



Powering Business Worldwide

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Corporate Sustainability Reporting Directive

Dear Sir/Madam

Thank you for the opportunity to provide our views on behalf of Eaton Corporation plc (“**Eaton**”) ahead of the transposition of the EU Corporate Sustainability Reporting Directive (“**CSRD**”) into Irish law.

At Eaton, we are committed to improving the quality of life and the environment and we believe our products, technologies and services make a difference in the world. We have been transparent about our commitment to sustainability since our inaugural sustainability report in 2006 and have continued to report our progress annually.

The purpose of this letter is to seek confirmation that Ireland will not attempt to accelerate the required date to comply with the new sustainability reporting obligations under the CSRD beyond the timeframe set out in the CSRD, and to stress that adherence to the CSRD timetable for implementation is critical for companies such as Eaton preparing to comply with these complex and novel legal obligations.

Article 5.2 (a) of the CSRD provides that it will apply to large companies listed in the EU and other public-interest entities (with more than 500 employees) for financial years starting on or after 1 January 2024. For EU-listed companies, who are already reporting in compliance with the EU Non-Financial Reporting Directive (“**NFRD**”) and subject to the Taxonomy Regulation, compliance with the CSRD is a significant but incremental increase in their compliance and reporting obligations.

Article 5.2 (b) of the CSRD provides that other large companies, including most or all of the Irish companies who are listed solely in the US, such as Eaton, will be required to comply with the CSRD for financial years starting on or after 1 January 2025. For US-listed companies, such as Eaton, who are not within the scope of the NFRD or subject to the EU Taxonomy Regulation but are subject to a parallel compliance and disclosure regime under the NYSE and SEC rules, compliance with the CSRD is a very complex, labour-intensive, and expensive process, and accordingly we need the extra time provided by the CSRD to be in a position to comply.

We are very concerned about this issue because, although US listed companies such as Eaton are not within the scope of the NFRD, when Ireland implemented the NFRD the implementing regulations purported to bring all Irish listed companies, whether listed in the EU or the US, within the scope of the NFRD. This caused considerable cost and compliance issues for companies such as Eaton, as we had no reason to believe that we would be within the scope of the NFRD until Ireland published its implementing regulations.

Registered in Ireland; Registered Number: 512978

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We appreciate that the new reporting obligations under the CSRD will apply to Eaton, and we have been closely monitoring developments since the CSRD proposal was first published by the European Commission in 2021. We had been assured, by both the text of the CSRD and the communications from the European Commission and other EU institutions, that Eaton will fall within scope for financial years starting on or after 1 January 2025 and accordingly we have been preparing to comply within that timeframe.

Given the increased scale and complexity of obligations under the CSRD (and because the implementation of the CSRD will also bring us within scope of the EU Taxonomy Regulation), it would be hugely onerous for Eaton to be required to comply with the CSRD earlier than required by the CSRD, ie, financial years starting on or after 1 January 2025.

We request that the Department please provide prompt confirmation that Ireland will introduce the CSRD in line with the EU Directive implementation deadlines, and not seek to accelerate these dates for companies listed in the US.

Yours faithfully

Eaton Corporation Plc