

# Global Environmental Management and Sustainability Policy

---

Last Reviewed: May 2024

© 2024 Emerson Electric Co.



## Introduction and purpose of this document

At Emerson, we believe we have an important role to play in advancing new technologies and solutions that help improve environmental sustainability for our customers and the industries they serve. This includes enabling the deployment of low-carbon fuels and power sources, reducing emissions, improving energy and resource efficiency, and decreasing waste. Worldwide, our teams develop and scale new innovations that help both Emerson and our customers reach environmental sustainability goals as we work together to create a healthier, cleaner planet.

As part of our longstanding commitment to operational excellence, we remain dedicated to doing our part as a global business leader to drive tangible, sustainable business practices, and to help our customers around the world do the same. This commitment is an integral part of the company's strategies, management processes, and operational practices across all our Emerson businesses.

This Environmental Management and Sustainability Policy (the "Policy") sets forth the commitments and guiding principles that direct our efforts in this regard. This Policy will be reviewed, and the revised version published, on an annual basis.

## Scope

This Policy applies to all Emerson manufacturing operations and offices worldwide and the employees and contractors who work in them, and to all joint ventures and subsidiaries in which Emerson has management or operational control.

With regards to our supply chain, our [Supplier Code of Conduct](#) sets forth expectations related to Environmental Sustainability, which all suppliers must comply with. Beyond this, our [Responsible Sourcing Policy](#) sets forth Emerson's commitment to support and assess suppliers on progression towards Environmental Sustainability best practices.

## Environmental sustainability commitments

Environmental compliance forms part of the critical foundation for Emerson's sustainability commitments and strategies. Emerson is committed to meet or exceed applicable environmental laws and regulations, and routinely reviews its facilities and operations to ensure legal compliance. To accelerate action on environmental sustainability, Emerson has developed long-term targets on the reduction of GHG emissions, energy consumption and waste generation.

Emerson has established a target to reach net zero greenhouse gas (GHG) emissions across Scopes 1, 2 and 3 by 2045 compared to a 2021 baseline. To set us on the right pathway, by 2030, we aim to reach net zero across our operations for Scope 1 and 2 GHG emissions, and a 25% absolute reduction across our value chain (Scope 3 GHG emissions) from 2021. These near-term targets have been approved by the Science Based Targets initiative as being in line with the 1.5°C temperature trajectory, necessary to meet the goals established under the Paris Agreement.

More specifically, for 2030, Emerson is pursuing the following targets, from a 2021 baseline:

- A 90% reduction of operations Scope 1 and 2 GHG emissions
- A 35% reduction of operational energy intensity (normalized to sales)
- To source 100% of renewable electricity in our operations
- A 25% reduction of Scope 3 GHG emissions across our value chain (100% coverage)

Emerson has also established a zero waste to landfill goal. We are committed to achieving zero waste to landfills in our manufacturing facilities by 2032, from the 2022 fiscal year, wherever this is compatible with local conditions and regulations. In line with widely accepted certification programs and best-practice industry standards, we define zero waste to landfill as at least 90% diversion rate.

## Guiding Principles

To translate the above commitments into concrete actions, Emerson articulates the following main guiding principles, to be integrated into our internal environmental management practices and performance standards.

---

### Climate Action & Greenhouse Gas (GHG) Emissions

Emerson fully supports the Paris Agreement and the associated recommendations from the IPCC (Intergovernmental Panel on Climate Change), which state that the world must strive to align with a 1.5°C decarbonization pathway and reduce CO2 emissions to net-zero well before 2050.

Our near-term and net-zero targets were developed in line with the current climate science as outlined by Science Based Target initiative's (SBTi) Net-Zero Standard. Both of these targets have been approved by SBTi.

Facilities regularly measure their GHG emissions performance and track the progress made towards our global goal to reduce emissions by 90% within our Scope 1 and 2 GHG emissions by 2030.

---

### Air Emissions Management

Emerson sites worldwide follow applicable regulatory requirements and our internal air emissions management standards, which in some regions exceed regulatory requirements.

Our environmental management practices manual outlines our internal management standards, which include identifying and mapping air emissions sources, reviewing permit applicability, conducting equipment evaluation for required controls.

---

### Renewable Electricity

Emerson works with its business partners in our value chain, leading industry associations, and governmental authorities to collectively enable and promote the use of renewable and clean electricity in grids across the world. We have partnered with RE100 and CEBA as part of our commitment to source 100% of global electricity consumption from renewable sources by 2030.

We will continue to evaluate on-site renewable investments and deploy where most impactful and appropriate. We substantiate our renewable electricity usage by obtaining and retiring relevant Environmental Attribute Certificates (EACs) to match energy consumption levels.

---

### Operational Energy Efficiency

Emerson works to continuously improve the energy efficiency of its own operations. Our manufacturing facilities regularly measure their energy consumption levels and track progress toward our global goal of reducing energy intensity by 35% by 2030, from a 2021 baseline, as normalized to sales.

Our best practices are informed by resources from external experts, such as the government-sponsored industry group Energy Star Partnership. Best practices for energy optimization are updated, documented, and disseminated internally to our teams of stakeholders around the world. To support this continuous improvement, Emerson facilities will consider and pursue relevant certification schemes as part of their environmental management programs, such as ISO 14001 and ISO 50001.

---

### Sustainable Product Design

Emerson is working towards embedding lifecycle thinking priorities and Eco-design principles into our new product development processes to reduce the environmental impact and carbon footprint of our products.

Life cycle assessments (LCAs) provide a good perspective on the environmental impact of a product and help to inform relative priorities for reducing overall carbon for new and existing products. Emerson utilizes widely accepted processes and databases to conduct LCAs.

---

---

## Product Energy Efficiency

Emerson sells long-lived products to essential industries worldwide. We will continue to drive greater energy efficiency throughout our product portfolio and support increasingly higher standards for energy efficiency and reduced emissions impact while enabling our customers to do the same.

---

## Sustainable Packaging

Key to our sustainable product strategy is the packaging in which our products are sold and transported. Our approach to sustainable packaging is focused on design practices, key partnerships, and awareness campaigns.

---

## Waste Management

Emerson sites worldwide follow applicable regulatory requirements and our internal waste management standards, which in many regions exceed regulatory requirements. Our environmental management practices manual outlines our internal management standards, which include categorizing, separating, storing, labelling, properly disposing of waste, and personnel training. These practices are founded on the waste hierarchy.

We regularly collect data from our manufacturing sites to track progress toward our Zero Waste to Landfill goal. Waste service providers are also audited at regular intervals by site personnel or third-party consultants to help ensure proper compliance requirements are met.

---

## Materials and Chemicals

Emerson mitigates risk through proper management, storing, handling and disposal of waste and chemicals. This reduces potential impact on soil, groundwater, and surface water.

---

## Water Management

Emerson facilities monitor and review water consumption practices, develop usage baselines and identify potential reduction opportunities. To reduce water pollution, Emerson facilities follow regulatory requirements and applicable permit limits and, where applicable, best management practices with respect to the industrial wastewater that it generates. Sites also follow our internal water management standards, which can exceed regulatory requirements.

We regularly collect purchased water data for internal management and external reporting purposes.

---

## Environmental Management and Auditing

Emerson's environmental compliance management consists of a regular third-party environmental compliance audit for our manufacturing sites. During these audits, independent auditors conduct detailed inspections of the facility and its environmental records to evaluate both compliance with regulations and overall environmental management practices.

These audits evaluate environmental regulatory compliance, as well as the overall environmental management practices at each plant. The audit process also requires plant environmental / sustainability managers to look beyond basic compliance to explore ways to implement more innovative and effective environmental management practices.

In years when these facilities do not have a third-party compliance audit, local management teams complete a self-assessment to confirm compliance with environmental regulations.

---

---

## Contingency Planning

Emerson's environmental program eliminates or reduces the impact of any release or spill that may occur. Our sites have plans which include preventative measures as well as emergency responses. Our environmental management practices manual outlines our internal management standards, which include release reporting requirements, contingency plans, and appropriate spill response.

---

## Responsible Sourcing

In accordance with Emerson's Responsible Sourcing Policy, we proactively engage, support, and review supplier performance on minimizing waste and water, and on reporting and reducing emissions. Our Supplier Code of Conduct sets forth the environmental sustainability principles that we expect each partner to understand and adhere to within their businesses and throughout their entire supply chain.

---

## Education, Training, and Outreach

Emerson conducts regular training programs for environmental, and sustainability managers at its facilities, particularly in our manufacturing operations. The programs address matters such as changes in relevant laws and regulations, energy and GHG emissions best practices, pollution prevention and waste minimization practices, as well as technological developments and data reporting tools.

We work to increase the awareness of environmental sustainability issues amongst our external stakeholders and share our expertise, knowledge, and best practices with others across our value chain and in the communities, we operate and live in.

---

## External Partnerships

Partnerships with governments, industry groups and other leading organizations are key to achieving our shared sustainability ambitions. We collaborate with others to drive and accelerate environmental sustainability action across our value chain, communities and beyond.

---

## External Reporting

We are committed to ensuring transparency to our own stakeholders by publishing an annual ESG (Environmental, Social & Governance) report and by submitting responses to the Climate Change and Water questionnaires to CDP (formerly Carbon Disclosure Project) annually.

---

## Alignment with International Frameworks

Emerson follows the calculation procedures and reporting recommendations provided by the GHG Protocol when disclosing our organizational GHG emissions annually. We believe global alignment in the reporting of organizations' GHG emissions is key to drive disclosure consistency across the global market.

Emerson's environmental disclosure is aligned with international reporting standards and requirements, such as the Global Reporting Initiative (GRI), CDP (former Carbon Disclosure Project), the Taskforce on Climate-related Financial Disclosures (TCFD), the UN SDGs and SASB.

---

## Verification

Scope 1 and 2 GHG emissions data is verified by an independent third-party verifier on an annual basis.

---

## Roles and Responsibilities

---

### Board of Directors

Our Board of Directors maintains general oversight for the matters contemplated by this Policy. It has delegated responsibility to the Corporate Governance and Nominating Committee to assist the Board in the oversight of the company's ESG (environmental social governance) initiatives and the ESG Report. The Technology and Environmental Sustainability Committee provides additional focus on the oversight of Emerson's product cybersecurity and company environmental sustainability policies and programs, and the Audit Committee provides audit and assurance processes oversight for ESG reporting.

---

### Chief Sustainability Officer (CSO)

The CSO has the responsibility of overseeing Emerson's environmental sustainability program, leading the Environmental Sustainability Steering Committee and reporting updates to the Board bi-annually.

---

### Environmental Sustainability Steering Committee

Emerson's Environmental Sustainability Steering Committee, formed in 2020, recommends strategies and drives support to help advance Emerson's environmental sustainability performance, as well as to educate and encourage the use of best practices throughout our global organization. The Committee actively works to connect the priorities of our Board, leadership team and our colleagues around the world.

---

### Energy Sourcing Committee

The Energy Sourcing Committee acts as a centralized decision-making body for reviewing opportunities to procure renewable energy, and ensure compliance internationally-accepted sourcing standards.

This group has representatives from sustainability, supply chain, finance and legal functions and works closely with our businesses to evaluate and implement renewable energy purchases.

We also utilize third-party energy specialists who are active in energy markets and aware of emerging opportunities.

---

### Chief Legal Officer (CLO)

The CLO has the responsibility for overseeing environmental compliance and auditing programs and periodically reports to the Audit Committee of the Board of Directors.

---

### Global Business Unit EHS leaders

Global Business Unit EHS (Environment, Health, and Safety) leaders are responsible for implementing and carrying out environmental compliance programs. They also oversee key site environmental compliance and sustainability performance indicators and ensure timely reporting.

---

### Site Management

Manufacturing sites have an environmental and sustainability coordinator who is responsible for compliance tasks, auditing, metrics reporting and driving sustainability initiatives at the site.

---

**Environmental Management  
and Sustainability Policy**

© 2024 Emerson Electric Co.

