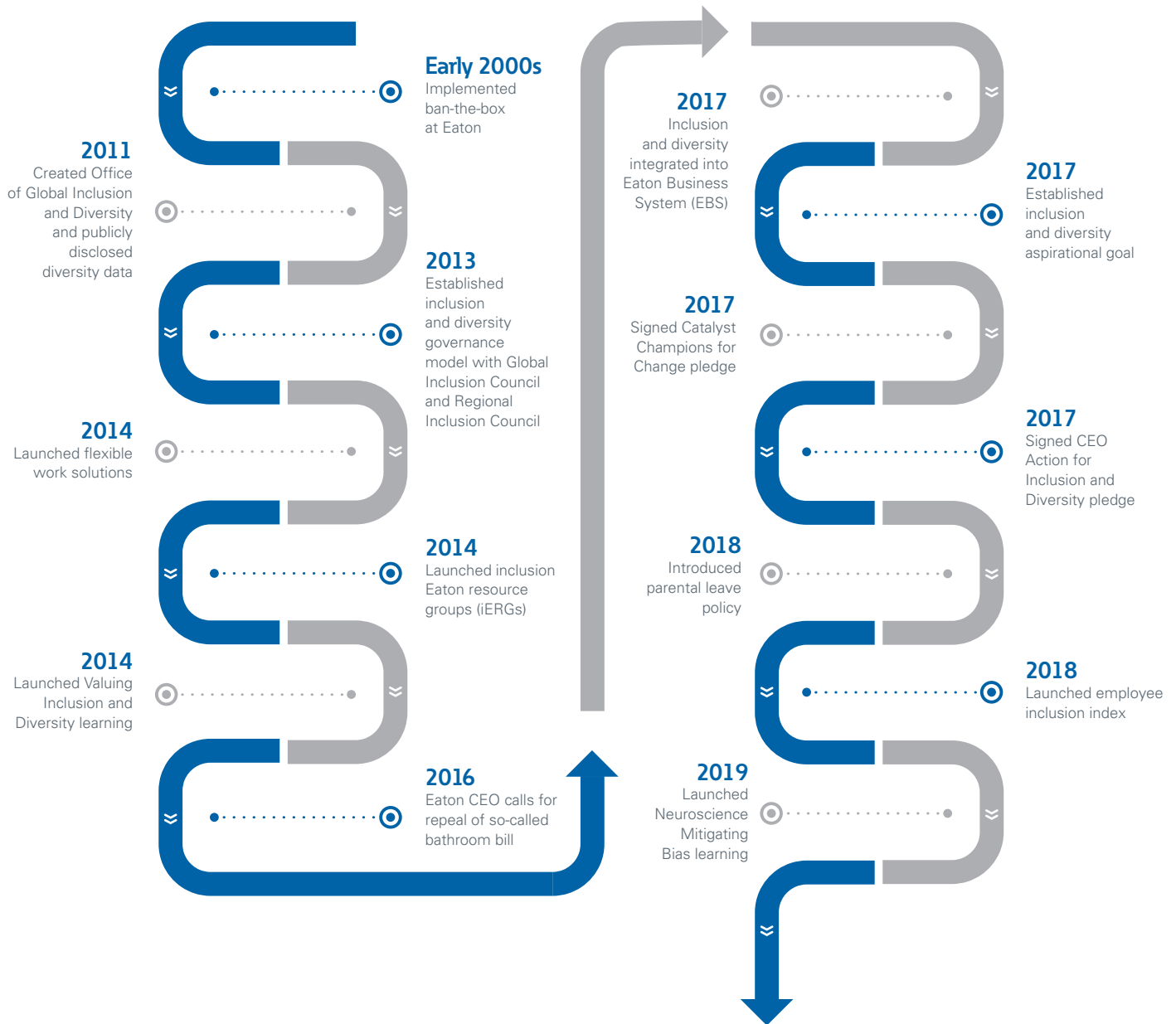
This past year has given each of us an opportunity to reflect on who we are and what we stand for. At Eaton, we know we're a company that leads by its values. We're dedicated to improving the quality of life for all. And we're a company committed to doing everything in our power to help create the equitable and compassionate society we all deserve.

A handwritten signature in black ink that reads "Craig Arnold". The signature is written in a cursive, flowing style.

**Craig Arnold**  
Chairman and Chief Executive Officer

# Our journey

We have long believed an inclusive and diverse workplace is a better one. Today, we remain deeply committed to putting diverse perspectives to work and becoming a model of inclusion and diversity in our industry.



**Every milestone matters.**



## Our vision

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

## Our aspirations

- 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

# Our leadership

No matter where a person sits in our organization, we expect they will demonstrate several important qualities that we refer to as our leadership attributes. Like our aspirational goals, which define what we stand for, these simple statements define who we are and how we should act. Simply put, we want our employees to be:



**“Great companies are built on great cultures—and that can only come from great people. They don’t always look alike, and more importantly, they don’t always think alike. In fact, we don’t want them to—because we believe the best ideas come when diverse minds are at work; when people feel safe enough to speak up. It is through their collective experiences, ideas and perspectives that we are not just enlightened—we are better.**

I want Eaton to be a place where we get better each day. Where we open ourselves up to the unfamiliar, and at times, even the uncomfortable. Because that is how we grow.

But to grow personally and professionally, we must be intentional about inclusion. We must be decisive when it comes to our commitment to diversity. It’s what lets our people know they matter, what builds better teams, and what ultimately enables us all to flourish.”

*Ernest Marshall, executive vice president and chief human resources officer*

# Eaton directors as of October 1, 2021

## Craig Arnold

*Chairman and Chief Executive Officer*

## Christopher M. Connor

*Retired Chairman and Chief Executive Officer, The Sherwin-Williams Company, Cleveland, Ohio, a global manufacturer of paint, architectural coatings, industrial finishes and associated supplies*

## Olivier Leonetti

*Executive Vice President and Chief Financial Officer, Johnson Controls International plc, Cork, Ireland, a global leader in building technology and connected solutions for fire, HVAC and security equipment for buildings*

## Deborah L. McCoy

*Independent Consultant, Former senior vice president, Flight Operations, Continental Airlines Inc., Houston, Texas, a commercial airline*

## Silvio Napoli

*Executive Chairman of the Board of Directors, Schindler Holding Ltd., Hergiswil, Switzerland, a global provider of elevators, escalators and related services*

## Gregory R. Page

*Retired Chairman and Chief Executive Officer, Cargill Incorporated, Minneapolis, Minnesota, an international marketer, processor and distributor of agricultural, food, financial and industrial products and services*

## Sandra Pianalto

*Retired President and Chief Executive Officer, Federal Reserve Bank of Cleveland, Ohio*

## Robert Pragada

*President and Chief Operating Officer, Jacobs Engineering Group Inc., Dallas, Texas, a professional and technical solutions company*

## Lori J. Ryerkerk

*Chairman, Chief Executive Officer and President, Celanese Corporation, Irving, Texas, a global chemical and specialty materials company*

## Gerald B. Smith

*Chairman and Chief Executive Officer, Smith, Graham & Company, Houston, Texas, an investment advisory firm*

## Dorothy C. Thompson

*Retired Chief Executive, Drax Group plc, London, England, a power generation company*

## Darryl Wilson

*Founder, Chairman and President, The Wilson Collective, Houston, Texas, a business advisory and investment firm*



**“It is critical for companies to stay focused** on hiring, developing and retaining a diverse workforce, and obviously women are an important part of that focus. Building and maintaining a diverse workforce is critically important to the board of directors.”

*Sandra Pianalto, Eaton’s board of directors*

# Eaton global leadership team as of October 1, 2021

## Reaching a milestone

At the end of 2020, **50% of our directors were either women or U.S. minorities, and U.S. minorities comprised 54% of our global leadership team.**

### Craig Arnold

*Chairman and Chief Executive Officer*

### April Miller Boise

*Executive Vice President and Chief Legal Officer*

### Christina Bosserd

*Senior Vice President, Internal Audit*

### Rogério Branco

*Executive Vice President, Supply Chain Management*

### Brian S. Brickhouse

*President, Americas Region, Electrical Sector*

### Nandakumar Cheruvatath

*President, Aerospace Group*

### Timothy N. Darkes

*President, Europe, Middle East and Africa Region, Corporate and Electrical Sector*

### Mary Kim Elkins

*Senior Vice President, Taxes*

### João V. Faria

*President, Vehicle Group*

### Scott Hearn

*President, Global Crouse-Hinds, B-Line and Oil and Gas Organization, Electrical Sector*

### Daniel Hoppgood

*Senior Vice President and Controller*

### Yan Jin

*Senior Vice President, Investor Relations*

### Harold V. Jones

*Executive Vice President, Eaton Business System and Sustainability*

### Howard Liu

*President, Asia-Pacific Region, Electrical Sector and China Corporate*

### Raja Ramana Macha

*Executive Vice President and Chief Technology Officer*

### Ernest W. Marshall Jr.

*Executive Vice President and Chief Human Resources Officer*

### Heath B. Monesmith

*President and Chief Operating Officer, Industrial Sector*

### Thomas B. Okray

*Executive Vice President and Chief Financial Officer*

### Kirsten M. Park

*Senior Vice President, Treasury*

### Katrina R. Redmond

*Senior Vice President and Chief Information Officer*

### Joe Rodgers

*Senior Vice President, Ethics and Compliance*

### Harpreet Saluja

*Senior Vice President, Corporate Development and Planning*

### Taras G. Szmagala Jr.

*Senior Vice President, Public and Community Affairs and Corporate Communications*

### Uday Yadav

*President and Chief Operating Officer, Electrical Sector*

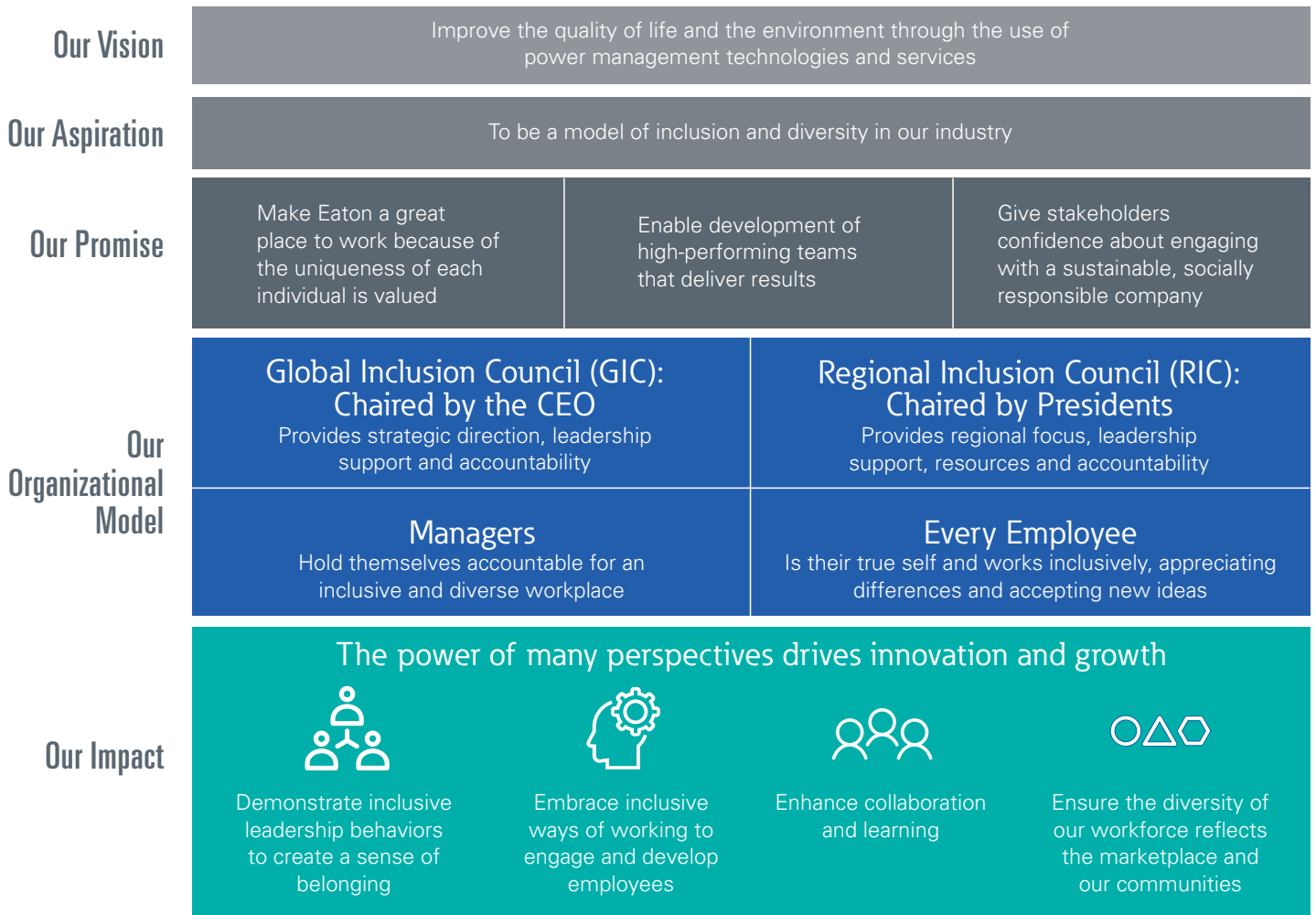
### Aravind Yarlagadda

*Executive Vice President and Chief Digital Officer*





# Our inclusion and diversity model



## The Power of Perspectives

Inclusion and Diversity at Eaton



**“I firmly believe that inclusion and diversity is more about building capability into people, processes and practices and less about initiatives. Consider the lack of sustainable progress in this space over so many years. This is due in part to short-term initiatives which have not focused on the true root causes or the ‘long game.’ Inclusion and diversity is a complex puzzle—made up of several uniquely-shaped pieces with the potential to interlock, and in turn, unlock true innovation and growth.”**

*Monica Jackson (she/her), vice president, Global Inclusion and Diversity*

# Our progress as of December 31, 2020

It is Eaton's policy to make all decisions regarding employment, including hiring, compensation, training, promotions, transfers, or layoffs, based on the principle of equal employment opportunity and without discrimination. As of December 31, 2020, Eaton's distribution by gender and United States distribution by ethnicity was as follows:

## Eaton global employment diversity

	Global total		Global women		U.S. total		U.S. minorities*	
Board of directors	12	4	33.3%	9	2	22.2%		
Global leadership team	26	5	19.2%	24	13	54.2%		
Executives	594	126	21.2%	412	73	17.7%		
Managers	7,479	1,705	22.8%	3,877	698	18.0%		
All other employees	83,888	27,722	33.0%	21,522	7,276	33.8%		
<b>All employees</b>	<b>91,987</b>	<b>29,558</b>	<b>32.1%</b>	<b>25,835</b>	<b>8,060</b>	<b>31.2%</b>		

\*Excluding Puerto Rico

## Eaton U.S. employment by ethnicity\*

	American Indian or Alaska Native		Asian		Black or African American		Hispanic or Latino		Native Hawaiian or other Pacific Islander		Two or more races		White	
Global leadership team	0	0%	7	29.2%	4	16.7%	1	4.2%	0	0%	1	4.2%	11	45.8%
Executives	1	.2%	22	5.3%	16	3.9%	29	7.0%	–	0.0%	5	1.2%	339	82.3%
Managers	7	.2%	283	7.3%	149	3.8%	206	5.3%	13	0.3%	40	1.0%	3,177	81.9%
All other employees	129	.6%	1,129	5.2%	3,754	17.4%	1,976	9.2%	50	0.2%	238	1.1%	14,211	66.0%
<b>All employees</b>	<b>137</b>	<b>0.5%</b>	<b>1,434</b>	<b>5.6%</b>	<b>3,919</b>	<b>15.2%</b>	<b>2,211</b>	<b>8.6%</b>	<b>63</b>	<b>0.2%</b>	<b>283</b>	<b>1.1%</b>	<b>17,727</b>	<b>68.7%</b>

\*Excluding Puerto Rico. Percentages do not total 100% due to new acquisitions.

## Eaton global employment by age

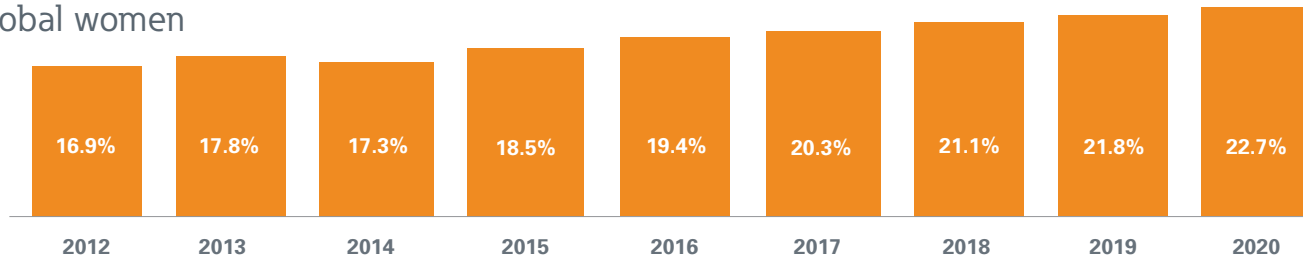
	Employees under 30		Employees 30-50		Employees over 50	
Board of directors	0	0%	0	0.0%	12	100.0%
Global leadership team	0	0%	7	26.9%	19	73.1%
Executives	0	0%	326	54.9%	268	45.1%
Managers	81	1.1%	4,772	63.8%	2,626	35.1%
All other employees	18,342	21.9%	47,602	56.7%	17,944	21.4%
<b>All employees</b>	<b>18,423</b>	<b>20.0%</b>	<b>52,707</b>	<b>57.3%</b>	<b>20,857</b>	<b>22.7%</b>

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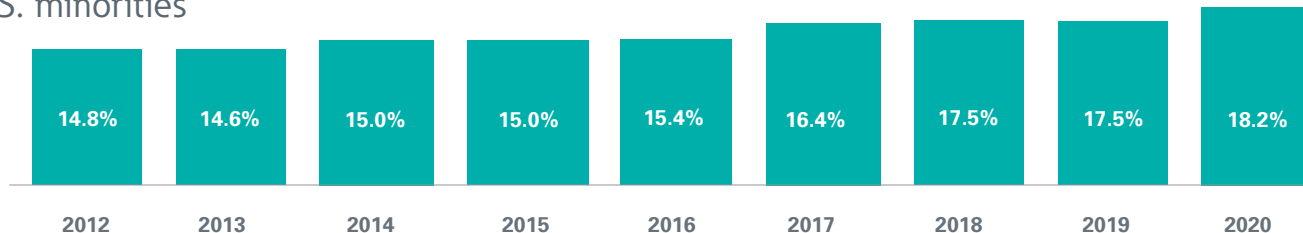
# Representation trend

Women and U.S. minorities\* (management and executive roles)

## Global women



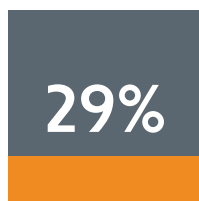
## U.S. minorities\*



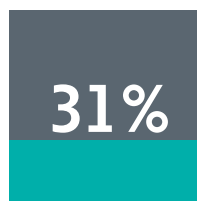
# Talent flows: Attracting, retaining and promoting

Women and U.S. minorities\* (management and executive roles) 3-year average, 2018-2020

## New hire ratio



Global women



U.S. minorities\*

## Total turnover rates



Global women



Global men



U.S. minorities\*



U.S. non-minorities\*

## Promotion rates

Into and within management and executive roles



Global women



Global men



U.S. minorities\*



U.S. non-minorities\*

\*Excluding Puerto Rico

# Our people, processes and practices



Our employees are the heart and soul of Eaton. And we make work exciting, engaging and meaningful for them. Not only does that help them do their best—it keeps them here. We maintain a clear code of ethics and ensure that our facilities are safe and sound. We provide flexible work options, assure fair pay, and offer opportunities to advance. We want Eaton to be a place that's open to everyone. And that's why we're building an environment where the best talent can flourish.



**Of those who completed our pulse survey in 2020,**  
83% of employees said they were proud to work at Eaton.

## Acting with integrity and protecting human rights

Doing business right means conducting ourselves with integrity in our interactions with each other, our customers, our suppliers and the communities where we live and work. As a participant in the U.N. Global Compact (UNGC), 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 also embodied in our Code of Ethics, which consists of 12 fundamental principles of ethical behavior. Given the importance of our Code of Ethics, we also have an annual affirmation process.

## Making work safe and sound

The year 2020 presented unusual challenges. Since we play such a vital role in sustaining global infrastructure and power supply, we made the critical decision to maintain our operations throughout the pandemic. Many of our customers were also essential businesses, including hospitals, military sites, utilities, transportation and shipping providers, data centers, retail outlets, airports, governments, and the networks supporting schools and remote workers.

We kept our workforce safe by implementing new cleaning and disinfecting protocols, social distancing procedures, staggering shifts, rotating office work schedules, and modifying work and meeting spaces. We required employees to stay at home if feeling ill and restricted visitors to our sites.

## Assuring fair pay

Eaton is committed to fostering equal opportunity and pay equity 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. In the future, we plan to share our minority and gender pay equity results.

# #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.

*Eaton Code of Ethics*

## Advocating for the LGBTQ community

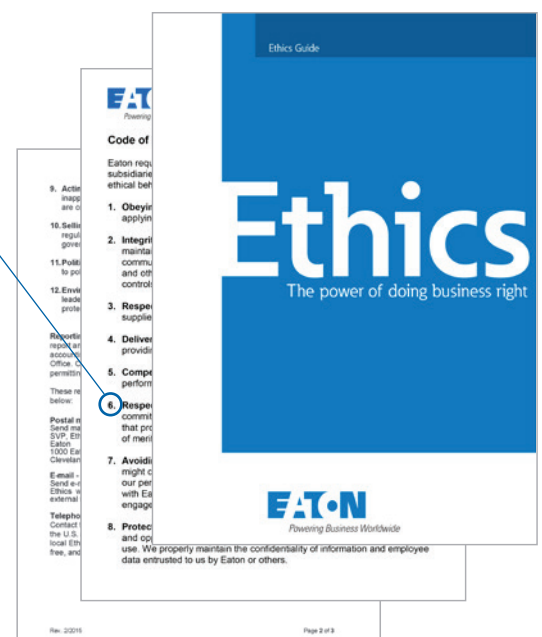
We supported Equality Ohio's effort to encourage state legislators to pass the Ohio Fairness Act in 2020. If adopted, it would have added "sexual orientation" and "gender identity or expression" to the state's nondiscrimination laws. We joined other companies in signing a letter of support for this cause and will continue to serve as a champion until it's passed.

## Transparency and accountability in handling ethics and compliance



In 2020, the Global Ethics and Compliance team provided an annual report to employees, sharing metrics,

real cases and lessons learned from more than 1,300 reports received from employees in more than 43 countries.



## Integrating personal and professional priorities

Balancing work-life effectiveness is a common topic among today's workforce. Regardless of family or life situations, employees are interested in increased flexibility, and the trends are clear that the majority of large companies are considering strategies to provide more flexible options. It is imperative to our culture to be supportive of our employees in considering work, family and personal demands.

Flexible work solutions and inclusive programs such as our paid parental leave, adoption, foster care reimbursement and infertility benefits help us remain competitive in attracting the best talent and improving the lives of our employees. By the end of 2020, more than 2,300 employees (3% of global employees) participated in our flexible work solutions program, while more than 1,600 employees were able to bond with their new child while being fully paid.

## Mental health awareness

During Mental Health Awareness Month in October 2020, our iERGs collaborated with the Eaton Wellness team to offer more than 90 special online programs. These events included speaker panels, educational webinars, guided meditations, yoga classes and special group exercise classes. More than 1,000 employees took part in the various events.



**“It’s vital that we take time to pause and reflect on our own mental health and check in with those around us who may need support. As we think about what each of us can do to help address the importance of mental health, consider where you can provide support in your own community today.”**

*Uday Yadav, president and chief operating officer, Electrical Sector*

## Global flexible work solutions (FWS)

Percentages reflect 2,300 employees utilizing FWS as of December 31, 2020

### By solution type

Telework	<b>54%</b>	Compressed work week	<b>8%</b>
Flex time	<b>24%</b>	Part-time	<b>2%</b>
Remote	<b>12%</b>	Job share	<b>0%</b>

### By gender

Men	<b>52%</b>	Women	<b>48%</b>
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### By generation

Millennials	<b>50%</b>	Boomers	<b>12%</b>
Gen X	<b>33%</b>	Gen Z	<b>5%</b>



## Talent development

Finding and hiring talent is critical to our growth and success. That means hiring people with the right skills and aligning their career goals and development with our corporate strategy. And it means making work exciting, engaging and meaningful—so employees can be productive and feel valued.

The foundational pillar of our Inclusion and Diversity learning curriculum is our full-day 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, nearly 6,000 leaders have attended, with the objective of increasing awareness of personal biases, developing inclusive leadership skills and advancing a culture of inclusion. Participants have said the experience is eye-opening and has positively impacted their perceptions, including focusing on inclusive leadership. To reinforce their VID learning, leaders have access to Moment of Choice tools created to aid and encourage their journey from unconscious bias to conscious inclusion. In 2020, the Global Inclusion and Diversity team took steps to convert this learning experience into an engaging, high impact virtual platform, which allowed broader access to critical learning opportunities.

We also focus our talent and development strategies on activities with the highest impact. To determine what those activities should be, we leverage Eaton Business System planning processes. For example, our Organizational Capability Assessment and succession planning processes regularly measure talent gaps across each region, business and function with an intentional focus on the representation of women and U.S. minorities.

## Women's targeted development

In 2020, we piloted a new executive leadership development experience, the Linkage's Women in Leadership Institute. The session was focused on key skills identified as being essential for women leaders to advance. As part of the experience, participants had the opportunity to interact with C-suite leaders—providing a valuable and inspirational way to network and dialogue.

Additionally, WAVE, our women's iERG, launched Ally Advocacy Circles, a series of intimate gender-balanced discussions. The vision is to foster the learning and understanding of male allies to better leverage their support to accelerate inclusion and advancement for women at Eaton.

## Integrating inclusion and diversity into Eaton Business System (EBS)

The Eaton Business System is how we work at Eaton to run our company in a common way. It ensures best practices and key learning across the organization. In 2020, inclusion and diversity was formally integrated into our EBS roadmaps to ensure it was part of our standard processes and consistently measured.



**“We want the very best talent—and we work to find it. That means removing potential barriers, addressing disparities, and continuously reviewing our hiring practices. For us, concepts of inclusion and diversity are woven into how we interview, how we hire, and what we do that helps people grow.”**

*Jackie Morgan, vice president,  
Global Talent Acquisition*

## Spark squads inspire and ignite mid-career women

This leadership development program from our WAVE iERG consists of several squads, each with seven to nine participants. They discuss their professional and personal development, receive feedback and connect with senior leaders.

## Mentoring

Eaton reinvented its global mentoring program to be more modern and inclusive in 2020. This was a collaborative effort done in close partnership with our global inclusion Eaton resource group (iERG) community. The goal was to bring the benefits of mentoring to a broader population. As a result, we moved away from business-nominated selection process to an employee-driven, self-nomination process. The intent of this expanded effort was to increase access, opportunity, engagement and a sense of career mobility within the mentee population, while increasing the engagement and leadership capabilities of the mentors involved.

## University relations

To support our inclusion and diversity strategy, we need a diverse pipeline of talent. To achieve that, we actively recruit at 25 target universities in the United States. They include three historically Black colleges and universities and one Hispanic-serving institution. We also support organizations such as the National Society of Black Engineers, Society of Hispanic Professional Engineers, Society of Women Engineers and the National Black MBA Association.

Eaton's internships were virtual in 2020 but still provided a valuable experience. **We had 170 summer interns**, of which **36% were women** and **39% were U.S. minorities**.



**"During the past two decades Eaton has impacted the lives of many female, Hispanic and African American students through our academic scholarship program.**

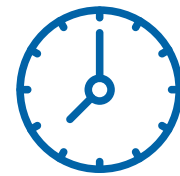
**Giving back to our communities is a fundamental part of our culture and we take great pride in the opportunity to work with our strategic partners to positively impact these students' lives and their academic experiences."**

*Nicole Furnia, manager, University Relations, North America*



**"We need to be proactive about creating diversity in our teams and ensuring we are being inclusive to really get the best of every team member. The only way to expand our knowledge and perspective is by truly listening to different ideas and being open to trying them."**

*Mary Alor, director, Operations, Power Components Division*



**Eaton employees received an average of 8.3 hours of training and development in 2020. This was our first time reporting this metric.**

## Providing education support where it's needed most

For the past 12 years, Eaton has provided industrial education programs and financial support to young people from underprivileged communities in Brazil through a program called Formare. Faced with the pandemic and the impossibility of hosting face-to-face classes, an online solution was created to ensure these sessions continued. Eaton currently serves 80 to 100 people through the program.



# 9

**We hired**

**employees from the University of Houston, a Hispanic-serving institution.**



## Second chance hiring

In 2020, we began working with Business Roundtable to help launch the Second Chance Business Coalition. Our goal was, and continues to be, improving access to employment and advancement for people with prior criminal records. More inclusive hiring is a way to break the cycle of poverty, build stronger economies, and provide opportunity to individuals who were previously incarcerated and who are struggling to support themselves and their families. We believe that it is incumbent upon us as a good corporate citizen to remove barriers to employment and advancement by allowing individuals with prior criminal records to fairly compete for job opportunities.

Eaton believes in giving members of our society a second chance. It is why we've also applied ban-the-box policies for many years. For us, a prior criminal offense is just one factor in assessing a candidate's suitability for a position. We do not automatically deny employment based on a candidate's prior conviction.

Of the nearly  
**11,000** people  
Eaton hired over the last three years, around  
**10.4%** had prior  
criminal convictions.



**“Something remarkable unfolds when we become comfortable with and transparent about who and what we are, and with our differences. Our relationships with our colleagues improve, we learn from one another, and we feel more connected to our work. And we begin to realize that our positive relationships and interactions with our colleagues every day are what form the basis of the culture we want—one where we all feel welcomed, valued, heard and able to be our best selves every day.”**

*April Miller Boise, executive vice president and chief legal officer*

# We believe in giving members of our society a second chance.

## Empowering women engineers

In 2019, Eaton launched the Women in Innovation platform at our Innovation Center in Pune, India, to encourage women engineers to create solutions to digital and wireless challenges. At the event in 2020, 32 invention disclosures were submitted and 17 are actively awaiting patent filing decisions.

We also created the Women in Engineering Research, Development and Engineering Award to recognize outstanding women engineers at Eaton. More than 180 nominations were received from across the globe and 16 winners were recognized for their innovative technical achievements, demonstration of Eaton leadership values and personal impact.

## Promoting a welcoming work environment

Inclusion Eaton resource groups (iERGs) bring together employees who share a common purpose, interest or background. They help us identify priorities, build cultural competency, engage in business projects and get involved in talent initiatives. Members provide feedback and ideas on how we can improve our diverse talent pipeline.

Through them, employees work together to meet common organizational goals that attract and retain talent. We encourage everyone to participate in an iERG, and anyone can join any number of them. Each group has at least three executive sponsors from our global leadership team who meet quarterly to review strategic plans and progress.



**“Eaton is a much better place because of our iERGs. They serve as the voice of our employees to our leaders, foster impactful programs and drive sustainable change.”**

*Nirmal Vas, manager,  
Eaton’s Inclusion Resource Groups*



**“At our Innovation Center, our talent is diverse in terms of education, skill, experience and regional background. By leveraging this diversity of thoughts and experiences through**

**inclusion, we have been successful in creating an inclusive culture that is resulting in more and more innovative solutions for Eaton.”**

*Sreekumar Panicker, vice president, Engineering and Operations,  
Eaton India Innovation Center*



## Our inclusion Eaton resource groups (iERGs) as of December 31, 2020



1,310 members



1,900 members



5,840 members



970 members



620 members



850 members



730 members



5,450 members

## Eaton Pride

### LGBTQ+ and Allies iERG

Eaton's Pride group in Europe, the Middle East and Africa celebrated National Coming Out Day by raising awareness of transgender issues. In North America, the group organized an event, Being Able to be Out, where a speaker shared her story of self-discovery and the importance of being your authentic self.



"The Eaton Pride iERG was founded with the goal to recognize and make visible the talents of LGBTQ+ employees. Eaton participates in Pride parades and has hoisted the Pride flag in some

of our office locations, which sends a strong supportive message to the community."

*Alejandro Prieto, business relationship manager, Information Technology*

## enABLE

### People with disabilities/managing special needs iERG

In April 2020, enABLE championed World Autism Awareness Day by encouraging employees to wear blue and share pictures on social media with the hashtag #EatonLightItUpBlue and #LifeAtEaton. On International Day of Persons with Disabilities in December, a guest speaker addressed the topic of disability etiquette in a virtual event.



"We celebrated International Disability Day in India by hosting several interactive and experience-sharing sessions with external institutions and people with disabilities. This experience taught us how to transform

Eaton into a preferred place to work for our colleagues with disabilities."

*Kaushalya Gaonkar, general manager, Sales and Marketing, India*



## ENGAGE

### Eaton Next Generation Achieving Goals and Excelling iERG

ENGAGE provided new ways to learn through Stretch Assignment Marketplace, a program providing frequent learning opportunities for all employees. Since 2017, more than 3,000 people have benefited from more than 370 projects.



“As a minority ethnic woman in STEM, I have been very fortunate in my life to not always feel like the odd one out, but as I move away from education into the male-dominated engineering sector it is clear that there is more

work that needs doing. Eaton is right to continuously highlight inclusion and diversity on their website, job descriptions, announcements, trainings, etc. It is a hugely important topic that benefits everyone.”

*Alicia Sirivardena, Leadership Development Program, Engineering, U.K.*

## iConnect

### Connecting Black, indigenous, African heritage and other people of color iERG

To build a talent pipeline for underrepresented minority students pursuing STEM advanced degrees, a strategic alliance was formed with the Louis Stokes Alliances for Minority Participation. During Black History Month, a full-day event was held with 66 members of the program to help them explore STEM careers.



“To be a model of inclusion and diversity in our industry, Eaton must have sustained impactful inclusion and diversity groups who achieve revered success and recognition in the area. iConnect is one of those iERGs.

Prioritizing matters for black, indigenous, African heritage and others of color, iConnect’s endeavors/programs have supported and suited every employee and potential employee of Eaton.”

*Rodney Spottsville, vice president, Sales*

Currently, our **8** iERGs have more than **10,500** members spread across **60** countries.

## SOAR

### Strengthening our Asian resources— Asian American iERG

SOAR organized a professional and cultural panel discussion on Breaking the Bamboo Ceiling, where experts shared career strategies for Asian Americans. The group also celebrated Lunar New Year, Holi, Mid-Autumn Festival and Diwali to foster broader awareness around the Asian culture.



“As an ally for many iERGs, I have laughed and cried at local iConnect meetings, watched the lion dance, eaten authentic Indian foods, practiced Spanish, and got my 84-year-old mom to proudly wave an LGBTQ+ banner at our local Eaton Pride National Hockey League game. Most importantly, the relationships formed through Eaton iERGs have enriched my life. I am still learning and will stumble along the way, but my biggest hope is to listen, learn and make a difference so that all, and especially now, my Asian American and Pacific Islander colleagues are supported and do not feel alone.”

*Donna Gurleyik, manager, Creative and Brand, Electrical Sector*

## #VAMOS!

### Hispanic and Latino iERG

In 2020, #VAMOS! deployed an online language learning tool through Babbel that gave members an opportunity to improve their Spanish and English skills through business and conversational courses tailored to their native tongue. More than 200 employees benefited.



“From the moment the program was available to #VAMOS! members, we received requests from employees in the United States who needed to work on their Spanish skills to better communicate with co-workers or vendors in Latin America. There are also employees in Spanish-speaking countries who are taking advantage of our program to improve their written English and strengthen their connections with our U.S. plants.”

*Javier Garcia, manager, Project Management Organization*

In 2020, veterans comprised

**6%** of our U.S. employee population.

**8%** of our U.S. hires were veterans.

In 2020, **our iERGs**

delivered more than

**200** impactful virtual events.

## Veterans

### Military veterans and supporters iERG

Our Veterans iERG has a strong military talent scout network that recruits from military installations and ensures a qualified pipeline for diverse talent. In 2020, 700 iERG members volunteered as talent scouts and 178 veterans were hired at Eaton.



"We hear a lot about diversity in business today; veterans are a key piece of that equation. Eaton truly values and respects the experiences our veterans and military spouses bring to the organization. For me, Eaton is that company. We focus on being ethical, we put inclusion and diversity first, and we care about the environment."

*Nancy Berardinelli-Krantz, senior vice president and chief general counsel, Digital Innovation and Technology and executive sponsor of Eaton's Veterans iERG*

## WAVE

### Women Adding Value at Eaton iERG

In India, WAVE developed a program that empowers women to take charge of their careers. Since 2018, it has more than doubled the number of participants in the program and become a global offering. In the U.S., WAVE launched Ally Advocacy Circles, which is an ongoing series of small group discussions with women and men to transparently discuss what it means to be an ally and provide concrete ways of supporting and advocating for gender equality.



"From the moment I became the WAVE leader in South America, I started to have more contact with several people in the company, both men and women, who were not part of my professional daily routine before. It is very important for me to strengthen the relationship with everyone, giving support and a voice to women as well as bringing allied men closer to our agendas."

*Daniela Silva, manager, Treasury, Brazil*

# Our impact



## Building a diverse supply base

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

## Promoting supplier diversity

In 2020, we strengthened our supplier diversity program, **purchasing approximately \$1.9 billion in goods and services from small and diverse suppliers**, and growing our business with women-owned businesses by approximately 7% and with veteran-owned businesses by nearly 5% over 2019.



**All suppliers must affirm our code of conduct in order to participate in our proposal process.**

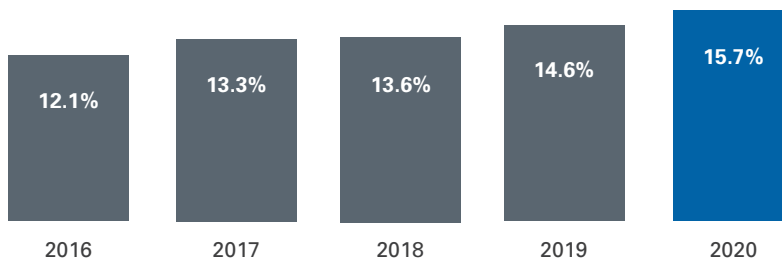
In 2020, Eaton was nominated by the National Minority Supplier Development Council as a Corporation of the Year. We entered into a new relationship with Disability:IN, which enables us to do business with nearly 70 certified disabled business owners.

## Embracing an inclusive workplace

Last year, Eaton sites in Hungary, the Czech Republic, Poland, Romania, Austria and Italy signed the Charter of Diversity, showing our commitment to creating and maintaining diverse and inclusive work environments, regardless of gender, ethnicity, religion, age, disability and sexual orientation. By the end of 2021, we intend to have the charter signed by all European Eaton sites with a strong country presence.

## Supplier diversity spending

**\$702 million spent with diverse suppliers in 2020**



Eaton also supports a Tier 2 Program where we work with our suppliers to create more opportunities for diverse-owned businesses. We ask them quarterly to submit reports to us detailing their diverse spend. We believe it drives better alignment with our strategy, which is to have a long-term, sustainable impact on our communities by helping diverse businesses thrive.

We are also a member of third-party organizations including the National LGBT Chamber of Commerce, National Minority Supplier Development Council, National Veteran Business Development Council, WEConnect International and the Women’s Business Enterprise National Council. By the year 2022, we aim to exceed 15% spend on diverse suppliers in the U.S.



## Global hackathon leverages the power of perspectives

In 2020, 400 employees demonstrated how diverse perspectives and experiences can lead to innovation. They took part in a global competition to find the best solutions to functional challenges at Eaton. Their hackathon generated 90 ideas, including a chatbot that eliminates the need for service catalogs.

## Eaton legal department pursues Mansfield certification

Originally launched in 2017, the Mansfield Rule Certification has shown tremendous promise when it comes to hiring and advancing diverse leaders. The 2.0 Edition measures whether legal departments have affirmatively considered women, racial and ethnic minorities, LGBTQ+ lawyers and lawyers with disabilities for at least 50% of the candidate pool for the legal department’s top roles, high visibility opportunities, secondments, internship programs and for outside counsel representation. In 2020, Eaton joined a cohort of 52 corporate legal departments in a two-year certification program designed to increase the representation of diverse lawyers in leadership by broadening the pool of candidates considered for these roles.



**“We are an organization that has built a culture on diversity, fairness and equity for all—and this is one of our greatest strengths. We listen to each other. We seek to create a safe, open and inclusive environment for every employee who walks through our doors. We should hope for, and should be working toward, the same in our communities.”**

*Heath Monesmith, president and chief operating officer, Industrial Sector*



## Community giving

Philanthropy is central to our identity at Eaton. Around the world we made approximately \$10 million in charitable contributions in 2020. About 75% of it supported health and human services, 20% targeted education and the remaining 5% went to civic, cultural and other organizations.

In 2020, many of our charitable efforts focused on combating the global pandemic. We produced face shields, surgical masks, and innovative tools designed to protect health care professionals from COVID-19. Our employees donated thousands of volunteer hours, collected and distributed medical supplies, gave personal protective equipment, and provided food to those in need. In more than two dozen countries, our colleagues contributed more than \$350,000 to our global COVID-19 relief matching gift program, which provided vital funding to support the pandemic response.

We also supported the research of Dr. Celia Maxwell, an infectious disease specialist at Howard University Medical School. Dr. Maxwell's work focused on COVID-19 and its impact on the African American community, helping the school provide critical information about the virus and its disproportionate impact on people of color.

Beyond the pandemic, we helped underwrite academic support programs for Esperanza Incorporated students in the Cleveland Metropolitan School District and supported the U.K. Guide Dogs for the Blind Association, which trains and pairs guide dogs with visually impaired people. In Tczew, Poland, we provided technology to a high school for students with disabilities and gave \$10,000 to a community group that presents workshops to children with Down syndrome. In China, we gave a \$3,000 grant to Healing Home Charity, an organization that helps orphaned children with disabilities.



**“Esperanza Incorporated is a nonprofit organization dedicated to providing free personalized mentoring, leadership building, comprehensive post-secondary and family support to the Hispanic students and families of Northeast Ohio. I’m a firm believer that education can lift my Latino community in the U.S.”**

*Laura Almazan, senior manager, Human Resources*

## Corporate Angel Network

Eaton participates in the Corporate Angel Network, a nonprofit providing free airplane rides to patients in need of serious medical treatment. In 2020, we made our corporate jet available to three patients who might have otherwise had difficulty traveling on commercial airlines during the pandemic. Our service is available to cancer patients, bone marrow and stem cell donors and recipients.

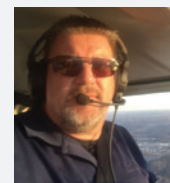


**“Patients are grateful and extremely appreciative for the chance to fly with us. I get letters saying how we provided an unforgettable experience and made them feel secure.”**

*Kevin Garlock, assistant chief pilot, Flight Operations*

## Personal passion

Michael Hill volunteers for PHASTAR, a nonprofit located in Cleveland, Ohio. When he's not flying for Eaton, Michael is helping underprivileged students at the Cleveland Metropolitan School District's STEM high school train to one day receive their Federal Aviation Administration private pilot licenses.



**“There are countless challenges to this goal, but good progress is being made. I hope these students learn something about themselves from this process that they didn't know or believe about themselves before.”**

*Michael Hill, lead flight captain, Flight Operations*

## Addressing racial injustice

It's often through crises that the true character of an individual, an organization or a society is revealed. Over the course of the year, Eaton demonstrated that we are a company that leads by its values and will continue to do so, no matter what challenges lie ahead.

### The Business Roundtable

Following nationwide protests against race-based injustice in 2020, the Business Roundtable formed the Special Committee for Racial Equity and Justice, which our chairman and chief executive officer co-chairs. The committee is focused on addressing the economic opportunity gap for Americans of color and helps provide access to good jobs, financial resources, quality education and healthcare.

### Listening circles

In 2020, our iConnect iERG hosted a panel discussion where more than 1,000 employees heard from senior leaders about their experiences surrounding race in the workplace. This led to smaller, more intimate conversations across the company which evolved into listening circles. Circles provide a safe space where people can respond to current events by sharing their feelings and supporting each other. The focus is on dialogue and learning. There were listening circles held involving senior leaders and employees at all levels of the organization. This is now part of Eaton's ongoing listening strategy.



**“My biggest takeaway from a recent listening circle was how important it is to give all employees at all levels time—time to process world events, time to celebrate**

**their heritages and time to have real, honest and confidential conversations about concerns affecting our daily lives. It's a powerful opportunity to listen, learn and make connections.”**

*Dave Foster, senior vice president, Finance and Planning, Industrial Sector*

### Student scholarships

Eaton made a \$400,000 endowment pledge in 2016 to support Cleveland State University's LINK Program, which provides minority students with internship and cooperative education opportunities. Since that time, 45 students have been offered \$2,000 renewable scholarships.

## Bridging the digital divide

Eaton partnered with public and private organizations to launch a program that donated more than 10,000 computers and other digital equipment to homes in Northeast Ohio. The effort to make digital inclusion a top priority also marked a step toward closing the racial divide, as one in four households in Cuyahoga County lack internet access and most of these households are in Black neighborhoods.



## Legal summit

Our legal department invited four companies to join Eaton in hosting the “2020 Legal and Diversity Summit: Seizing the Moment to Drive Lasting Change,” which explored important issues, such as how to lead and sustain workplace inclusion and diversity, lawyers' roles in combating racial inequities and social injustice.

## Reaching people of color in South Africa

In 2020, we achieved the top rating as a Broad-Based Black Economic Empowerment (BBBEE) contributor in South Africa for the third consecutive year. Providing a framework for economic transformation, South Africa's BBBEE program seeks to address the social harm caused by apartheid.

# Our commitments



## Our commitment to inclusion and diversity isn't new. We've been on this road a while.

On behalf of Eaton in 2017, our Chairman and Chief Executive Officer Craig Arnold committed Eaton to advance inclusion and diversity with a focus on women in the workplace through the Catalyst CEO Champions for Change initiative. And in 2019, he did the same when he signed the I ACT ON pledge with CEO Action for Diversity and Inclusion coalition. The pledge outlines specific actions companies can take to create a trusting environment where employees are empowered and heard.

At Eaton, one of our aspirational goals is to be a model of inclusion and diversity among our peers. Our plan to achieve this goal encompasses a number of actions, including a detailed examination into our programs, practices, processes and policies to look for opportunities to strengthen our support of underrepresented individuals, groups and businesses across our operations.



**“When we embrace different perspectives and backgrounds that make each of us**

**unique, we become stronger. So let's spark conversations, let's listen to each other.”**

*João Faria, president, Vehicle Group and executive sponsor of enABLE*



# 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 salaried\* global women to 40%**

**Increase representation of salaried\* U.S. minorities to 34%**

**Achieve an inclusion index score of 80% or higher**

*\*Salaried defined as Eaton salary band 6 and higher.*

## 2020 recognition

**Automotive Business (Brazil)**  
Diversity in the Automotive Sector

**Confederation of Indian Industry (CII)**  
Recognition of inclusion and diversity practices

**Diversity Global Magazine**  
Top 10 Influential Women in Diversity

**Financial Times**  
Europe's most inclusive companies

**Forbes Magazine**  
Best Employers for Women

**Human Rights Campaign**  
Best Place to Work for LGBTQ Equality  
5th year in a row achieving 100% score

**jobsforher.com**  
DivHERsity Award in India for innovative practices

**Military Times Magazine**  
Best Employers for Veterans

**Ohio Minority Supplier Development Council**  
Corporation of the Year

**Randstad Employer Brand Research Global Report**  
Top 10 Most Attractive Employers in Romania

**STEM Workforce Diversity Magazine**  
Top 50 Employers in STEM

**trend magazine**  
Top 300 Employers in Austria

**Where Women Work**  
Prime Employer for Women

**Women's Business Enterprise Council Ohio River Valley**  
Regional Corporation of the Year

**Working Mother Media and Avtar**  
Top 100 Employers for Women in India

**Woman Engineer Magazine**  
Top 50 Employers list



We make what matters work.\*

**\* Our Vision**

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