

November 2023

Subject: Eaton's Response on its trade compliance approach to Russia sanctions including new EU and UK Restrictions on Iron and Steel Imports

Dear Customer,

Thank you for your inquiry for information about Eaton's trade compliance approach and business activities pertaining to Russia, Belarus and non-government-controlled areas of Ukraine.

Eaton is committed to complying with all applicable trade sanctions and trade compliance controls.

As Eaton announced in 2022, we have closed our sales business in Russia. Since the start of the conflict in Ukraine, Eaton stopped taking any new orders for direct or indirect business in Russia and Belarus to fully comply with all sanctions. This policy remains in place, and we are not entering into any new orders for Russia, Belarus or for non-governmental controlled areas of Ukraine at this time.

Eaton has no primary suppliers in Russia, Belarus or Ukraine. We set clear expectations for our suppliers in our commercial agreements and in our "Supplier Code of Conduct" for full compliance with all applicable laws:

<http://www.eaton.com/Eaton/OurCompany/DoingBusiness/SellingtoUs/SupplierCodeofConduct/index.htm>). This includes compliance with trade sanctions and trade compliance controls.

Eaton has taken appropriate actions to respond to and comply with the new restrictions in place on the import of iron and steel products that were effective on and from 30th September 2023 as introduced by the EU (on 23 June 2023 by Council Regulation (EU) 2023/1214 of 23 June 2023 (as it amends Council Regulation No 833/2014)) and the similar measures introduced by the United Kingdom as part of their Russia related restrictions.

Through our own supply chain due diligence process and practices and as a member of the Responsible Business Alliance, we are following a multi-pronged due diligence and compliance approach to ensure that we, and our suppliers, comply these new EU and UK restrictions. This includes:

1. **No direct purchases of Iron or Steel from Russia:** Eaton does not have any primary or direct suppliers in Russia.
2. **Due Diligence and Engagement with Suppliers to identify indirect Russia sourcing:** For our purchases of Iron and Steel materials and products for import into the EU and UK, we do not source any Iron and Steel from Russia, and we are engaging, on a risk basis, with our Supply Chain to identify any risk of sub-tier suppliers in our value chain who may be sourcing Iron and Steel from Russia;
3. **Supplier Certifications/Affirmations:** We introduced new certification and affirmation processes with our affected Tier 1 suppliers. We have sought additional confirmations from our suppliers of Iron and Steel materials and products into the EU and UK that these do not include any Russian sourced Iron and Steel content. We expect and can require their cooperation in providing us and our customs brokers and

logistics service providers with adequate and suitable documentation that verifies the origin of Iron and Steel upon request if required by the different customs enforcement bodies in each of the member states. This includes provision of mill test certificates (MTCs) if required.

4. **Select Audits.** We continue to conduct focused audits of our supply chain, and associated Code of Conduct responses, on a risk basis, as part of our monitoring of the efficacy of our compliance measures above.

Eaton values our relationship with you, and we believe the above demonstrates our Company's continuing commitment to Doing Business Right and our continued efforts to ensure compliance with all applicable trade sanctions and trade controls.

For additional inquiries on this topic, please contact responsiblesourcing@eaton.com

Yours faithfully,

Responsible Sourcing and Global Trade Management