

Public Affairs Council:

# Proving the Value of State Government Relations

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Powering Business Worldwide

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We make what matters work.\*

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Evolving to meet the ever-changing needs of our world.

Building more efficient, sustainable power management solutions.

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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

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## 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

# Showing Value: Internal Stakeholders

# 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



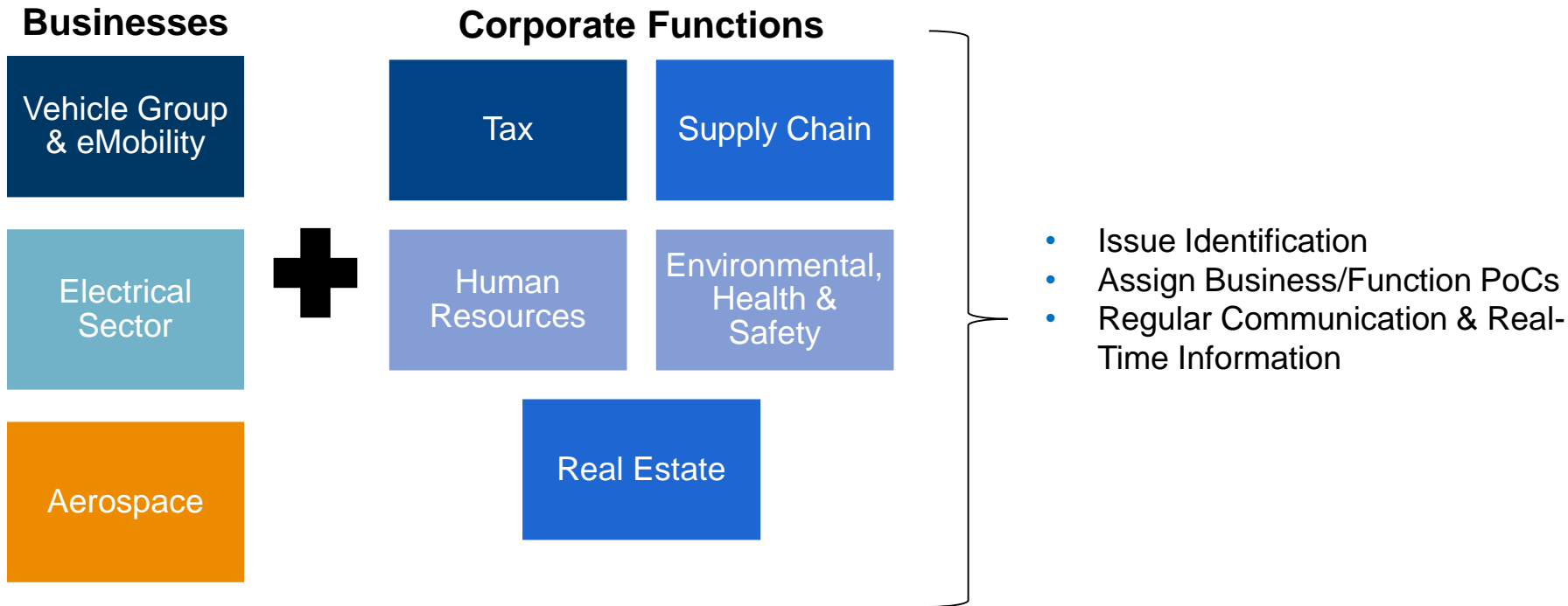
Cost  
avoidance



Government as a  
customer

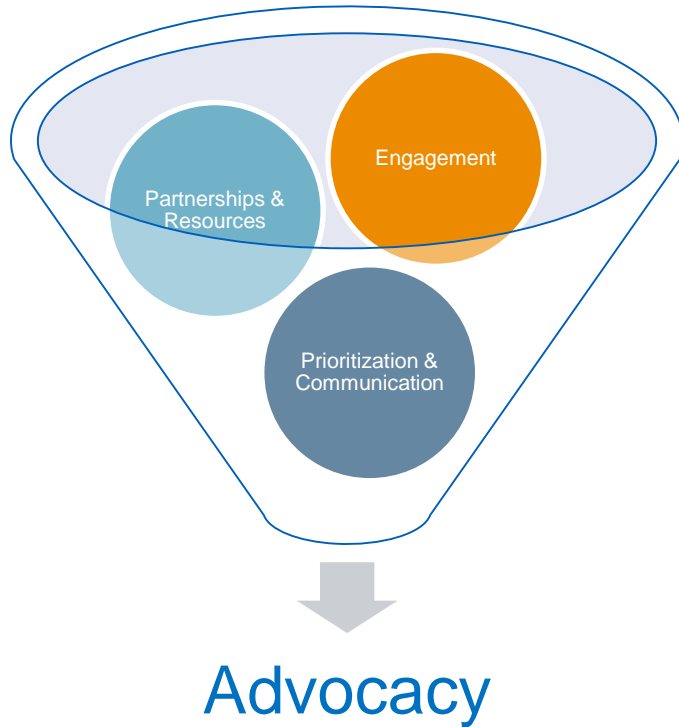
# Alignment with Businesses and Functions

## Stakeholders





# Issue Identification: Internal



- 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

# Issue Identification: External

Utilize existing resources to identify pertinent legislation and regulations

The screenshot shows the Bloomberg Government website's "State Legislation Search" page. The header includes the Bloomberg Government logo, a search bar, and navigation links like Home, News & Analysis, Congress, Agencies, State, Lobbying, and Directories & Advocacy. The main section is titled "State Legislation Search" with tabs for Federal and State. A search bar contains the text "Enter bill numbers without spaces, e.g., HB100; enter phrases with quotes, e.g., 'Health Care'". Below the search bar, it shows "1,039,146 MATCHES". On the left, there are filters for State, Sponsor, Co-sponsor, and Topic. The main content area displays two search results for Georgia legislation. The first result is "HB 511 - Georgia (2021-2022 Regular Session)" with a description: "A BILL to be entitled an Act to amend Titles 12, 19, 27, 28, 31, 40, 45, 48, and 49 of the O.C.G.A., relating to conservation and natural resources, domestic relations, game and fish, General Assembly, health, motor vehicles and traffic, public officers and employees, revenue and taxation, and...". The second result is "HB 141 - Georgia (2021-2022 Regular Session)" with a description: "A BILL to be entitled an Act to amend Chapter 15 of Title 17 of the Official Code of Georgia Annotated, relating to victim compensation, so as to provide for requirements for awards made from the Georgia Crime Victims Emergency Fund to medical service providers; to provide for related matters; to...".

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

The screenshot shows a collage of three websites. The top left is the WMC (Worldwide Motor Council) website, featuring tabs for WMC, WSC, and BW, and sections for Government Issues & Policy, Programs, Events & Education, and Products & Services. The top right is the BW (Business World) website, showing a navigation bar with Membership, Chamber of Commerce, About Us, and News. The bottom right is the COST (Control On State Taxation) website, which has a "Bill Tracking" section. The COST website features a map of the United States with states colored in green, yellow, and red, indicating the status of legislation. The map is titled "COST Map" and includes a legend: "Legend: Pending (Green), Passed (Yellow), Rejected (Red)". The COST website also has a "Quick Status" search bar and a "Display" button. The bottom right corner of the COST website shows a "LEGISLATIVE" section with a "Learn More" button.

# 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

# Issue Tracking Tools

Bloomberg Government

Search  GO

Help Alerts Profile

Home News & Analysis Congress Agencies State Lobbying Directories & Advocacy

Bill Portfolio Tool > NEC Adoption

## NEC Adoption

STATE LEGISLATION Updated 20 Apr 2021

Michigan | HB4648  
House Bill: HB4648 (2021)

Sponsor:  
Rep. Joe Tate (D-MI-2)

Number of Cosponsors:  
17

Last Action:  
06/06/21 - Document Added: HFA Leg. Analysis - Summary as Introduced  
[Show More >](#)

STATE LEGISLATION Updated 15 Apr 2021

Michigan | SB363  
Senate Bill: SB363 (2021)

Sponsor:  
Sen. Kevin Daley (R-MI-3)

Number of Cosponsors:  
3

Last Action:  
05/25/21 - Sponsor Added: Sen. Winnie Brinks (D-MI-29)  
[Show More >](#)

STATE LEGISLATION Updated 07 Apr 2021

South Carolina | HB4060  
House Bill: HB4060 (2021)

Sponsor:  
Rep. Bill Sander III (R-SC-2)

Number of Cosponsors:  
1

Last Action:  
04/07/21 - Action Added: Read third time and sent to Senate (House Journal-page 11)  
[Show More >](#)

PRESENTATION BUILDER [BETA](#) DOWNLOAD REPORT [EDIT](#) [DISABLE ALERT](#)

# Relationship Management

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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



# 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

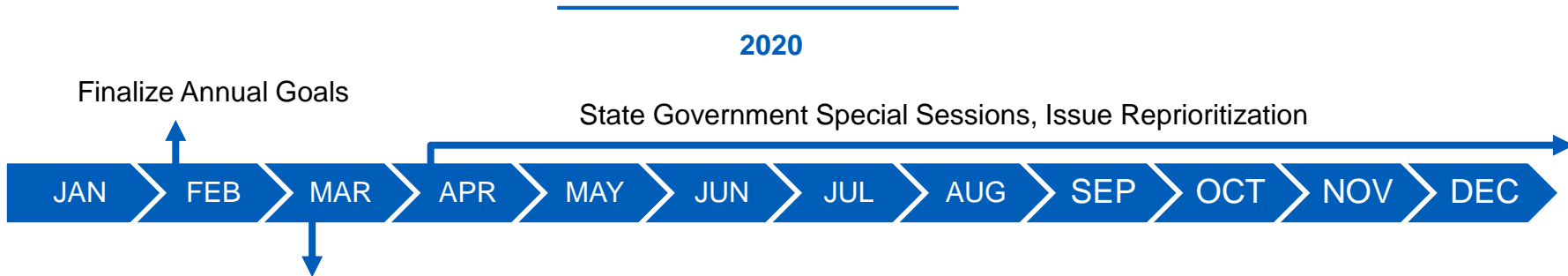
## Communicating with decision-makers:

- 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

# 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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State Closure Orders Begin

# 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

# Showing Value: External Stakeholders

# 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





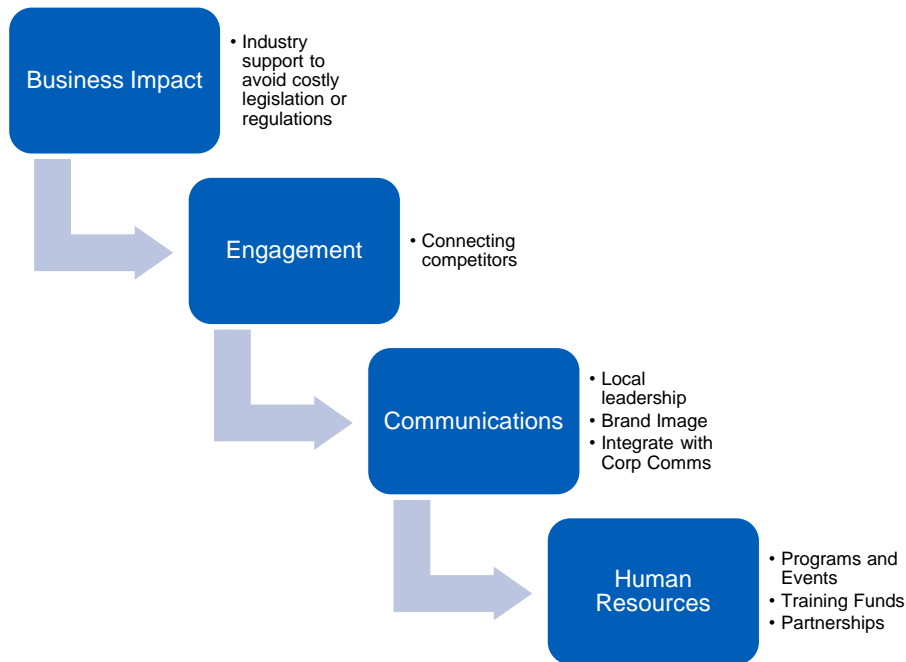
# Driving the Association's Agenda

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-  **Leadership**  
Representation on Boards and Committees
-  **Participation**  
GR & business/functional leaders
-  **Issues**  
Bring policy priorities forward

# 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.



# Calculating Trade Association ROI



Define Objectives



Measure Value



Cost vs. Benefit




Ability to Influence



Effectiveness



# 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.



**We make what matters work.  
Sustainably.**

To deliver on our commitment to reduce carbon emissions from our operations by at least **50 percent by 2030**, positioning us to achieve carbon neutrality, we will

-  Shift to a low-carbon, resource-efficient economy
-  Build/develop more sustainable communities
-  Comply with regulatory and disclosure expectations

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Governor Gretchen Whitmer  
P.O. Box 30013  
Lansing, Michigan 48909

September 11, 2020

Re: Michigan Businesses Support Action on Climate

As major businesses, institutions, and employers in Michigan, we write to express our support for advancing statewide strategies to mitigate climate change. We understand that your top priorities since the start of the pandemic have been emergency relief measures and the safety of all Michiganders. As you turn your focus from relief to recovery, we ask you also to prioritize strategies to advance sustainability and equity in order to build a more resilient and just economy and address the impacts of our ongoing climate and health crises.

We have each made significant investments to reduce our greenhouse gas (GHG) emissions because climate change poses a material risk to our businesses, threatens the competitiveness of our supply chains, and impacts the communities in which we operate. The cascading effects of climate change extend from public health consequences to reduced crop production to unreliable infrastructure – all of which impact the state's economy and well-being and have a disproportionate effect on low-income populations and communities of color. Because of these risks and impacts to our businesses, customers, and communities, we view climate action as a top priority for Michigan – and we are doing our part.

And we are not alone. In Michigan, and across the country, companies are driving the demand for emissions reductions. More than half of Michigan's 25 largest employers have invested in clean energy or set goals to reduce GHG emissions. In addition, 44 companies with footprints in the state have committed to power their operations with 100 percent renewable energy. To remain at the cutting edge of an increasingly competitive marketplace, we must take advantage of clean energy technologies including energy efficiency, energy storage, and electric vehicles. Before the start of the pandemic, clean energy investments helped create more than 126,000 Michigan jobs. A renewed commitment to clean energy and climate action will attract new businesses, drive the creation of new jobs and investments, preserve and restore Michigan's clean energy economy, and enhance the vitality, resilience, and growth of our state.

# Questions?





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