Public Affairs Council:

Proving the Value of State Government Relations

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We make what matters work.*
Evolving to meet the ever-changing needs of our world.
Building more efficient, sustainable power management solutions.
EATON
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Headquarters and key locations

- Chairman & CEO – Craig Arnold
- Ranked 3rd among our 18 peer companies in total shareholder return in 2020
- Two-thirds of our Board of Directors are women or U.S. minorities

Electrical Sector:
2020 Sales **$11.4 B**

Industrial Sector:
2020 Sales **$6.5 B**

Total sales:
$17.9 Billion USD

Net income:
$1.4 Billion USD

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We make delivering your best work.*

ELECTRICAL

- Power distribution and circuit protection
- Power quality, backup power and energy storage
- Life safety and security
- Structural solutions
- Control and automation
- Harsh and hazardous environments solutions

INDUSTRIAL

- Aerospace
- Hydraulics
- Filtration
- Vehicle
- eMobility

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Agenda

Internal Stakeholders

- Proving the Benefits of state GR
- Aligning with businesses and functional teams
- Identifying and tracking legislative/regulatory activity
- Relationship management
- Communicating value

External Stakeholders

- Managing trade associations and calculating ROI
- Coordinating with Corporate Communications

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Showing Value: Internal Stakeholders

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How State GR Benefits the Organization

Freedom to operate or innovate

Better market opportunities and advantages

Speed products or services to market

Improve brand image and reputation

Cost avoidance

Government as a customer

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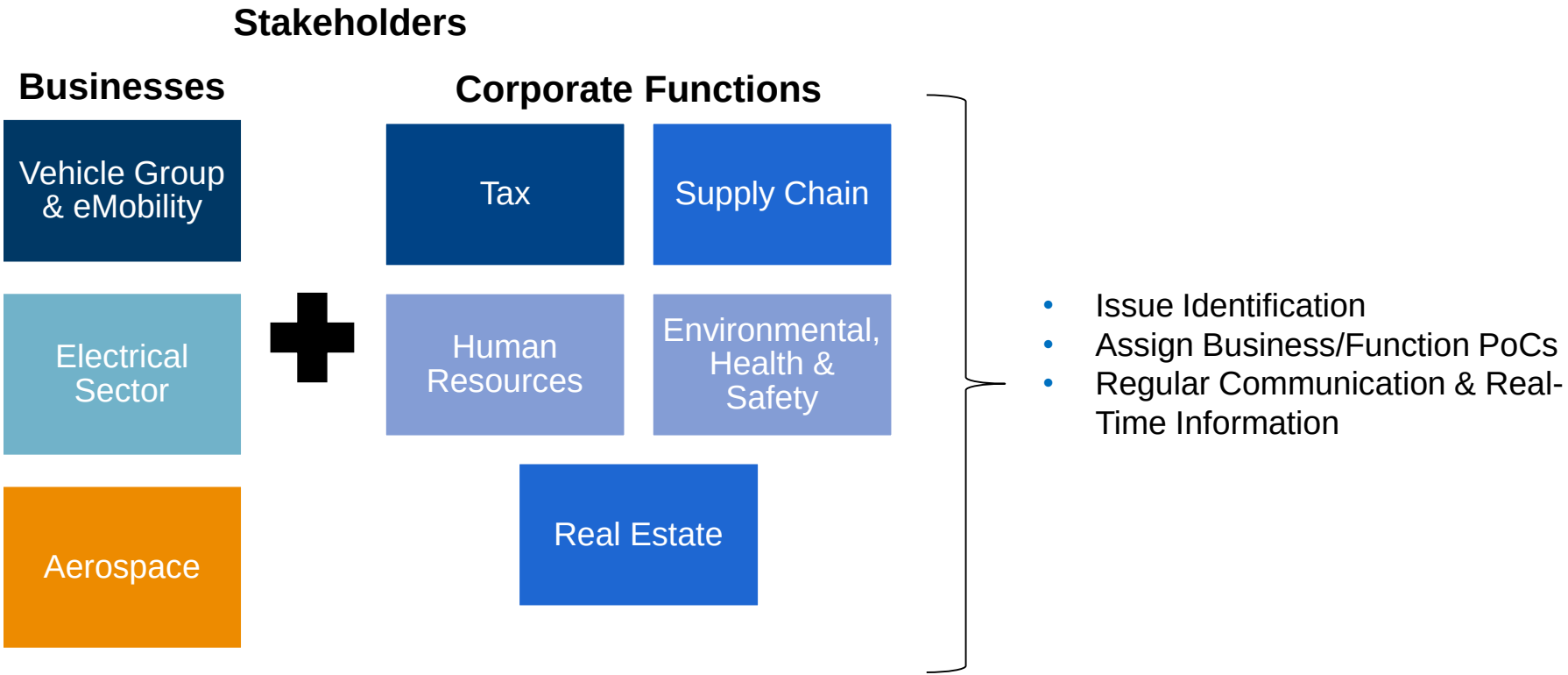
Alignment with Businesses and Functions



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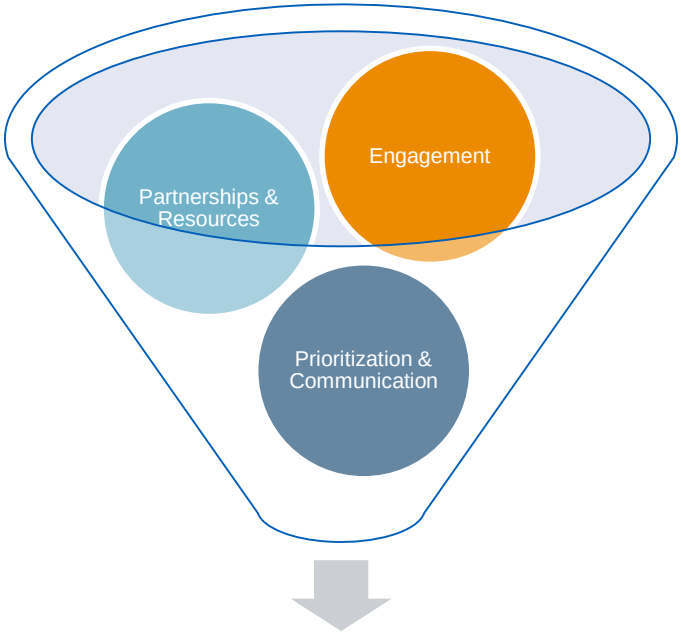
Issue Identification: Internal



Advocacy

- Proactive engagement with business and functional leaders to understand Eaton Public Affairs and opportunities to support business goals and mitigate risks.
- Form partnerships, cross leverage existing resources to identify and track issues
- Align & assign issue ownership (it's a business issue)
- Increasing functional effectiveness and advocacy tools are the only initiatives owned by Public Affairs
- Provide regular updates to stakeholders and align as advocacy campaigns evolve
- Identify business opportunities/impacts to prioritize engagement and calculate ROI

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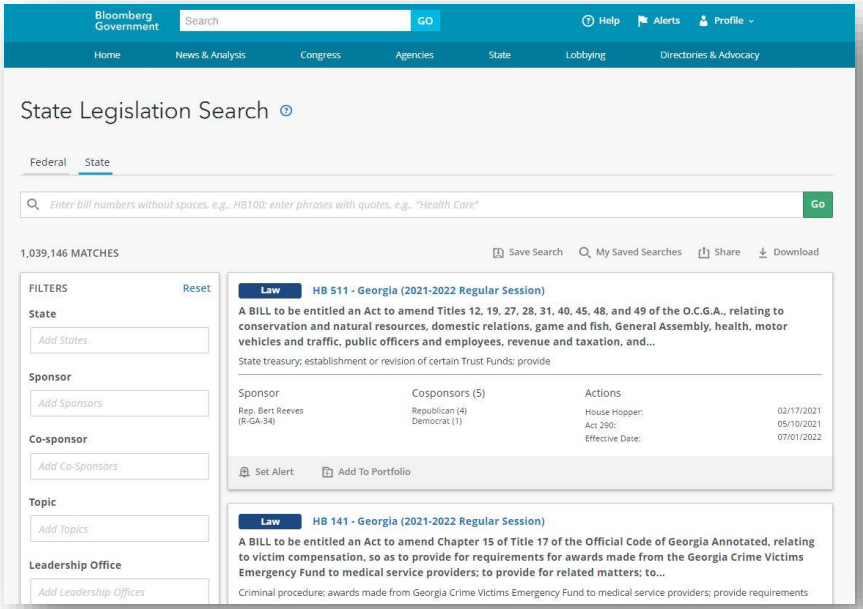
Issue Identification: External

Utilize existing resources to identify pertinent legislation and regulations

Leverage trade associations and partner organizations to identify and track key issues



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Issue Tracking

1 All-Issue Tracker – Reporting to Leadership

Business/Function	Issue	Region	Specific Policy	Status	Impact	Priority	Eaton Function or Business Lead
Who are we supporting?	General Topic	State or Locality	Details on bill or regulation	Where in the process?	Define opportunity or risk	Rank based on impact	Assign point-of-contact

2 Specific Issue Trackers – Reporting to Businesses/Functions

State	Bill Number	Subject	Impact	Introduction Date	Last/Scheduled Action/Status	Status Date
AZ	SB####	Corp Tax		1/21/2020	House First Read	3/9/2021
AZ	HB####	Corp Tax		1/14/2020	Transmitted To Senate	1/28/2021
CA	AB##	Corp Tax		12/7/2020	Re-referred to Committees on Revenue and Taxation . and Housing and Community Development pursuant to Assembly Rule 96.	1/15/2021
CT	HB####	Digital Advertising		1/27/2021	Public Hearing 03/08	3/4/2021
HI	SB####	Corp Tax		1/27/2021	The committee on Senate Committee on Judiciary deferred the measure.	2/17/2021
HI	HB##	Corp Tax		1/21/2021	Re-referred to House Committee on Economic Development, House Committee on Housing, House Committee on Finance, referral sheet 4	2/2/2021
HI	SB###	Corp Tax	No Impact	1/22/2021	Referred to Senate Committee on Commerce and Consumer Protection, Senate Committee on Ways and Means.	1/27/2021
HI	HB###	MUCR		1/25/2021	Referred to House Committee on Economic Development, House Committee on Finance, referral sheet 1	1/27/2021
IL	HB####	Tax Incentives		2/5/2021	Assigned to Revenue & Finance Committee	3/2/2021
IL	HB####	Corp Tax	$##	2/19/2021	Referred to Rules Committee	2/22/2021
IL	HB####	Tax Incentives	$##	2/18/2021	Referred to Rules Committee	2/19/2021
KS	SB##	Corp Tax		1/21/2021	Committee Report recommending bill be passed as amended by Committee on Assessment and Taxation	2/26/2021
KS	SB##	Corp Tax		1/12/2021	Hearing	1/13/2021

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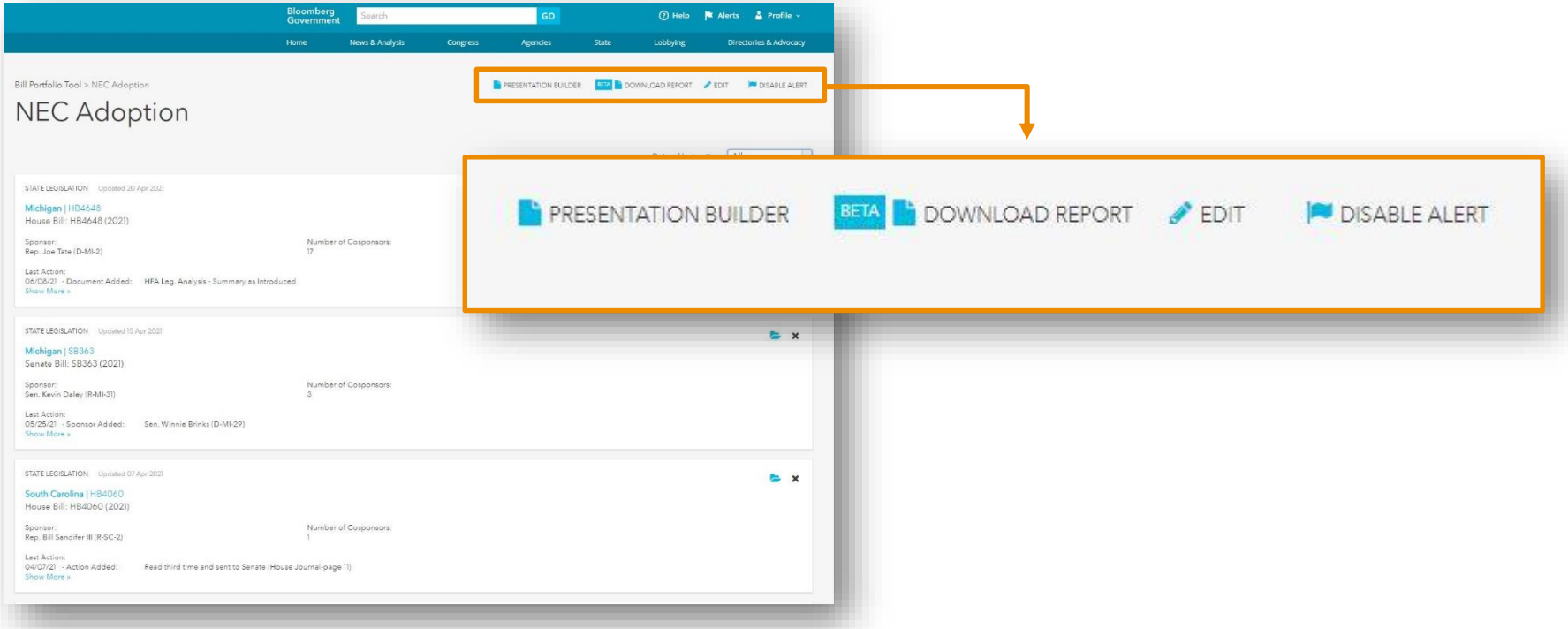
Issue Tracking Tools



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Relationship Management

Use key indicators to identify and map state government stakeholders and create an influence index to prioritize engagements:

- Footprint representation
- Leadership positions
- Committee memberships
- Party alignment with state legislative and administrative majorities
- Policy priorities

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Communicating Value to Internal Stakeholders

Real-Time Updates

Regular Reports

Engage Business, Regional Leaders

Define Progress and Outcomes

Communicate Business Impact

Present new Ideas

Get Feedback

Communicating with decision-makers:

- Annual meetings to discuss GR plan, strategies, goals, activities and progress
- Quarterly report on GR activity, including “business impact” reports
- Key-issue wrap-ups, supported with graphics
- GR metrics outline
- Share success stories

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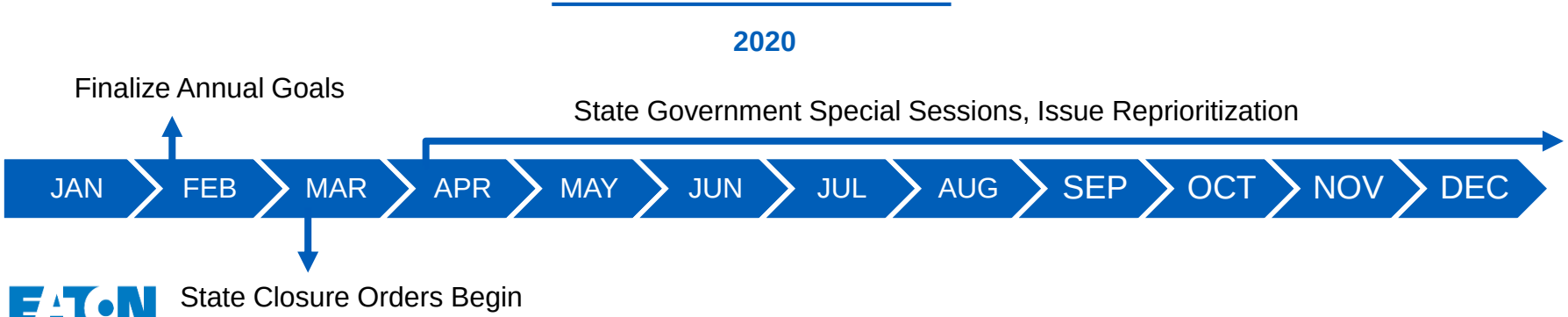
Responding to the Global Pandemic at the State Level

Eaton made the important decision to maintain operations during the unprecedented global crisis because of the vital role our company plays in sustaining global infrastructure and ensuring critical power supply. **Eaton's products and support services are vital to hospitals, emergency services, military sites, utilities, public works, transportation and shipping providers. In addition, data centers, retail outlets, airports and governments, as well as the networks that support schools and remote workers, rely on our products to serve their customers and communities**. To continue our support for our employees, communities and customers, we joined business leaders and stakeholder advocacy efforts:

- Identify government closure orders
- Advocate for the inclusion of essential worker guidance
- Legal liability protections
- Enhanced unemployment and tax relief programs.



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Impact of the Global Pandemic on U.S. State GR

Over the last year, industries across the country were impacted by the COVID-19 pandemic. Our Public Affairs team specifically reassessed our advocacy efforts to keep employees and stakeholders engaged and informed on the important issues to our business. This led to an increased number of digital advocacy events and communications.

Online Activation
- Grassroots technology
- Teams, Zoom, etc.

Virtual Events
- Town halls
- Plant tours
- Fly-ins

Employee Communications
- Organization-wide
- Get-out-the-vote
- Issue awareness

Bottom Line: the global pandemic reinforced the need to build and maintain key stakeholder relationships

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Showing Value: External Stakeholders

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Working with Trade Associations

Leveraging the support of industry and issue trade associations helps expand the impact of Eaton's state advocacy initiatives.

- Influence to support and advocate for Eaton's point of view on issues
- Resources for information
- Leverage knowledge and influence
- Policy expertise
- On-the-ground advocates
- Relationship development with policymakers & GR peers

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Driving the Association's Agenda

1. **Leadership**
   Representation on Boards and Committees

2. **Participation**
   GR & business/functional leaders

3. **Issues**
   Bring policy priorities forward

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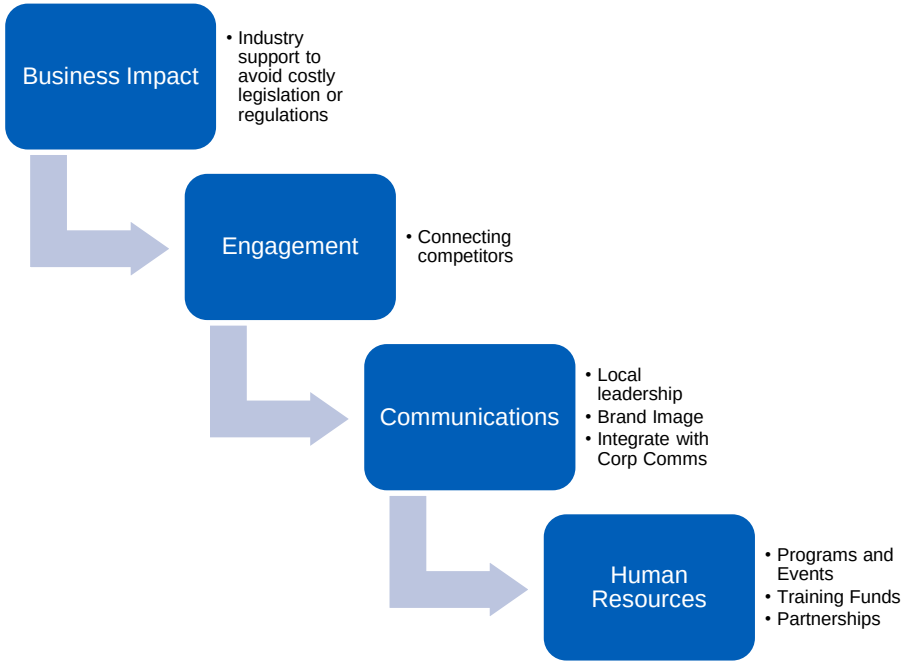
Securing Internal Support for Trade Associations

Trade associations are key partners for GR, but memberships can be cost prohibitive. Internal cost-sharing is an important tool to manage the GR budget and maintain long-term support for membership from internal stakeholders.



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Calculating Trade Association ROI

Define Objectives

Measure Value

Cost vs. Benefit

Ability to Influence

Effectiveness

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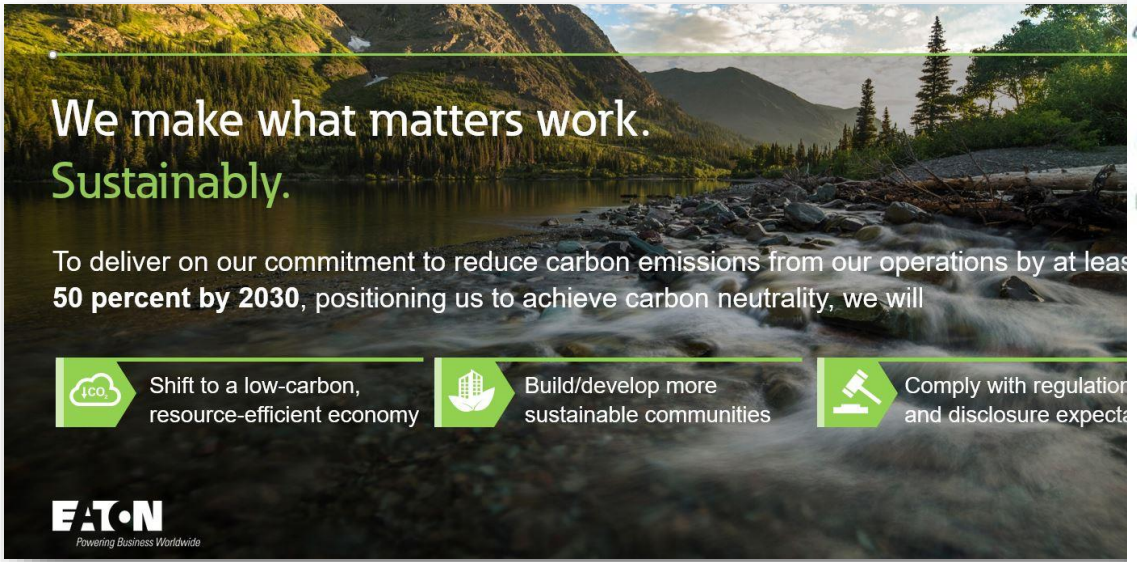
Coordination with Corporate Communications

Collaborating with the Communications team can elevate internal awareness of the Public Affairs function and enhance advocacy campaigns targeted at stakeholders.



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Questions?

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