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**EMERSON HEADQUARTERS**  
St. Louis, Missouri (USA)

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Chairman’s Message

Dear Stakeholders:

Emerson’s purpose as a company is to bring engineering, innovation and manufacturing together to develop solutions for the world’s most important challenges. Our goal is to leave the world in a better, safer place each and every day.

To be a successful business, we must focus on creating long-term value for our customers, employees and shareholders. We achieve success by developing industry-leading technology, investing in our people and facilities globally, and delivering results for our customers and shareholders. Our success is also measured by the positive impact we make on people, our communities and the world in which we live.

In this current Corporate Social Responsibility report, we describe how our technologies, innovations, manufacturing and services are transforming industries by providing for a more efficient use of the world’s precious resources; helping nations move their economies forward in responsible ways; enabling Top Quartile operating performance and safety in industrial plants; helping ensure human health and comfort in homes and workplaces; protecting food quality through our cold chain solutions; advancing energy efficiency and environmental conservation; and creating sustainable infrastructure for people and communities. Emerson touches so many aspects in the world we live in, and we take it very seriously to improve the lives of people around the world.

As part of operating responsibly, we have always sought to minimize the environmental impact of our business operations and to use energy and natural resources wisely to reduce waste, pollution and costs. We also recognize that Emerson has a role to play in the global effort to reduce greenhouse gas (GHG) emissions and to manage energy effectively. Since 2006, we have reported our GHG emissions for our manufacturing facilities as part of the Carbon Disclosure Project, and we have now expanded our reporting to include all facilities we operate. During fiscal 2019, we have engaged outside environmental experts to help us evaluate the leading GHG reporting protocols, industry best practices and our current global operations to develop a long-term strategy with time-specific goals to reduce greenhouse gas emissions from our operations. We will issue these goals and our action plan in September 2019. We realize this is a journey to be better stewards of the global environment, and our steps and actions are important.

In an age where digital transformation is taking hold across the world’s manufacturing and industrial industries, Emerson is helping put a focus on the training and skills needed to be successful in today’s workforce – and the workforce of the future. With 10,000 baby boomers reaching retirement age every day, our customers’ industries – and our own company – need more skilled workers, and that is a critical priority for Emerson.

Emerson is tackling this challenge in three important ways. We are working with our customers on a range of initiatives to help reskill and upskill their employees to make the most of new digital tools. Second, through our scholarships and grants with educational institutions and nonprofit organizations, we are providing opportunities for young people, and especially women and minorities, to acquire the training and advanced skills sought by industries leveraging the benefits of digital transformation and automation. Third, through our “We Love STEM” campaign, hosted events and investments, we are raising awareness among younger children and their parents of the importance of a STEM education, no matter what you do in life.

We are investing in people to create an even better workplace for our employees. We continue to put a top focus on the
safety and well-being of our employees in the workplace. We have reduced our total recordable injury rate globally by 38% over the past five years, but need to be ever safety-conscious. For our employees, we have implemented paid parental leave in the United States and in countries where it was not already mandated. We have also improved our healthcare program and enhanced vacation and retirement programs for U.S. employees.

In 2016, as we were going through our most recent business portfolio transformation, we surveyed thousands of our employees worldwide to identify the global values that bring us together, serve as our foundation, and make Emerson unique and stronger as a business. This initiative helped us better articulate the behaviors and expectations we have of our employees and our organization. In this year’s report, we highlight how we reinforce our culture through the professional and leadership development programs managed by our Emerson Learning Centers globally. We focus on making Emerson more relevant to our employees, customers and shareholders each and every day.

We are committed to increasing diversity in our workforce and fostering a culture in which every employee is valued and respected, ensuring we have the workforce needed to keep Emerson strong and competitive today and in the future. More than 9,000 of our employees globally have gone through unconscious bias awareness training. We view every job opening and promotion as an opportunity to ensure that qualified diverse candidates are being identified and considered. I especially want to recognize our Women in STEM employee resource group, which has grown rapidly and is playing an important role in helping our company provide a strong support network to help develop and retain women, especially in engineering and management roles. We further promote a diverse and inclusive workplace through our Blacks Reinforcing Diversity, LGBTQ + Allies and Veterans employee resource groups, and we encourage all employees to participate to support greater dialogue and understanding.

Strengthening the communities where we live and work through our company’s charitable contributions and employee volunteerism is a fundamental part of our culture, and it remains strong and active thanks to all of our employees. In this report, we highlight some of the more than 1,000 organizations and initiatives Emerson and our employees are supporting in the United States, China, India and other countries where we operate. Our combined efforts with our employees and these organizations are making a positive impact on the people being served and our communities.

I want to thank our Board of Directors, our management team and our employees around the world for their support. Through this report and other communications, we are pleased to share our activities and progress with our stakeholders, and we will strive to improve each and every year.

My personal regards,

David N. Farr
Chairman and Chief Executive Officer
At Emerson, every decision we make is driven by our core values: Integrity, Safety & Quality, Support Our People, Customer Focus, Continuous Improvement, Collaboration and Innovation.

These values – informed by a survey in 2016 in which 13,999 employees across the globe responded – shape and define Emerson’s culture and serve as the lens through which we evaluate key business decisions, initiatives and focus areas.

Our values – and the incredible work they inspire – give meaning and purpose to our daily work as employees. They drive our efforts to focus on diversity and inclusion, engaging top talent who bring new and creative ways of thinking to our organization. They drive us to invest in new research and development capabilities as we strive toward continuous improvement and to solve our customers’ challenges. They push us to the highest levels of safety and quality, supporting solutions that keep the industry safely working toward new levels of innovation. And they compel us to act every day with integrity as we uphold the legacy of a 129-year-old organization with a critical goal: to leave the world in a better place than we found it.

**OUR VALUES**

**Integrity**

**WE ARE UNCOMPROMISING** in our honest and ethical behavior, which creates trusting relationships with one another, customers, suppliers and communities.

**Support Our People**

**WE ATTRACT, DEVELOP AND RETAIN EXCEPTIONAL PEOPLE** in an inclusive work environment, where all employees can reach their greatest potential.

**Continuous Improvement**

**WE CONSTANTLY STRIVE** for improvement in all aspects of our business, guided by metrics, feedback and our disciplined management process.

**Innovation**

**WE PASSIONATELY PURSUE** new technologies, capabilities and approaches to drive tangible value in our customers.

**Safety & Quality**

**WE ARE UNWAVERING IN OUR COMMITMENT** to the highest standards of safety and quality for ourselves and our customers.

**Customer Focus**

**WE ACTIVELY LISTEN TO OUR CUSTOMERS** to deeply understand their needs and deliver the unique solutions that ensure their success.

**Collaboration**

**WE WORK SEAMLESSLY** across geographies, platforms, business units and functions to fully leverage our unmatched breadth and expertise.
**Company Profile**

*Emerson is a global technology, engineering and manufacturing company with a 129-year legacy of providing innovative solutions for customers in industrial, commercial and residential markets.*

Through our two business platforms – Automation Solutions and Commercial & Residential Solutions – we develop and deliver advanced technologies, software and services that enhance productivity, efficiency and safety for our customers.

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**Financial Performance 2018**  
*Driving strong business results*

- **SALES:** $17.4B  
  14% year-over-year increase

- **EPS:** $3.46  
  36% year-over-year increase

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**Key Facts at a Glance**

- **1890** Founded
- **Headquarters:** St. Louis, Missouri (USA)
- **Stock symbol:** NYSE: EMR
- **54%** of destination sales were outside the United States
- **18K** active patents held by Emerson worldwide in 2018

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**Recognitions 2018**

- **18K** active patents held by Emerson worldwide in 2018

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**Creating value for shareholders:**

- **+25%** One-year shareholder total return
- **62 YEARS** Increased dividends

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More information about Emerson’s business and operational performance can be found at emerson.com and in our latest Annual Report to Shareholders and Form 10-K filing with the U.S. Securities & Exchange Commission.
**Automation Solutions**

Helps process, hybrid and discrete manufacturers achieve Top Quartile performance by maximizing production and optimizing energy and operating costs while also protecting personnel and the environment.

**Industries Served Include**
- Oil & Gas/Refining
- Chemical
- Power
- Food & Beverage
- Metals & Mining
- Water & Wastewater
- Life Sciences
- Automotive
- Electronics

**Core Expertise**
- Industrial Internet of Things
- Systems & Asset Management
- Measurement Instrumentation
- Fluid Control & Pneumatics
- Valves, Actuators & Regulators
- Welding, Assembly & Cleaning
- Electrical & Lighting
- Industry Services & Solutions

**Key Product Brands**
- Plantweb
- DeltaV
- Ovation
- Rosemount
- Micro Motion
- ASCO
- AVENTICS
- Bettis
- Fisher
- Keystone
- KTM
- Vanessa
- Branson
- Appleton

**Commercial & Residential Solutions**

Helps ensure human comfort and health, protect food quality and safety, advance energy efficiency and create sustainable infrastructure.

**Industries Served Include**
- Construction
- Commercial Buildings
- Food Retail
- Food Service
- Transportation
- Contractor
- Homeowners

**Core Expertise**
- Heating & Air Conditioning
- Refrigeration & Cold Chain
- Monitoring Systems & Facility Controls
- Food Waste Solutions
- Home Repair & Maintenance
- Professional Tools for Mechanical, Electrical, Plumbing & Industrial Infrastructure

**Key Product Brands**
- Copeland
- Greenlee
- InSinkErator
- Klauke
- ProAct
- RIDgid
- Sensi
Emerson’s two focused business platforms – Automation Solutions and Commercial & Residential Solutions – deliver innovative technology solutions that improve productivity and safety, advance energy efficiency, ensure human comfort and health, protect food quality, create sustainable infrastructure and reduce other environmental impacts.
Emerson’s Automation Solutions business enables the greatest use of the world’s most valuable resources, ensuring the performance and safety of industries that are the backbone of daily life.

Our wide array of products, integrated solutions, software and services enable process, hybrid and discrete manufacturers to maximize production, protect personnel and the environment, reduce project costs, and optimize their energy efficiency and operating costs. Our solutions help industrial manufacturers more efficiently use natural resources while helping protect worker safety and the environment.

Customized Solutions to Maximize Energy, Safety

Digital transformation is helping our industrial customers use the latest advanced technologies to reach Top Quartile performance, measured by enhanced safety, minimized energy usage, optimized production and improved reliability. Through its robust global consulting program, Emerson is helping customers implement solutions that address their specific needs, optimize their operations and make the most of their – and the planet’s – resources.

Through its advanced technology solutions, Emerson is working with India’s largest commercial oil company to modernize operations and emissions programs at IndianOil refineries, helping the company meet the new Bharat Stage VI (BS-VI) low-sulfur emissions standards. The BS-VI emission standards mandate a maximum sulfur content of 10 parts per million, which matches best practices set by Europe, the United States and other countries, and include limits on carbon monoxide, nitrogen oxides and particulate matter. Emerson is helping IndianOil meet its goals through our DeltaV™ distributed control systems; DeltaV safety instrumented systems and AMS asset management software; WirelessHART®-enabled instruments; wired field instruments, including pressure, temperature and flow sensors; control and isolation valves; and gas analyzers.
Using Smart Technology to Improve Efficiency

Emerson’s leading Plantweb™ digital ecosystem helps industrial customers maximize reliability, reduce energy costs, control emissions and automate processes to optimize performance. Plantweb can quickly reveal potential equipment failures or abnormal conditions and drive insights to customers for corrective action. This approach of turning information into actionable data empowers companies to take a predictive maintenance approach, addressing approaching problems such as leaks or corrosion before they arise.

Digital twin technologies make it possible for process manufacturers, such as a refinery or an electricity generating plant, to test operational upgrades and adjustments without putting real-time operations at risk. By creating a virtual environment known as a “digital twin” using Plantweb, companies can test updates and changes to enhance operations and improve energy efficiency.

Emerson’s alliance with AspenTech – a leading supplier of asset performance software, announced in 2018 – enables Emerson to provide industrial customers with high-fidelity, digital twin simulations that can be used throughout an entire plant’s life cycle. The data from these real-time digital twins will help with training operators, optimizing production and ensuring the most efficient, sustainable operations.

Enhancing Industrial Safety

Worker safety is paramount in industrial settings. Emerson’s new Location Awareness technology provides companies with a new way to monitor and protect employees in refineries, chemical plants, and oil and gas platforms. By leveraging our Plantweb infrastructure installed in a facility, Emerson’s Location Awareness solution gives managers a snapshot of employee locations through rechargeable, wearable tags. Used for safety mustering and man-down events, Location Awareness enables managers to quickly account for an employee’s location within the plant or facility during emergencies, when every second counts.

Detecting Pipeline Corrosion and Leaks

With nearly 2.5 million miles of pipelines crossing the United States alone, the integrity and safety of this network is critical. However, half of those pipelines are 50 years old or older – making the operational health of North America’s pipeline infrastructure a frequent topic.
within the industry. Emerson technology is helping monitor pipeline integrity, providing advanced leak prevention options that remotely determine corrosion and the rate of thinning of a piping wall, giving engineers real-time insights on preventive maintenance actions. At the same time, Emerson control systems can provide immediate solutions, reducing the flow rate to lower pipeline pressure and decreasing the possibility of an incident.

Training the Workforce of the Future
As manufacturing evolves, there is increasing emphasis on learning new digital skills while maintaining the industry’s laser focus on safety and efficiency. Emerson, working closely with Ranken Technical College in St. Louis, Missouri (USA), recently introduced the Performance Learning Platform, a portable automation technology training solution to provide hands-on training to workers. The platform is focused on closing the workforce skills gap and reinforcing the capabilities that are needed to achieve the promise of digital transformation.

Offering Energy Expertise to Partners
Energy efficiency is a critical issue in industrial plants, including refineries. Even seemingly small components can add up in a big way: Failing steam traps within a refinery typically result in 10% to 20% energy loss each year, costing $4 million each year in evaporated steam if undetected. That’s lost energy that has to be regenerated. Emerson’s advanced monitoring technologies quickly alert companies to these steam trap leaks before they become larger issues.

Advancing LED Lighting Savings
The light-emitting diode (LED) is one of today’s most energy-efficient and rapidly developing lighting technologies, according to the U.S. Department of Energy. To help customers leverage this advancement, in 2018 Emerson introduced an LED version of industrial lighting fixtures that uses the same threads as incandescent bulbs – a move expected to save end users as much as 80% on energy costs.

In addition, in 2018 Emerson offered LED lighting fixtures to help retrofit industrial lighting for environmental locations where flammable gases or vapors may be present, like offshore rigs, petrochemical and chemical processing plants, water treatment plants and grain elevators. These LED innovations are designed to withstand harsh surroundings and help ensure worker safety while offering convenience and cost savings for converting to energy-saving lighting for thousands of light fixtures in industrial operations.

The DOE says widespread use of LED lighting has the greatest potential impact on energy savings in the United States. By 2027, widespread use of LEDs could save about 348 terawatt hours, or TWh, of electricity (compared with no LED use). This is the equivalent annual electrical output of 44 large electric power plants (1,000 megawatts each), and a total savings of more than $30 billion at today’s electricity prices.
Emerson’s Commercial & Residential Solutions business creates technologies that ensure human comfort and health by protecting food quality, creating sustainable infrastructure and advancing energy efficiency.

Our technologies are used in residential heating and cooling, commercial and industrial refrigeration, and cold chain management for the food and pharmaceutical industries. We also manufacture professional tools for tradespeople and food waste disposer appliance solutions. Emerson is engineering environmentally responsible, energy-saving solutions that help people live more comfortably around the world.

Safeguarding the World’s Food Supply

Food waste is a significant global issue. In fact, the Food and Agriculture Organization of the United Nations found that about one-third of the food produced in the world – 1.3 billion tons – is wasted every year. Emerson is providing technology solutions to help protect food across the cold chain – the network of transport trucks, warehouses and facilities used to maintain safe food temperatures and storage from farm to fork.

As a member of the IBM Food Trust, Emerson’s partnership with other leading technology companies and retailers is enabling greater traceability, transparency and efficiency across the food ecosystem, using a blockchain-based cloud network. Emerson is providing temperature-related information on in-transit and refrigerated cargo to improve shelf-life estimates and food freshness, creating more actionable data for network members.

Through our new GO CO₂ real-time trackers, Emerson is enabling companies to track carbon dioxide levels of perishable foods in shipping containers. This data alerts companies when their CO₂ levels are off, helping retailers ensure the safety of their produce and make informed decisions about their products to avoid food waste.
Protecting Temperature-Sensitive Medications

Emerson’s advanced cold chain technologies are having an impact beyond food. The company recently partnered with HID Global to enhance monitoring capabilities that help healthcare providers monitor proper temperature for lifesaving vaccines, medications and other biospecimens. The solution combines automated alerts, audit trails, condition monitoring and location services to enhance medical-grade temperature monitoring through Internet of Things technologies.

Combining Customized Control with Lower Energy Use

Consumers today want the best of both worlds: complete control of their environment without compromising energy efficiency. Emerson’s top-rated Sensi™ smart thermostats recently earned the distinguished ENERGY STAR™ certification, an official endorsement by the U.S. Environmental Protection Agency of the products’ energy-saving and cost-efficient benefits for consumers. Sensi smart thermostats can save users about 23% of HVAC energy consumption when they adjust the temperature settings using flexible scheduling, remote access and geofencing.

Pioneering Heating and Cooling Solutions in China

Emerson’s new Sensi Hydro floor heating and air conditioning system is providing energy-efficient home comfort solutions that cut down on carbon dioxide emissions. The new system uses our industry-leading Copeland Scroll™ variable speed compressor and can save users up to 50% of costs compared with wall-mounted gas boiler heaters.

Advancing Energy-Efficient Commercial Buildings

Businesses are expecting more out of their commercial buildings than ever before. Construction of zero-energy buildings – which combine efficiency
and renewable energy to consume no more energy than they can produce on-site through renewable resources – has doubled since 2012, and about $4 billion in private sector investments in clean energy innovation have spurred further growth. Emerson is helping companies develop high-performance commercial facilities that rely on our advanced compressors and controls, dehumidification technologies and connected temperature management to sustainably operate while minimizing their footprint.

**Investing in Development of Energy-Efficient Solutions for the Future**

Emerson is creating the infrastructure to support the development of innovative heating and cooling solutions of the future. We’re investing $100 million in the renovation and expansion of our offices, labs and manufacturing facilities in Sidney, Ohio (USA), that support the research and development of Copeland™ compressors for air conditioning and refrigeration systems manufactured and sold in the Americas. In China, Emerson recently opened its new and expanded Suzhou Research and Solutions Center in Suzhou, China, to support research and development.
of heating and cooling solutions for China and the Asia market. These new facilities help position Emerson to continue its industry leadership in developing energy-efficient and environmentally responsible climate controls technologies to address human comfort and food safety needs in a world impacted by climate change.

Supporting Sustainable Refrigeration

As global focus shifts to sustainable refrigeration options, Emerson is leading the discussion and working to develop solutions that are optimized for both new efficiency standards and anticipated refrigerant regulations in the United States.

Emerson is partnering closely with global industry associations, original equipment manufacturers and chemical companies to determine the best low-GWP (Global Warming Potential) refrigerant options for HVAC applications across the globe. As an industry steward, Emerson is committed to working with customers, industry partners and government leaders through the transition from current to lower-GWP refrigerants in all regions it serves.

Turning Food Waste into Energy

Emerson’s Grind2Energy solution – which enables businesses to turn food scraps into renewable energy – recently expanded to the University of Notre Dame in South Bend, Indiana (USA). The system is expected to reduce food waste on campus by more than 2,000 pounds per day. Using specialized InSinkErator grinders, the Grind2Energy solution turns food waste from the university’s foodservice operations into a slurry that is kept in on-site holding tanks. When the tank at Notre Dame is full, the slurry is taken to a nearby dairy farm, where it is anaerobically digested and turned back into renewable energy.

Emerson is developing new solutions to optimize refrigeration efficiency around the globe.

**GRIND2ENERGY**
has diverted 30.2K tons of food waste to date, reducing emissions equal to 50.2M miles driven by cars.

30.2K
Operating our business responsibly means having experienced, engaged individuals on our Board of Directors to protect the interests of our shareholders, promoting a culture of personal integrity and ethical business conduct, managing our facilities to minimize their environmental impact and seeking to ensure our global suppliers share our values.
Emerson is dedicated to excellence and a disciplined management process, which includes corporate governance practices to ensure our company operates responsibly.

Board of Directors

Members of Emerson’s Board of Directors are elected by shareholders to provide oversight and strategic guidance to senior management. The core responsibility of the Board is to exercise its fiduciary duty to act diligently and in the best interests of all the company’s shareholders. The Board selects and oversees the members of senior management, to whom the Board delegates the authority and responsibility for the day-to-day operations of the business. The Board of Directors provides guidance and oversight regarding the management of the company and is responsible for establishing all significant company policies, overseeing compliance with those policies and approving all significant company transactions.

Board of Directors Policies

Emerson’s principles and practices are driven by its Board of Directors, which ensures these foundational elements are shaped by highly independent, diverse viewpoints and deep management expertise. Our Board’s composition and operations are guided by Emerson’s Corporate Governance Principles and Practices, which include the following guidelines:

**Independence** The majority of Board members must remain independent, and this independence is confirmed at least annually. At the end of 2018, Emerson’s Board included eight independent members and just one inside director, Emerson’s Chairman and Chief Executive Officer David N. Farr. Our Director Independence Standards are contained in Annex II to our Corporate Governance Principles and Practices.

**Composition** Board members must bring senior management business experience or experience in government or other relevant organizations. We seek a diversity of viewpoints on our Board that helps us to understand and...
Recent Corporate Governance Actions

The Corporate Governance and Nominating Committee periodically reviews the company’s governance principles and practices in light of feedback from shareholders, industry trends and risks and opportunities facing the company. When the committee determines any such changes are necessary, it recommends the changes to the full Board to approve any required policy amendments. As a result of this review, the company took the following corporate governance actions:

**ADOPTED AN AMENDMENT TO THE COMPANY’S BYLAWS**

to provide shareholders with a proxy access right that, subject to certain limitations, permits a holder (or a group of not more than 20 holders) of at least 3% of the company’s outstanding common stock to nominate and include in the company’s proxy materials director nominees constituting up to the greater of two individuals or 20% of the Board, provided that the nominating holder(s) and the nominee(s) satisfy the requirements specified in the Bylaws.

**SUBMITTED TO SHAREHOLDERS AT THE 2018 ANNUAL MEETING OF SHAREHOLDERS A PROPOSAL**
to amend the company’s Articles of Incorporation to allow shareholders the right to amend the company’s Bylaws and recommend that shareholders vote in favor of the proposal. Unfortunately, the proposal did not receive the required support to pass, and the Board does not believe it will receive the required 85% approval of outstanding shares in the future.

**REMOVED FORUM SELECTION BYLAW**, which provided that the sole and exclusive forum for specified legal actions would be courts located in Missouri.

**ACCELERATED THE PUBLICATION** of the company’s CSR report.

**INCREASED COMMUNICATION FROM THE LEAD INDEPENDENT DIRECTOR** through a Q&A in the Annual Report, a letter to shareholders in the Proxy Statement and increased availability of the Lead Independent Director for shareholder engagement.

**ADDED A NEW MEMBER TO THE BOARD OF DIRECTORS**, which, at the time of election, resulted in 33% of the Board being composed of women.

**IDENTIFIED KEY EXPERIENCES EACH BOARD MEMBER BRINGS TO THE BOARD** and highlighted such experiences in the Proxy Statement.

**Leadership**  Our Board Chairman is CEO David N. Farr. The Board believes that its current leadership structure, with Mr. Farr serving as both Chief Executive Officer and as Chairman of the Board, as well as Chair of our Executive Committee, is appropriate given Mr. Farr’s past success and extensive experience serving in these roles, the efficiencies of having the Chief Executive Officer also serve in the role of Chairman, the company’s strong corporate governance structure, including the newly adopted Lead Independent Director position, and the company’s financial performance under Mr. Farr’s leadership.

The Board also has established a Lead Independent Director position who serves as the key liaison between the
The duties of the Lead Independent Director include presiding at Board meetings at which the Chairman is absent, including executive sessions of independent or non-management directors, reviewing and consulting with the Chairman regarding meeting agendas and schedules and information to be sent to the Board, calling meetings of independent or non-management directors, consulting with shareholders and serving on the Executive Committee. The company publishes in its annual Proxy Statement the manner in which shareholders can communicate with any director, including the Lead Independent Director.

**Risk Management and Oversight**

The Board as a whole has responsibility for the oversight of Emerson’s risk management process. This process is designed to provide to the Board timely visibility into the identification, reporting, assessment and management of critical risks. The Audit Committee has specific responsibility for assisting the Board in risk management, including major financial risk exposures and the steps management has taken to monitor, mitigate and control such exposures, as well as oversight of the company’s environmental activities, audits and expenditures.

The Corporate Governance and Nominating Committee is responsible for assisting the Board in the oversight of the company’s conflict of interest policies, codes of ethics, political activities and compliance with laws and regulations, including oversight of the company’s political spending activities.

The formal annual risk assessment process includes surveys of all business unit presidents and interviews with all business leaders, corporate functional leaders and members of the Office of the Chief Executive. For each risk, the magnitude and probability of the risk occurring are determined. In addition, the employee responsible for mitigating the risk and the mitigation plan and timeline are documented.

The full Board, or the appropriate committee, receives this risk assessment information annually to enable it to understand and monitor Emerson’s risk management process. Information brought to the attention of the committees is shared with the full Board as appropriate. Ongoing risk assessments in various areas are also conducted as part of Emerson’s normal management process, and the results of those assessments are shared with the Board or relevant committee as needed throughout the year. This could include potential issues such as ethics or human rights violations, environmental risks, etc.

**Political Participation**

Emerson’s shareholders, employees and customers are affected by public policies at all levels of government. To protect shareholder value, Emerson engages with public officials to educate them on our company’s operations, emerging technologies and markets.

Further information about Emerson’s policies and procedures for political participation, including political spending, lobbying, details of such expenditures and links to recent LD-2, LD-203 and Missouri Ethics Commission reports can be found on the Political Contributions and Trade Associations and Lobbying pages of the Emerson website.
Conducting ourselves with Integrity – one of our core values – is deeply ingrained in our Emerson DNA.

We expect the highest standards of honest and ethical behavior from all our employees as part of our companywide commitment to unwavering ethical conduct and legal compliance.

To help communicate these expectations, Emerson’s Ethics and Compliance Program sets forth our policies and practices that define ethical conduct for every employee. In addition, our program comprehensively outlines our commitment to compliance with applicable laws, rules and regulations, proper handling of proprietary data and information, and accurate financial reporting.

The Board’s Corporate Governance and Nominating Committee oversees the program. Emerson employees are encouraged to communicate questions or concerns however they are most comfortable, including through our global ethics hotline, which is operated by an independent third party.

Employee Code of Conduct

Emerson’s Employee Code of Conduct handbook sets baseline standards for how we do business around the world. The latest version of our handbook is publicly available at emerson.com/ethics. The handbook – available for all employees – has been translated into more than 20 languages for our global workforce and forms the basis for our annual ethics trainings.

In addition, supplementary ethical guidelines for the responsibilities of the company’s Executive Officers and members of the Board of Directors are publicly available on our website.
CEO and Senior Financial Officer Code of Ethics

The Emerson Chief Executive and Senior Financial Officers Code of Ethics conveys the roles, responsibilities and expectations for top corporate officers, which includes exhibiting and promoting integrity, and providing accurate and timely financial reporting.

Annual Ethics Training

We hold annual all-employee training to ensure all employees understand Emerson’s expectations when it comes to ethical business practices and behavior, are aware of the latest updates to our governance principles and practices, and know the ways to report ethical concerns without apprehension or fear of retaliation. We also include anti-corruption information in our training and modify it each year to reflect any risks identified during the previous year’s audits.

In Emerson’s annual global employee engagement survey, we ask employees if they have a good understanding of our ethics program and if they know whom to contact in the event they need to discuss or report an ethics issue. Results from these surveys show a high level of awareness among employees worldwide, which indicates our Ethics and Compliance Program is making an impact.

Ethics Hotline and Reporting Process

We provide both web and phone access to an Ethics & Compliance Hotline for our employees globally. Employees can report to the hotline anonymously and without fear of retribution. We encourage transparency and do not tolerate any form of reprisal against employees for reporting concerns.

Ethics hotline emails or calls are received by an independent company, which reports the information to a limited number of experienced and specialized Emerson management personnel for investigation and response. The program is audited by internal and external auditors each year and is revised regularly to improve the program.
The chairperson of the Audit Committee of the Board of Directors directly receives finance-related hotline reports from the independent hotline provider. The committee reviews serious ethics and compliance allegations and receives a report on the resolution of any such allegations. Once a year, the Board’s Corporate Governance and Nominating Committee receives a summary of all allegations throughout the company.

**Conflict of Interest Evaluation and Reporting**

Emerson conducts an annual reporting process to determine whether any potential conflicts of interest exist between the company and any of its directors, officers or employees. Each year, a questionnaire is administered to all employees who could influence and/or receive personal gain at the company’s expense. In 2018, the questionnaires were made available in 22 languages, and approximately 43,000 directors, officers and employees responded. All newly reported responses indicating a potential conflict of interest issue are reported to the Ethics Committee. All such responses are investigated and resolved. The Board of Directors Corporate Governance and Nominating Committee provides oversight for Emerson’s conflict of interest policies and receives an annual report on the results of the Conflict of Interest Evaluation process.

**Anti-Corruption Controls**

Emerson has the following controls in place to prevent corruption:

**Internal Control Questionnaire (ICQ)**

All business units are required to complete the ICQ and to certify on a quarterly basis that their ICQ is accurate and that the business unit has implemented the required internal controls.

**Audits**

Each year, Emerson conducts audits of a selection of its locations globally to ensure appropriate anti-corruption internal controls are in place. We use a risk assessment model to identify audit targets. All locations that operate in high-risk countries and industries are audited at least once every three years.

**Anonymous Hotline**

Our anonymous ethics hotline is available for employees to escalate potential corruption issues. All hotline allegations are thoroughly investigated.

**Annual Ethics Training**

We include anti-corruption materials and modeling in our annual ethics training, which is performed with all Emerson employees globally.

**Online Anti-Corruption Training**

We require all employees in contact with customers, government officials, third-party intermediaries and suppliers to complete an online anti-corruption training program once every three years. From 2015 through 2018, approximately 53,000 employees received the training.
Each of our manufacturing facilities around the world is managed according to a global set of principles that guides our commitment to environmental stewardship in everything that we do.

Emerson’s business unit presidents are responsible for implementing these principles, with support from our Corporate Environmental Affairs department. Our general counsel is responsible for overseeing implementation of the company’s environmental principles and periodically reports performance to the Audit Committee of the Board of Directors.

**Promoting Energy Conservation and Energy Efficiency**

Emerson implements a range of energy conservation and energy efficiency measures at our facilities to reduce the impact of our operations on the environment and to reduce costs. In 2018, these conservation and efficiency activities actions across our operations contributed to a reduction of just over 16.4 million kilowatt hours used. That’s equivalent to the average annual electricity consumption of approximately 1,500 American households.

Highlights of our principles include:

**WE COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS**, but also seek to reduce and, where possible, eliminate hazardous waste through source reduction and recycling.

**WE CONTINUALLY WORK TO MINIMIZE ENVIRONMENTAL IMPACT** through safe technologies, facility design and operating procedures.

**WE CONSERVE ENERGY** and work to improve the efficiency of the products we manufacture and of our own operations.

**WE CONDUCT REGULAR TRAINING** to ensure knowledge of updated laws and regulations, pollution-prevention and waste-minimization practices, and technological developments.

**WE PERIODICALLY AUDIT OUR OPERATIONS** to confirm compliance with these principles and local laws.

*IN 2018, OUR CONSERVATION AND EFFICIENCY ACTIVITIES actions across our operations contributed to a reduction of just over 16.4 million kilowatt hours used.*
Here are a few examples:

• At Emerson’s global headquarters in St. Louis, all corporate buildings have been converted to LED lighting, and we replaced the north campus boilers and HVAC systems with newer, more energy-efficient systems. These changes resulted in a combined annual reduction of nearly 5.7 million kilowatt hours of energy used, with annual cost savings of almost $500,000.

• By replacing older air conditioning units with more energy-efficient systems, our Automation Solutions ASCO facility in Mexicali, Mexico, was able to cut energy costs by more than $61,000 annually and reduce electricity use by more than 663,000 kilowatt hours of energy per year. At Emerson’s Commercial & Residential Solutions facility in Atit, India, we switched to variable frequency drives for blower motors in industrial ovens. This innovation allowed Atit plant operators to adjust energy use for changes in production volume, saving more than 250,000 kilowatt hours of energy and just over $30,000 per year in electrical costs.

• Emerson’s Automation Solutions Flow Control facility in Black Mountain, North Carolina, launched a rainwater harvesting project to supply water for steam generation, irrigation and sanitary systems. This innovative approach to water conservation saves our facility approximately 43,500 gallons per month at a cost savings of more than $10,000 annually.

Designing Greener Buildings

Emerson designs and builds many of our new facilities following the U.S. Green Building Council’s Leadership in Energy and Environmental Design, or LEED, certified standards, incorporating sustainable design principles, technologies and best practices. It is another way we seek to reduce the impact of our operations on environmental resources.

In November 2018, Emerson opened a new headquarters and lab building for our InSinkErator business in Wisconsin, which was designed to qualify for LEED certification. In Chakan, India, we opened the first phase of a manufacturing center in March 2019 that is being designed according to the Indian Green Building Council’s standards.

Environmental Training

Emerson regularly conducts environmental training programs for our plant environmental managers, business unit environmental coordinators and other key personnel worldwide. Each session addresses the specific needs of the regions in which our facilities are located. Each year, employees receive online or face-to-face environmental training with two primary goals: give employees a practical understanding of the environmental laws and regulations as they apply to the company; and share best practices on how to reduce waste, enhance the quality of the environment and conserve energy.
Environmental Compliance

Emerson considers the environmental aspects of how we design, engineer and manufacture products, ensuring that materials and processes are safe and adhere to industry standards and government regulations such as WEEE (Waste Electrical and Electronic Equipment) and RoHS (Restriction of Hazardous Substances) directives.

We also annually assess the environmental compliance of Emerson facilities. In 2018, 84% of manufacturing facilities received environmental reviews, including 64 third-party audits and 99 self-assessments. In this process, we analyze the procedures and performance of our facilities against standards set by local law or Emerson’s standards, whichever is more stringent. In addition, when acquiring companies, we assess their environmental policies and procedures to correct any issues.

Emerson requires every manufacturing facility to receive a third-party environmental compliance audit every five years, in which auditors conduct detailed inspections of the facility and its environmental records. The purpose of these audits is to evaluate environmental regulatory compliance, as well as the overall environmental management practices of each plant. The audit process also encourages plant environmental managers to look beyond basic compliance to explore ways to implement innovative and productive environmental management practices.

Prior to an on-site inspection by an outside environmental consultant, each plant is required to complete a detailed questionnaire provided by the Corporate Environmental Affairs Department. Once the formal audit is completed and the outside auditor submits a written report, Corporate Environmental Affairs works with the business unit president and facility personnel to ensure all audit findings are addressed.

About 10% of Emerson’s third-party audits are surprise audits, in which facility managers receive, in most cases, only 48 hours’ notice of the audit team’s visit.

During years in which plants do not have a third-party compliance audit, business unit environmental coordinators work with plant management to complete a self-assessment to ensure compliance with environmental regulations. Corporate environmental staff oversee this annual process.

**PERCENTAGE**

of Emerson manufacturing facilities that received environmental compliance reviews in 2018.

84%
Fines and Sanctions

Emerson facilities are routinely inspected by environmental authorities in the jurisdictions where we operate. It is Emerson’s policy to cooperate fully with environmental authorities. Most inspections by authorities do not result in monetary fines, penalties or citations. When environmental fines or penalties have been imposed, the costs have been minimal in comparison with the size of our operations.

In fiscal year 2018, environmental regulators inspected our facilities or were notified of incidents on 39 different occasions worldwide (compared with 24 occasions in 2017). Of these occasions in 2018, only two (compared with three in 2017) resulted in monetary penalties, which totaled $10,996. The average annual cost of environmental fines and penalties incurred globally by Emerson from 2014 through 2018 was approximately $8,600.

Environmental Footprint of our Facilities

Emerson tracks our impact on the environment in several ways, including measuring greenhouse gas emissions into the atmosphere, water consumption and energy use associated with our manufacturing operations.

Emerson has voluntarily disclosed this data as a participant in the Carbon Disclosure Project (CDP) since 2006.

We have expanded our emissions reporting in 2018 to include all facilities within our operational control, including non-manufacturing facilities such as warehouses, distribution centers, headquarters buildings, sales offices and engineering centers. Altogether, 212 manufacturing sites and 570 non-manufacturing sites are being reported here. Where primary activity data was not available, we have made assumptions – based on occupancy, square footage, site use and other factors – to be as thorough and transparent as possible. This approach in our data gathering and calculations explains a portion of the increase in our 2018 emissions and electricity use. Although water consumption reporting was also expanded, our usage declined due to large water conservation projects at certain locations.

Compared with 2017, Emerson in 2018 experienced a 25.6% increase in global CO₂-equivalent emissions, a 5.1% reduction in global water consumption and a 12% increase in global energy use. We attribute increased emissions and electricity due primarily to an increased number of manufacturing sites being reported as a result of acquisitions by Emerson in 2016-2017 and our decision to include non-manufacturing sites in our reporting starting with this report.
Setting GHG Emissions Reduction Targets

We recognize Emerson has a role to play in the global effort to reduce greenhouse gas emissions. We are rolling out the global use of a leading environmental, health and safety (EHS) software system to track, manage and report our GHG emissions, electricity usage, water consumption and other environmental data.

During fiscal 2019, we have engaged a leading environmental management consultancy to work with our company in conducting an in-depth review of the leading GHG reporting protocols, industry best practices and our current global operations in order to set time-specific goals to reduce greenhouse gas emissions from our business operations and to develop a pragmatic, long-term implementation plan to achieve our sustainability goals. We will issue these goals and our action plan in September 2019.

Greenhouse Gas Emissions

**Scope 1**

**DIRECT GHG EMISSIONS**
Includes the combustion of fossil fuels (e.g., natural gas, fuel oil, propane, etc.) for comfort heating or other industrial applications at Emerson manufacturing and non-manufacturing facilities worldwide.

**Scope 2**

**INDIRECT GHG EMISSIONS**
Includes the consumption of purchased electricity, steam or other sources of energy (e.g., chilled water) generated upstream from Emerson manufacturing and non-manufacturing facilities worldwide.

All GHG emissions are measured in metric tons of carbon dioxide equivalent (MT CO2e).

### Water Consumption

- **2014**: 950,588,650
- **2015**: 1,061,401,521
- **2016**: 1,002,015,897
- **2017**: 1,061,401,521
- **2018**: 1,092,682,429

Emerson’s water usage in U.S. gallons, as reported by our manufacturing and non-manufacturing facilities worldwide.

### Electricity Use

- **2014**: 1,402,947,620
- **2015**: 1,189,500,885
- **2016**: 1,061,401,521
- **2017**: 1,002,015,897
- **2018**: 950,588,650

Emerson’s electricity usage in megawatt hours, as reported by our manufacturing and non-manufacturing facilities worldwide.

NOTES

All data is for the calendar year indicated and is based on the Emerson business portfolio during that year. In 2017, Emerson was reorganized into two primary business platforms – Automation Solutions and Commercial & Residential Solutions. The company’s 2018 environmental data includes 212 manufacturing facilities vs. 200 manufacturing facilities in 2017 and includes the Pentair valves and controls facilities that were acquired during 2017. During 2014, 2015 and most of 2016, the company was comprised of five business platforms: Process Management, Industrial Automation, Network Power, Climate Technologies and Commercial & Residential Solutions.
As Emerson’s global business has evolved, we’ve made it a top priority to choose suppliers that share our values and principles as we work together to deliver technology solutions for our customers.

We hold our suppliers to high standards and expect them to align with our stances on social responsibility and ethics, to act with integrity and to treat people and the environment with respect. Emerson is committed to helping our suppliers meet these standards by investing in our information technology systems and capabilities to better track compliance and drive continuous improvement. By regularly evaluating and updating these standards, we have been able to build and maintain a global supplier network that is true to Emerson’s core values.

Our supply chain approach enables us to move at the speed of our customers’ needs while always maintaining the highest levels of quality, backed by unwavering integrity and responsibility.

Training Emerson Employees

Managing a global supply chain entails a range of complex issues involving suppliers across diverse geographies, cultures and business practices. Acting responsibly requires knowledge of each subject, understanding of laws and practices, and the ability to recognize potential deviations.

To navigate these complexities, Emerson’s annual ethics training helps managers and employees engage effectively with stakeholders as they communicate Emerson’s priorities and expectations. This training also helps improve our ability to recognize, report and support remediation of any compliance issues.

Ethical Business Conduct

To enhance our knowledge of suppliers and limit the risk of inadvertently supporting wrongful practices, we use internal, industry and public sources to alert us to improper supply chain behavior. We expect supply chain managers in our businesses to make...
reasonable assessments of questionable activity and to ensure that all practices conform to Emerson expectations. We encourage our businesses to conduct periodic reviews with large or preferred suppliers, which include discussions of social issues such as safety, labor practices and environmental compliance. We continuously engage with our supply chain stakeholders to determine the most effective means of confirming compliance with Emerson’s expectations.

We expect suppliers to abide by our ethical behavior guidelines, which forbid any Emerson employee or family member from accepting payment from outside parties in connection with supplier transactions. We also prohibit suppliers from offering gifts that could influence Emerson-related purchasing decisions.

Our Supplier Code of Conduct was developed for compliance with important regulations, such as the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act. Emerson fully supports these and all other efforts to eradicate human trafficking across the globe. View our statement on the California Transparency in Supply Chains Act and United Kingdom Modern Slavery Act of 2015.

Materials Compliance

As a broadly diversified company, we purchase a wide variety of raw materials and component parts through our supply chain around the world. We are committed to working with suppliers to actively manage and demonstrate materials compliance with pertinent governmental laws and regulations, including REACH, RoHS and similar regional and national legislation. As required by our Supplier Code of Conduct, all of our suppliers must acknowledge they follow our environmental principles in their own operations to help ensure we are sustainably sourcing materials used in our production processes.

In February 2018, we implemented an online system that has been adopted companywide to help ensure compliance tracking in these areas across our diverse global supply chain. View Emerson’s Materials Compliance practices.

Conflict Minerals Statement

Emerson supports all efforts to end the human suffering and environmental impact that has been associated with mining in the Democratic Republic of Congo and adjoining countries. Emerson is committed to meeting all legislative and regulatory requirements that seek to eradicate this suffering. Together with other major manufacturers, Emerson is a member of the Responsible Minerals Initiative (RMI), formerly known as the Conflict-Free Sourcing Initiative, that is working with a range of industries to ensure responsible mineral sourcing in their supply chains and address any related issues.
We also conduct site visits of select new and developing suppliers as part of our qualification process.

New Initiatives Underway

In 2018, we implemented an online contract management platform and evaluated a supplier qualification module. The new contract management system enables us to continue growing the percentage of spend under contract, which includes acknowledging our Standards of Conduct clause. The supplier qualification module also provides a mechanism for collecting environmental, social and governance information from our suppliers.

We also launched a pilot survey of our top 20 suppliers to evaluate their awareness of and compliance with our Supplier Code of Conduct, as well as their own corporate social responsibility policies. These suppliers account for approximately 20% of our annual direct supplier spend, representing a significant volume of our partnerships that have been engaged on the Supplier Code of Conduct. We are expanding the survey in fiscal year 2019 to include nearly 300 suppliers who account for half of our annual direct supplier spend, and we look forward to gaining useful insights from this expanded survey.

Emerson expects its suppliers and their suppliers to acquire minerals only from responsible sources. Our expectations are described in more detail on our website at Emerson Conflict Minerals Statement and Form SD filing: Conflict Minerals Report for the Year Ended December 31, 2018.

Affirming Supplier Responsibility

We insist all suppliers operate in a manner that supports Emerson’s commitment to conduct business responsibly. Our supplier agreement form contains a “Standards of Conduct” clause, which states that we expect suppliers to comply with generally accepted principles regarding ethical behavior, labor practices, human rights and environmental protections, as outlined in the Emerson Supplier Code of Conduct.

Currently, about one-third of the company’s supply chain spend is under contracts requiring acknowledgment of this clause, and we plan to build this percentage over time.

We require all suppliers who want to participate in our e-sourcing initiatives to acknowledge their understanding and compliance with our Supplier Code of Conduct before they are allowed to bid.

We insist all suppliers operate in a manner that supports Emerson’s commitment to conduct business responsibly.
Emerson’s Regionalized Supply Chain*

Regional Sourcing
Since 2000, Emerson has made significant strides toward regionalizing our operations in terms of sourcing of inputs, design, manufacturing, sales and our service footprint. This regionalization strategy facilitates speed, cost savings and cash-flow generation, while supporting local customer needs and regulatory mandates in the countries in which we operate. Our strategy provides economic benefits for local suppliers and communities within these world regions, as well as helps reduce transportation costs and emissions. The data shown in the infographic is from Emerson management’s presentation at the 2019 Emerson Investor Conference in New York City (February 14, 2019).

Emerson Supplier Code of Conduct
Emerson expects its suppliers to project its values and principles, to stay current with technology, and to act with integrity and treat people and the environment with respect – all actions that reflect Emerson’s priorities. In this way, we are able to employ high-caliber suppliers that demonstrate responsibility and a commitment to fairness and honesty. We encourage all of our suppliers to familiarize themselves with this statement as we expect each supplier to adhere to these principles. View the Emerson Supplier Code of Conduct.

*Locally booked and built refers to the percentage of Emerson orders that are built within a region and fulfilled to customers in that same region. Locally sourced refers to the percentage of Emerson supply chain spend for manufacturing within a region that comes from suppliers within that same region.
INVESTING IN PEOPLE

Our most valuable asset at Emerson is our people. We seek to create a diverse culture and environment that respects our employees, recognizes their value with competitive wages and benefits, provides a safe and healthy workplace and empowers them to reach their greatest potential.
Employee Engagement

We are committed to providing a positive, respectful work environment for our employees that offers competitive wages and benefits in the local markets where we operate.

Our employees are our greatest resource, and we value their feedback and perspectives. A core tenet of our disciplined management process is listening and acting upon employee insights. For more than 60 years, Emerson has conducted employee opinion surveys. This practice promotes transparency and understanding and guides the management team to constantly strive for improvement at all levels. The employee survey was updated in 2017 to include questions about our safety culture and commitment to workplace diversity and inclusion. In 2018, we added employee engagement questions related to job satisfaction, work-life balance, teamwork and follow-through, and availability of training and support.

In fiscal year 2018, more than 20,300 employees were invited to complete the survey, and we received 89% participation. Employees surveyed indicated a high trust in leadership and consistently recognized a strong safety culture, positive supervision skills and ethical behavior across the organization. Employees also gave high scores to the human resources organization and management communication practices. While overall scores were good, we can continue to improve by encouraging collaboration, driving employee engagement, ensuring talent development and closely monitoring local market conditions.

Labor Relations
We respect our employees’ right to freedom of association in choosing labor organizations to represent them. We strive to maintain positive relationships with the unions, works councils and employee associations that represent many of our employees. In the United States, approximately 6% of our workforce are unionized. Worldwide, approximately 30% of our employees are represented by an employee representative organization, such as a union, works council or employee association.

Wages and Benefits
We seek to provide competitive wages and benefits in the local markets where we operate around the world. Our compensation practices comply with applicable wage laws and international standards, including those relating to minimum wages, overtime compensation and legally mandated benefits. In compliance with local laws, employees receive compensation for overtime at pay rates higher than regular hourly rates. The basis on which workers are paid is documented in a timely manner via pay stub or similar written communication. In the United States, our standard package of benefits for full-time employees includes healthcare, life insurance, disability coverage, paid parental leave and access to a retirement savings program. In other countries, our benefits packages for full-time employees vary in accordance with legal mandates, but all do include paid parental leave.
ENHANCING WAGES, BENEFITS FOR U.S. EMPLOYEES

Following the enactment of the Tax Cuts and Jobs Act of 2017 in the United States, Emerson made a number of improvements to the compensation and benefits provided to our U.S. employees. Besides market-based pay increases and enhancements to our health plans and vacation benefits, the company also made a special, one-time contribution of $1,000 to the retirement savings plans of our 24,000 U.S. employees in 2018. This contribution was in addition to the company-match contribution of approximately $50 million annually to our U.S. employees’ 401(k) plans. These benefit enhancements for employees reflect the company’s commitment to be an attractive place to work.

Equal Employment Opportunity

It is Emerson’s policy to recruit, hire, train and promote people in all job classifications without regard to sex, race, color, religion, national origin, age, marital status, political affiliation, sexual orientation, gender identity, genetic information, disability or protected veteran status. It is our policy and our practice that this equal employment opportunity be present in all aspects of employment, including but not limited to compensation, benefits, promotions, transfers, layoffs, company-sponsored training, tuition assistance and education.

Discrimination and Harassment

We are committed to providing a workplace free of any discrimination or harassment. This is reinforced in our annual ethics training that is mandatory for all employees. In addition, since 2017, we have been conducting training for our people managers on managing unconscious bias in hiring, promotion and pay decisions.

Conditions of Employment

Emerson operates with reasonable working hours to maintain a positive and productive work environment consistent with commonly accepted practices in each locale. Employees elect whether to accept employment after being fully apprised of the terms, conditions, practices and expectations of their jobs. Workers are not required to surrender government-issued identification, passports or work permits as a condition of employment.

Transition Assistance

Emerson provides outplacement services for all exempt-level U.S. employees in situations where layoffs or reductions in force are required due to business conditions, acquisitions or divestitures. In other countries, Emerson follows legal mandates.

Human Rights

In our business operations around the world, Emerson lives our commitment to respect and promote human rights, which are essential to a healthy and vital commercial environment and to
the broader society. This entails specific attention to particularly challenging issues and activities, including:

**Commitment to humane treatment**
We do not allow or condone any form of harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse, nor do we allow managers to threaten treatment of this nature.

**Prohibition on forced labor**
Our policies prohibit, and we do not use any forced, bonded, indentured or other compulsory labor. We also prohibit our suppliers from using any forced, bonded, indentured or other compulsory labor. Our policies are in compliance with important regulations, like the UK Modern Slavery Act 2015. Emerson fully supports these and other efforts to eradicate human trafficking across the globe.

**Prohibition of child labor**
Our policies oppose child labor, and we do not use child labor in any facility or business. Emerson has established age 18 as a standard minimum age for employment, which complies with or exceeds local legal requirements. We support the use of legitimate workplace apprenticeship programs that conform with laws and regulations. We also prohibit our suppliers from employing anyone under the local legal working age or age 14, whichever is greater.

**Grievance Reporting Mechanisms**
In addition to formal and informal complaint or grievance procedures at our business units, employees or other concerned parties have easy access to Emerson’s global ethics and compliance hotline to report complaints or concerns. Ethics hotline emails or calls are received by an independent company, which reports the information to designated management personnel at Emerson’s corporate headquarters for investigation and response. This outside service does not track visitors to its website, and the person can choose to provide their name or remain anonymous, unless prohibited by country regulations. Further information is available on the emerson.com Ethics & Compliance page.

Our commitment to human rights and ethical conduct does not stop with our operations but also extends to our suppliers. See our Supplier Code of Conduct.
In support of living our values, Emerson is committed to offering focused training and targeted development opportunities for our employees.

From annual mandatory ethics training to our elite leadership development programs for rising managers, we strive to give our people the knowledge and resources they need to fulfill and excel in their roles.

Our learning and development staff offers a wide range of in-person development opportunities that are created internally or offered through third-party partnerships. Leadership skills workshops cover topics like motivating change, leading virtual teams and mentoring for success, while our professional skills workshops tackle subjects including finance and accounting for non-financial managers, working with global teams, problem solving and effective project management.

In 2018, Emerson’s Global Learning Center program had 58,813 unique employee sign-ups. Employees logged 128,521 hours of training.

Professional Development
Emerson provides its global workforce with both e-learning and in-person development opportunities. Through our online Global Learning Center platform, employees have access to thousands of e-learning modules on everything from product training and technical skills to management and leadership topics.

Leadership Development Programs
We empower our managerial employees to build and strengthen their leadership and professional skills throughout their careers. Through our Charles F. Knight Learning Center staff, based in St. Louis, we develop and implement programming for managers that ties all training and developmental opportunities to business objectives – ensuring our employees can immediately put what they have learned to work and
that all development activities build shareholder value. Our approach, which effectively differentiates Emerson from its peers and has been praised by experts on leadership development, helps our employees develop in their careers, grow their job satisfaction and, ultimately, helps the company stay competitive in the marketplace.

**FOUNDATIONAL LEADERSHIP DEVELOPMENT**
We provide a sequence of training workshops for new managers (by promotion or new hires) that help them understand our culture and develop the essential leadership, professional and business skills they need to grow and succeed at Emerson. Approximately 2,000 new managers go through the three-day Leading at Emerson workshop annually. The workshop must be successfully completed within six months of a person’s appointment to a supervisory or management role.

**ACCELERATED LEADERSHIP DEVELOPMENT**
Some mid-level managers – including those identified to have potential for higher leadership positions in the future and those identified as a potential successor in a key leadership role – are nominated and selected for two different programs, depending on their opportunity for further development:

- **Rising Leaders Program –** Launched in 2018, this program trains up to 300 mid-level managers annually. Participants go through two, one-week intensive sessions spaced 12 months apart. During this program they cover the fundamental competencies required to be a successful senior leader at Emerson, including our management process, as well as leadership in the community, in safety and within a matrix organization. In 2018, the program was held in nine locations around the world, with five regional senior executives acting as the resident executive instructors at each training.

- **Executive Leadership Program –** This highly selective program provides up to 50 current and emerging leaders at the director, vice president, general manager and president levels from around the world with an intensive 36-month leadership development curriculum. Participants are nominated for the program by senior executives, and each nominee is approved by the CEO. This program consists of a series of three, one-week-long modules with group instruction – facilitated by senior Emerson leaders spaced 18 months apart.

**Performance Reviews**
All salaried employees and their supervisors are expected to conduct an annual performance review focusing on performance goals, development goals and competency-based goals. Additionally, our hourly workers are expected to have annual performance reviews tailored to their job categories.

Our Learning Center network includes dedicated workshop training teams located in each of our world areas: North America, Latin America, Europe and Russia, Asia Pacific, and India, Middle East and Africa. In 2018, more than 200 workshops were offered.
Workplace Safety

**We are committed to creating and maintaining a safe and healthy work environment for all of our employees.**

Operating safely goes hand in hand with operating productively, which in turn helps Emerson to compete effectively. That is why Safety & Quality is a core value of our company.

We expect all levels of management and all employees to be on the lookout for hazards and unsafe behaviors in the workplace. We emphasize that employees should stop and immediately address the issue if the work environment or carrying out of a specific task is unsafe.

Our safety efforts are guided by our Corporate Safety Council, which is composed of our top human resources, operations and safety leads for our company. The council meets quarterly and sets expectations, provides governance and oversight, and tracks progress on our global safety programs that seek to drive continuous improvements, reinforce our safety culture and reduce injuries in Emerson’s operations. We have found that leadership commitment, employee engagement and preventive actions are critical differentiators in driving safety improvements.

All of our locations with 50 or more employees have a health and safety committee operating at the local level, which includes representation from members of the workforce, to work proactively in addressing health and safety concerns. We conduct safety training for all operational employees and management.

We annually recognize locations from each of our business platforms that have achieved outstanding results in safety performance with our Safety Leadership Awards, and we give the Chief Operating Officer Safety Award to the location with outstanding safety performance, culture and programs.

Research has shown that 90% of accidents are caused by unsafe behaviors. That’s why it is important for safety-minded companies to define a standard set of rules and behaviors that drive the safety culture and performance. To reduce or eliminate the risk of serious injuries associated with decisions made by employees or managers, Emerson focuses on monthly communications highlighting positive behaviors, including:

364

IN 2018, WORLDWIDE EMERSON HAD 364 IN-HOUSE PERSONNEL employed as occupational safety and health professionals or designated as safety coordinators for their locations.
• Since 2017, we have been regularly communicating our “12 Lifesaving Behaviors” across the enterprise.

• On June 15, 2018, employees at our facilities around the world celebrated “Green for Safety Day” to raise awareness of our 12 Lifesaving Behaviors and our “I Own Safety” initiative that highlights employees’ role and responsibilities with support of the company.

• A “safety moment” reminder is included at the start of most large internal and external meetings organized by Emerson to help reinforce top-of-mind awareness.

We conduct cross business and cross platform safety audits on a regular basis. In addition, we also conduct selective audits annually to measure compliance with either Emerson’s or local safety standards, whichever is higher. Based on audit results, we work with facility management to rate safety compliance and provide step-by-step plans to address any issues that are discovered. Significant issues are addressed immediately, and in the vast majority of cases, audit issues are addressed within 90 days.

Our commitment to a safe workplace extends to facilities acquired through acquisitions, no matter the size, and we move quickly after the transaction closes to evaluate for safety issues. In 2018, for example, our inspections of five recently acquired manufacturing facilities revealed these plants did not meet our safety standards. We stopped production at these plants for up to four days to address the deficiencies, provided safety training for managers and employees, and conducted audits to determine longer-term plant improvement needs.

Emerson’s emphasis on safety and health encourages continuous improvement in all our processes, including:

• Protective devices – We continually look for opportunities to engineer and apply protective devices or automation that can mitigate risk from workplace processes and equipment.

• Ergonomics – Where processes involve repetitive tasks, we design work approaches to minimize the impact on our employees.

• Preventive maintenance – With sound maintenance routines and protocols, Emerson continually reviews equipment to keep it in top operating shape, which reduces the potential for hazards while maximizing productivity.
Security – To ensure a well-protected, safe workplace, we consistently evaluate access into our facilities, following international guidelines and standards.

Health and Safety Performance

We measure health and safety performance across all our facilities to ensure continuous improvement and high standards in every facility. In fiscal 2018, Emerson implemented use of an enterprise-wide environmental health and safety software system for the first time. This software solution enables our local teams around the world to record data more easily and more quickly, and allows our company at the local, business unit and corporate levels to track and analyze the information to manage corrective actions and resources to build a workplace safety culture focused on prevention.

Our workplace injury rate steadily decreased from 2014 to 2017, resulting in a 38% reduction in the Total Recordable Rate through 2018. We are closely reviewing the 2018 data to determine where we need to improve, and we are increasing our safety communication efforts to raise awareness.

Note: Emerson health and safety information shown above excludes discontinued operations as of fiscal 2018.
Emerson is committed to fostering a culture in which every employee is valued and respected for their experiences and unique perspectives.

A diverse and inclusive work environment contributes to the rich exchange of ideas that inspires innovation, brings the best solutions to our customers, and attracts and retains top talent. This philosophy is fundamental to living our company’s values and our responsibility to leave the world in a better place.

Our diversity and inclusion priorities, strategies and policies are guided by our Chief Executive Officer and our Diversity Council, which was established in 2013 and is composed of 14 senior-level executives from our corporate and business management teams. Strategic planning and implementation is led by our Vice President of Diversity and Inclusion. David Farr, Emerson’s Chairman and CEO, has pledged his and our company’s support for the “CEO Action for Diversity and Inclusion” commitment to take meaningful actions to advance diversity and inclusion within the workplace.

Emerson’s approach to foster diversity and inclusion is built around three pillars:

People We are committed to increasing diversity in our workforce, and to attracting, hiring, developing and promoting talent in a way that fosters an inclusive work environment and ensures diverse ideas and perspectives are leveraged to create solutions across Emerson.

Culture We believe a workplace culture where all employees are accepted and respected is a competitive advantage. We are committed to creating a workplace culture where all employees feel empowered to do their best work and have the opportunity to reach their full potential.

Communities We are active members of the communities and industries in which Emerson operates, and we seek to support and work with others outside our organization who share our commitment to promoting diversity and inclusiveness in the broader society.
Ensuring Diversity in Our Talent Pipeline

We are urging our managers to widen the funnel of candidates we consider for salaried job openings and promotions to ensure the candidate pools being considered reflect diversity. In addition, we engage in targeted recruiting in the following areas:

**WOMEN** Our recruitment of engineering degree graduates and Master of Business Administration degree recipients puts a special focus on reaching women candidates. In addition to our university-focused recruiting, Emerson is a proud supporter of the Society of Women Engineers (SWE), the leading organization dedicated to the advancement of women engineers – and we recruit women engineering talent at SWE conferences and job fairs.

**MINORITIES** Emerson participates in recruiting events at universities and job fairs during professional societies’ annual conferences to identify qualified minority candidates for both entry- and executive-level positions. We are a longtime corporate supporter of the Consortium for Graduate Study in Management, which works with companies seeking to reduce underrepresentation of African Americans, Native Americans and Hispanic Americans in education and business.

**U.S. MILITARY VETERANS** Emerson and our business units seek to provide post-military job opportunities for U.S. military veterans. In addition, we regularly participate in veteran-focused MBA recruiting events at the University of Michigan, Northwestern University, Harvard University and Washington University in St. Louis.

Intentional Mentoring

We understand the importance of mentoring and know employees respond positively when an experienced or more senior colleague takes an interest in their professional development and interests. We are making a concerted effort to provide mentorship opportunities for our women and minority employees who are identified as rising leaders, including during and after such employees participate in our accelerated leadership development program.

Increasing Our Cultural Competence

Beginning in fiscal 2019, we are offering senior leaders the opportunity to use the Intercultural Development Inventory® (IDI), an online assessment tool that helps build cultural understanding, shift perspectives on diversity issues and appropriately adapt behavior to cultural differences and commonalities. After leaders complete the IDI, their responses are analyzed and reports are provided back with guidance on increasing cultural self-understanding to improve their own cross-cultural goals.

Expanding Our Employee Resource Groups

Emerson approved the establishment of three new employee resource groups (ERGs) in late 2018. These are in addition to Emerson’s Women in STEM group. These voluntary, employee-led groups help promote a diverse and inclusive workplace while empowering employees to work toward a common goal. Emerson ERGs seek to further the professional development of their members, educate fellow employees and participate in community outreach activities.
Each ERG is empowered to establish its own unique mission statement. Participation in these organizations is open to all employees who support the goals of the ERG. If an employee doesn’t find an ERG for them, they are invited to form their own around a common cause.

**Conducting Unconscious Bias Awareness Training**

Emerson continues to hold diversity training globally to help our people managers and other employees recognize and manage their unconscious biases. More than 5,000 Emerson managers worldwide participated in our unconscious bias training in 2018. Since 2016, more than 9,000 employees have been through this training (as of April 2019), and there are currently 85 experienced facilitators across the company.

Following completion of unconscious bias training, people managers are encouraged to participate in diversity and inclusion committees in their business unit. These committees are being organized to help drive initiatives at the local level, including a focus on recruitment and interviewing practices to manage unconscious bias and foster an inclusive workplace.

**Additional Actions Taken in 2018**

- We sponsored a Women of Emerson Leadership Summit on Sept. 6, 2018, bringing more than 150 women from across the company to our St. Louis headquarters to participate in a daylong series of seminars on women, work and careers, featuring Georgetown University law professor Hillary Sale.

- Resources and best practices related to diversity and inclusion are available to all employees through a new intranet site. Within the site, employees can read about the CEO Action for Diversity and Inclusion, access the sites of ERGs to learn more and join, register for the Managing Unconscious Bias Training, and find resources on diversity and inclusion such as educational articles, book recommendations, videos and more.

**Employee Resource Groups at Emerson**

**WOMEN IN STEM** To attract, develop and retain the best women in roles related to science, technology, engineering and math (STEM), to enhance diversity of ideas and approaches for the benefit of our customers and to fully deliver on our “Consider it Solved” promise.

**BLACKS REINFORCING DIVERSITY** To foster a diverse and inclusive environment by pursuing strategic recruiting, retention and advancement initiatives that support corporate objectives. The group also enhances Emerson’s engagement with local communities by forging active partnerships with organizations that share Emerson’s values.

**LGBTQ + ALLIES** To empower our LGBTQ employees and their workplace allies to foster a diverse and inclusive company culture and grow our commitment to innovation by promoting the recruitment, advancement and retention of diverse talent.

**VETERANS GROUP** To raise awareness of the value veterans bring to an organization, foster inclusiveness through outreach programs, and promote talent diversity by hiring and empowering Emerson’s veterans.
Emerson is collecting internal data related to workforce diversity efforts, including information on applicants, hiring and promotions to help measure progress and better target our efforts.

Through these concerted and targeted efforts, we are beginning to show progress in some of these areas. For example, the percentage of women in management positions in our U.S. workforce has increased by 26% since 2014, and the percentage of minorities in U.S. management positions has increased by 37%.

**Recognition**

We are proud of the recognition our diversity and inclusion efforts has received, most notably:

- Best Places to Work for LGBTQ Equality and 100% Corporate Equality Index rating, Human Rights Campaign, 2018 and 2019
- Top 50 Employer, *Woman Engineer Magazine*, 2018. Emerson was ranked #15
- Top 50 Employer, *Workforce Diversity for Engineering & IT Professionals Magazine*, 2018

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**Women in STEM – 2018 Accomplishments**

- **Local Chapters**
  - **Grew 88%**, from 25 in 2017 to 47 in 2018
- **Membership**
  - **Increased 81%**, from 1,733 in 2017 to 3,135 members worldwide in 2018

670 local or regional events were held in 2018, more than double the events in 2017
Emerson’s U.S. Workforce Diversity 2014 – 2018

All data is a snapshot of the Emerson business portfolio on the payroll period date used to file the EEO-1 report.

This report corrects certain 2017 workforce composition data published in Emerson’s 2017 CSR Report that was based on data prior to our 2017 EEO-1 report being submitted and certified. Likewise, this report provides unofficial 2018 data that could be updated prior to our 2018 EEO-1 report being filed and certified.

*Workforce representation data is based on our consolidated federal EEO-1 and VETS-4212 filings. Minorities include: Asian, American Indian or Alaska Native, black or African American, Hispanic, Native Hawaiian or Other Pacific Islander, and two or more races.
STRENGTHENING COMMUNITIES

We recognize our company and employees have an important role to play in contributing to the betterment of our communities and the broader society. Emerson is committed to helping the communities where we operate thrive through our corporate philanthropy and employee volunteerism, with a special emphasis on STEM education and preparing the workforce of the future.
Corporate Philanthropy

Through our corporate philanthropy and employee volunteerism, we strive to support local organizations and initiatives that make a difference in our communities and help people in need.

Emerson and the Emerson Charitable Trust provide funding and other support to organizations in the United States, with the goal of enriching human lives, providing services directly to those in need and increasing the impact of contributed funds. Each year, Emerson aims to direct about 1% of its consolidated pretax earnings (excluding nonrecurring items) to U.S. charitable contributions. Emerson reviews requests from all qualified organizations, but prioritizes those from nonprofit institutions and groups in the communities where the company has facilities. Through our matching gifts program, the company matches all U.S. employee contributions, up to a combined total of $10,000 annually, for eligible educational institutions, cultural organizations and, as of 2019, youth development organizations.

Emerson’s Corporate Philanthropy Focus Areas

EDUCATION Developing and training future generations through schools, universities and related programs

HEALTH AND HUMAN SERVICES Supporting the health and well-being of residents of all ages

CULTURE AND ARTS Enhancing the quality of life through support for cultural activities and arts programs

CIVIC NEEDS Promoting prosperity of our cities and regions through infrastructure initiatives and community development

TOTAL EMERSON AND EMERSON CHARITABLE TRUST CASH CONTRIBUTIONS in fiscal 2018 to charities, nonprofit organizations and educational institutions across the United States.

- Education: $8M (28.5%)
- Culture & Arts: $6.6M (23.5%)
- Civic: $3.6M (13%)
- Health & Human Services: $9.8M (35%)
- TOTAL: $28M
During 2018, Emerson and the Emerson Charitable Trust made contributions totaling $28 million to more than 1,000 charities, nonprofit organizations and educational institutions across the United States, including the company’s match of employee contributions. Approximately $25.5 million of the donations were by the Emerson Charitable Trust and $2.5 million by the company. Funding was approved to support a range of requests from educational institutions and nonprofit organizations, including operating costs to establish, improve or sustain core programs, and for capital costs such as building construction, renovations or expansions.

U.S. Charitable Contributions

Examples of organizations and initiatives in the United States that received Emerson funding in fiscal 2018:

CULTURE & ARTS

*The Troy Foundation (Troy, Ohio)*

Emerson is a big supporter of the arts in the communities in which we operate. The $5 million Arbogast Performing Arts Center in Troy, Ohio – located between Emerson facilities in Sidney and our Helix Innovation Center in Dayton – will provide a state-of-the-art venue for performing and visual arts and special events for local schools and residents in this area of Ohio. We have pledged $500,000 over five years (2018-2022) toward this project, which is scheduled to break ground in fall 2019.

*St. Louis cultural institutions (St. Louis, Missouri)*

Emerson is a longtime supporter of the leading cultural institutions in its headquarters city. In 2018, Emerson contributed $4.6 million toward projects for Forest Park Forever, the Saint Louis Art Museum, Missouri History Museum, Saint Louis Zoo, Saint Louis Science Center, The Muny and the Missouri Botanical Garden. Over the past 10 years, Emerson has invested $40 million in these institutions and the revitalization of the Gateway Arch grounds to help make St. Louis a special place to enjoy and experience for residents and visitors alike.

HEALTH AND HUMAN SERVICES

*American Red Cross (Marshalltown, Iowa)*

When a natural disaster strikes a community, you help your neighbors. That was the case after a tornado went directly through the business district of Marshalltown and nearby areas on July 19,

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**EMERSON CHARITABLE CONTRIBUTIONS IN U.S.**

(in millions USD)

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*2014 includes one-time $10 million gift to the CityArchRiver Foundation (now known as Gateway Arch Park Foundation) in support of the redesign of Gateway Arch grounds in St. Louis, Missouri. Decline in charitable contribution between 2015 and 2017 is related to Emerson’s portfolio transformation and business unit divestitures.
2018. Emerson’s Fisher valve facilities in Marshalltown were not damaged, but others were not so fortunate. Emerson provided $200,000 to the area Red Cross to aid local businesses and residents in their recovery efforts. In addition, our employees volunteered in general clean-up efforts to help fellow employees, neighbors and residents whose homes and property were damaged. Emerson donated more than 3,000 gloves, safety glasses and ear protection to the community volunteers and 1,000 tarps to support the recovery effort.

EDUCATION
KIPP St. Louis Public Schools
(St. Louis, Missouri) KIPP (Knowledge Is Power Program) – the national nonprofit network of college preparatory public charter schools that provide an option for quality education in underserved areas – has operated in St. Louis city since 2009. Today, KIPP St. Louis has five schools and provides free education to nearly 2,000 students. Emerson funded $1.75 million over four years (2015-2018) for KIPP’s Grow & Impact campaign, which includes opening its third elementary school in the St. Louis area in August 2019, to serve an additional 120 kindergarten students. Beginning in 2019, Emerson committed to providing $1.4 million over five years (2019-2023) to the Phase 2 campaign to fund the purchase, renovation and capital growth of the high school, which opened its doors in 2017.

CIVIC
City of Natchitoches, Louisiana
Emerson’s Alliance compressor manufacturing facility in Natchitoches is an economic mainstay of this small community of nearly 18,000 people. We are among the corporate donors providing $100,000 over five years (2018-2022) to help the city fund construction of a new sports facility and recreational park on a 100-acre site. Construction of Parc Natchitoches is underway and expected to be ready for public use by spring of 2020.

UNITED WAY SUPPORT
Each year, Emerson and our employees get involved in United Way fundraising and volunteer activities in the U.S. communities where our employees live and work. In 2018, the Emerson Charitable Trust made contributions totaling $1.9 million to 29 United Way organizations across the country.

HELPING U.S. MILITARY VETERANS
Emerson is proud of the U.S. military veterans it employs. In 2018, we provided corporate support to a number of organizations serving military veterans and their families in need, such as:

Missouri Veterans Endeavor (MOVE)
Emerson has pledged $200,000 over four years (2017-2020) to MOVE, which provides housing for homeless veterans and their families, as well as counseling and support services to help them achieve independent living. Emerson’s
Emerson is proud to employ U.S. military veterans and to provide charitable support to veterans in need.

American Corporate Partners In 2018, Emerson entered into a collaboration with American Corporate Partners, a nonprofit organization dedicated to helping post-9/11 veterans transition from military to civilian life through career counseling and professional networking. In addition to its $50,000 charitable contribution, Emerson employee volunteers will participate in the organization’s mentorship program to help military veterans.

REVITALIZING NORTH ST. LOUIS COUNTY Emerson continues to take a lead role as a corporate supporter of initiatives in the north St. Louis County region where our global headquarters is located. Our contributions support organizations providing social services, education and employment opportunities for economically disadvantaged residents in Ferguson and nearby communities.

More than 40 organizations received Emerson contributions in 2018 to help address various needs of north St. Louis County and the city of St. Louis. Examples include:

Emerson Family YMCA Emerson has been a strong supporter of the local Y in Ferguson for decades. We have pledged $1.5 million over five years (2018-2022) to help renovate the nearly 50-year-old Emerson Family YMCA as part of a larger initiative across the Gateway YMCA organization to improve older facilities.

Fathers’ Support Center Improving the lives of children and families by encouraging committed and responsible parenting is the mission of the Fathers’ Support Center, which Emerson has supported since 2005. In 2018, we pledged $200,000 over five years (2018-2022) to a capital campaign to help the organization create a sustainable headquarters where absentee fathers are provided the resources they need to connect with their children.

The Oasis Institute Oasis helps keep older adults engaged and active in their communities. Emerson has donated $100,000 to support the expansion of Oasis services to north St. Louis County through establishment of an education center to engage older adult residents as student tutors and participants in lifelong learning and evidenced-based health classes.

TOTAL EMERSON AND EMERSON CHARITABLE TRUST contributions and pledges since 2014 to residents of north St. Louis County.

$20.7M Emerson is proud to employ U.S. military veterans and to provide charitable support to veterans in need.
Emerson Philanthropy in Other Countries

Emerson is committed to making a difference in the communities where we operate around the world. We support a variety of nonprofit and charitable organizations aligned with our corporate philanthropy focus areas, and we encourage our employees to volunteer their time to support causes that make an impact. Examples of our charitable and volunteer activities in other countries include:

CHINA CHARITABLE PROGRAM
Emerson’s China Charitable Program, launched in 2009, focuses on infrastructure development, education, and health and human services to enhance quality of life in Chinese communities.

Infrastructure Development Emerson is a longtime corporate sponsor of Water Cellar for Mothers, an initiative sponsored by the China Women’s Development Foundation that helps relieve water shortages in impoverished villages without direct access to clean running water. Over the past 10 years, Emerson has donated nearly $1 million to Water Cellar for Mothers, bringing clean water to more than 8,000 villagers in western China. Our employees have also volunteered their time to visit the villages to assess the effectiveness and impact of the program.

Health and Human Services For the past seven years, Emerson has been a corporate supporter of the Congenital Heart Disease (CHD) relief program initiated by the Red Cross Society of China to help children with CHD receive medical treatment in western China. We sponsored 25 children in Guizhou Province in 2018. Our employees also support the program by providing donations and volunteering to visit hospitals. The Red Cross Society of China recently launched a campus clinic program for underdeveloped schools, building health sanitation systems and providing students with free checkups. In support of the program, Emerson China has donated more than $70,000 to support construction of the campus clinic to provide checkups and physician training.

Education Emerson has supported the New Great Wall Program since 2010, providing scholarships for more than 100 students from underprivileged families to attend university every year. Our employees also take part in the program through volunteer teaching opportunities. This program and the schools we support have made a positive impact, helping train leaders, business managers and skilled individuals who can lead and thrive in a changing world. Emerson was recognized by the China Foundation of Poverty Alleviation for the company’s outstanding contributions in 2018.
INDIA CHARITABLE PROGRAM

Our charitable programs in India seek to support initiatives with impactful and enduring results.Aligned with the country’s regulations, Emerson’s CSR programs in India are focused on health, infrastructure development and education for disadvantaged youth.

In 2018, we provided support to the following nongovernment organizations (NGOs) and projects:

**Access to Safe Drinking Water**

Near Chakan, where Emerson is building a new manufacturing plant, we are working with Action for Food Production (AFPRO) to improve access to safe drinking water for four villages and schools through construction of a water reservoir. We are also working with the Learning Links Foundation in the same area to enhance the quality of education for students in first through fifth grades at five schools, through teacher training, remedial learning and instilling a values-based culture in the classroom.

**Transforming a School**

Learning Links Foundation, with support from Emerson, is also initiating a ‘whole school transformation’ program at a government school in Pune, which includes leadership development for the principal, professional development for teachers and holistic development for students. Additionally, Emerson is supporting the establishment of a STEM Tinkering Lab for students of sixth grade and above in a government school at Mohali through Learning Links.

**Skills Development**

In support of skills development, Emerson is supporting Masoom and its night school program in Mumbai. Our funding is providing support for short-term skill development for 100 students, long-term skilling for 20 students, and we have invested in Masoom’s “tech on wheels” initiative to reach 400 additional students.

**Helping Disadvantaged Youth**

Emerson has continued its support for the work of Purkal Youth Development Society in Dehradun, which provides a nurturing, caring educational environment for underprivileged students, including meals, uniforms, medical facilities and a hostel. Emerson funding has been used to fund teacher training, construction and materials for a STEM lab and sponsorship of two classrooms. Our funding enabled Agastya International Foundation to bring its innovative, mobile, hands-on science education program for economically disadvantaged youth attending government schools in Pune.

**Vocational Education**

In Chennai, Emerson has initiated a three-year program with Lend-A-Hand India to introduce multi-skill vocational education program in four schools located remotely, for students from
ninth and tenth grades to be National Skills Qualification Framework (NSQF) compliant, covering 160 students in year one, 320 students in year two and 480 students in year three.

In addition, our business units in India have provided funding or donated equipment for a variety of education, health and infrastructure projects near communities where our facilities are located, as well as providing scholarships for engineering school students. These projects have been carried out in or near the cities of Atit, Harphalwadi, Kamshet, Karad, Pali, Pune and Satara.

**Employee Volunteerism and In-Kind Support**

Each year, Emerson employees around the world volunteer their time in support of nonprofit and charitable organizations in their local communities. From giving their time and talents to providing financial assistance, our employees give back to their communities in a variety of ways, including service on governing boards, fundraising and sharing their expertise and volunteering in other capacities. A few examples from the past year:

*Habitat for Humanity in Sidney, Ohio*
In 2018, Emerson co-sponsored construction costs for the building of a Habitat for Humanity home in Sidney, and more than 25 employees participated in helping build the home.

*Tree planting in Lodz, Poland*
Emerson’s ASCO Numatics employees in Lodz planted 1,000 trees and did other activities to commemorate Environmental Month in April 2018.

*ScholaRun in Manila*
More than 1,400 Emerson employees participated in the 7th ScholaRun, organized by the American Chamber Foundation (AmCham) and co-sponsored by Emerson to raise funds for AmCham’s scholarship program.

*Mississauga Food Bank, Ontario, Canada*
The Mississauga Food Bank is a central food bank providing food for 217,000 meals a month through a network of 50 member agencies near Toronto. Emerson Canada is donating three years of facility monitoring to the Mississauga Food Bank and installed monitoring at six locations, allowing the managers of each location, as well as individuals at the central food bank, to meet food safety standards and reduce waste due to food loss – ensuring that more families have access to healthy, fresh food each day.
STEM Education

Emerson is playing a lead role in our local communities and globally to help prepare the next generation with STEM-related education and to raise awareness of career opportunities in these fields.

Today’s global manufacturing industry relies heavily on STEM skills – and its workforce is required to have more technical knowledge than ever before. To prepare the next generation for these careers, Emerson has an enhanced emphasis on promoting STEM, especially among women and minorities who are traditionally underrepresented in the engineering and manufacturing industries.

Among the STEM initiatives receiving Emerson funding in 2018:

**The Magic House** Emerson has pledged $1 million over five years (2018-2022) to this leading children’s museum in the St. Louis area in support of the establishment of a new STEAM (science, technology, engineering, art and math) center that opened in March 2019. The center features a science lab, “future play” exhibit, make-it workshop, art studio and extended math path. As part of the campaign, the funds will also support free educational field trips to the museum for 7,500 children, teachers and parents from underserved communities.

**Junior Achievement (JA) USA** Emerson has provided $300,000 over a five-year period (2015-2019) to the national Junior Achievement organization to revitalize its curriculum. This includes development of a new “JA It’s My Future” work readiness program, which incorporates STEM and a robust, hands-on learning opportunity to prepare middle school students for the working world. The program is being transformed from a paper-based curriculum to a multi-dimensional experience.

**Texas A&M University** Emerson has pledged $1.5 million over six years (2018-2023) to establish an advanced automation laboratory and collaboration room in the university’s new state-of-the-art Zachry Engineering Education Complex that opened in the summer of 2018. Simulating real-world plant operations in manufacturing facilities in a range of industries, the
laboratory provides engineering students a modern, high-tech learning environment where they can access some of the most advanced automation technologies in the world. In addition, Emerson provided the process control equipment for a fully functional distillation lab, expected to be completed in 2019. Emerson is proud to support the engineering program at Texas A&M, which places a special focus on the inclusion of underrepresented groups. The university had the largest 2018 entering class of female engineering students in the nation.

Other organizations and institutions with STEM-related initiatives being funded by Emerson in 2018 include (partial list): Air Camp, Dayton, Ohio; Challenger Learning Center, St. Louis, Missouri; Girl Scouts of Eastern Missouri, St. Louis, Missouri; Harris-Stowe State University, St. Louis, Missouri; Iowa State University, Ames, Iowa; Ranken Technical College, St. Louis, Missouri; Society of Women Engineers, Chicago, Illinois; Southwest Key Programs, Austin, Texas; Texas Alliance for Minorities in Engineering, Inc., Austin, Texas; United Negro College Fund, Washington, D.C.; Washington University STEM Teacher Quality Program, St. Louis, Missouri; Wright State University Foundation, Dayton, Ohio.

We Love STEM

Our award-winning “We Love STEM” campaign and employee volunteer effort, launched in 2015, continued in 2018 and broadened to a truly international effort to increase support for STEM education and awareness of career opportunities. We continued to partner with YouTube star Hank Green in 2018 to produce a series of videos on STEM topics. Emerson shares these videos on our social media channels to extend our reach, awareness efforts and support for STEM education.

Emerson facilities host “We Love STEM Days” for employees’ children and youth outreach in the communities where we operate. The goal of this initiative is to help young people discover STEM fields – and some students even leave our events inspired to pursue careers in STEM. Here are just a few examples of events hosted in 2018 and organized with volunteer support from our employees, most especially our local Women in STEM members:

**United States**

Emerson employees hosted the first “We Love STEM Day” at the world headquarters in St. Louis, Missouri, with more than 300 children.
EMERSON EMPLOYEES HOSTED “WE LOVE STEM” DAYS in 12 European countries where Emerson has a presence.

In Mexico, employees participated in multiple STEM events with over 200 local schoolchildren and launched a partnership with Mexico FIRST to support student robotics competitions.

China  Emerson employees in China hosted a “We Love STEM Day,” and employees in Thailand hosted a career talk, a STEM tutor challenge and a “We Love STEM Day.”

India  In India, children-focused STEM awareness days were held at the Emerson Innovation Center in Pune and the Global Engineering Center in Noida.

Philippines  In the Philippines, Emerson employees led 27 STEM talks, technical trainings and tours, three STEM days, four student innovation contests, two activities with Girl Scouts of the Philippines and five STEM caravans, which are a series of roving educational STEM modules. Emerson Philippines also sponsors a scholarship program that since 2015 has benefited 78 students attending four partner universities. As part of the program, Emerson executives provide training and mentorship to the student scholars; as a result, 26 scholars have been hired by the company.

Europe  Emerson employees hosted “We Love STEM” days in 12 European countries where Emerson has a presence. In the Netherlands, Emerson employees hosted a Chemical Day for students to learn about this important sector and shadow days for students to visit Emerson. In Sweden, employees represented Emerson at student fairs and universities. Emerson’s Women in STEM employee volunteers helped organize and host a “We Love STEM” day at our Cluj, Romania, campus for 700 children from local schools to raise awareness of career opportunities in STEM fields.

Middle East  In the Middle East, Emerson employees hosted a Family STEM Day where more than 800 people actively participated. In Dubai, an Emerson employee led a session for students in grades eight through 12 to learn about Emerson and careers in STEM.

South America  Emerson employees in Argentina hosted a “We Love STEM” event with over 40 children, and employees in Brazil participated in a wide variety of programs, including STEM science fairs with K-12 students and engineering events at local universities.

Mexico  In Mexico, employees participated in multiple STEM events with over 200 local schoolchildren and launched a partnership with Mexico FIRST to support student robotics competitions. Ongoing efforts in Mexico led to Emerson being recognized by the Mexican Center for Philanthropy and the Alliance for Corporate Social Responsibility with the CSR 2019 Socially Responsible Company Distinction.

Costa Rica  Emerson supports several STEM initiatives in Costa Rica, including a robotics program for schoolchildren and programs to encourage STEM education for young women in high school.
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<td>General Disclosures</td>
<td>Conflicts of interest</td>
<td>Emerson 2018 CSR Report: Operating Responsibly (Conflict of Interest Evaluation and Reporting), p. 22  Emerson.com: Corporate Social Responsibility (Integrity &amp; Ethics)</td>
</tr>
<tr>
<td>GRI 102-26</td>
<td>General Disclosures</td>
<td>Role of highest governance body in setting purpose, values and strategy</td>
<td>Emerson 2018 CSR Report: Operating Responsibly (Board of Directors Policies), p. 17  Emerson.com: Corporate Governance (Principles &amp; Practices)  Emerson.com: Corporate Governance (Committee Charters)  Emerson 2019 Annual Meeting Proxy Statement, p. 8</td>
</tr>
<tr>
<td>GRI 102-27</td>
<td>General Disclosures</td>
<td>Collective knowledge of highest governance body</td>
<td>Emerson’s Senior Vice President, General Counsel and Secretary briefs the Corporate Governance and Nominating Committee on corporate responsibility topics on at least an annual basis.</td>
</tr>
<tr>
<td>GRI 102-28</td>
<td>General Disclosures</td>
<td>Evaluating the highest governance body’s performance</td>
<td>Emerson 2019 Annual Meeting Proxy Statement, p. 13</td>
</tr>
<tr>
<td>GRI 102-32</td>
<td>General Disclosures</td>
<td>Highest governance body’s role in sustainability reporting</td>
<td>The Corporate Social Responsibility Report is reviewed by the Emerson Board of Directors’ Corporate Governance and Nominating Committee.</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>GRI Standard Title</td>
<td>Disclosure Title</td>
<td>Location</td>
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</table>
| GRI 102-33        | General Disclosures| Communicating critical concerns | Emerson 2018 CSR Report: Operating Responsibly (Ethics Hotline and Reporting Process), p. 21  
Emerson 2018 CSR Report: Operating Responsibly (Conflict of Interest Evaluation and Reporting), p. 22  
Emerson 2019 Annual Meeting Proxy Statement, p. 6 |
| GRI 102-34        | General Disclosures| Nature and total number of critical concerns | Partially reported:  
Emerson 2018 CSR Report: Operating Responsibly (Ethics Hotline and Reporting Process), p. 21 |
| GRI 102-35        | General Disclosures| Remuneration policies | Emerson 2019 Annual Meeting Proxy Statement: Director Compensation, p. 14; Executive Compensation, p. 19  
Emerson 2018 Form 10-K: Part III |
| GRI 102-36        | General Disclosures| Process for determining remuneration | Emerson 2019 Annual Meeting Proxy Statement: Director Compensation, p. 14; Executive Compensation, p. 16  
Emerson 2018 Form 10-K: Part III |
| GRI 102-40        | General Disclosures| List of stakeholder groups | Emerson.com: Corporate Governance (Trade Associations & Lobbying)  
Other organizations listed throughout the report |
<p>| GRI 102-41        | General Disclosures| Collective bargaining agreements | Emerson 2018 CSR Report: Investing in People (Labor Relations), p. 33 |
| GRI 102-42        | General Disclosures| Identifying and selecting stakeholders | Emerson solicits and uses feedback from employees, customers, investors and analysts, community leaders, suppliers, regulators and NGOs to understand concerns and impacts of our operations on the environment, the economy and local communities. |
| GRI 102-45        | General Disclosures| Entities included in the consolidated financial statements | Emerson 2018 Form 10-K: Subsidiaries and Affiliates of Emerson Electric Co., September 30, 2018 |
| GRI 102-50        | General Disclosures| Reporting period | Emerson 2018 CSR Report: About this Report, p. 64 |
| GRI 102-51        | General Disclosures| Date of most recent report | May 2018 |
| GRI 102-52        | General Disclosures| Reporting cycle | Emerson 2018 CSR Report: About this Report, p. 64 |
| GRI 102-53        | General Disclosures| Contact point for questions regarding the report | Emerson 2018 CSR Report: About this Report, p. 64 |</p>
<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>GRI Standard Title</th>
<th>Disclosure Title</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102-54</td>
<td>General Disclosures</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>This material references GRI Standards as is detailed in this index. Emerson 2018 CSR Report: About this Report, p. 64</td>
</tr>
<tr>
<td>GRI 102-55</td>
<td>General Disclosures</td>
<td>GRI content index</td>
<td>Emerson 2018 CSR Report: Referenced GRI Standards Index, p. 57</td>
</tr>
</tbody>
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**ECONOMIC INDICATORS**

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<thead>
<tr>
<th>GRI Standard Title</th>
<th>Disclosure Title</th>
<th>Location</th>
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<tbody>
<tr>
<td>Economic Performance</td>
<td>Direct economic value generated and distributed</td>
<td>Emerson 2018 Form 10-K: Results of Operations</td>
</tr>
<tr>
<td>Economic Performance</td>
<td>Defined benefit plan obligations and other retirement plans</td>
<td>Emerson 2018 Form 10-K: Retirement Plans</td>
</tr>
<tr>
<td>Indirect Economic Impacts</td>
<td>Infrastructure investments and services supported</td>
<td>Emerson 2018 CSR Report: Strengthening Communities (U.S. Charitable Contributions), p. 48; (China Charitable Program), p. 51; (India Charitable Program), p. 52</td>
</tr>
<tr>
<td>Indirect Economic Impacts</td>
<td>Significant indirect economic impacts</td>
<td>Emerson 2018 CSR Report: Strengthening Communities (U.S. Charitable Contributions), p. 48; (China Charitable Program), p. 51; (India Charitable Program), p. 52</td>
</tr>
<tr>
<td>Procurement Practices</td>
<td>Proportion of spending on local suppliers</td>
<td>Emerson 2018 CSR Report: Operating Responsibly (Regional Sourcing), p. 31</td>
</tr>
<tr>
<td>Anti-corruption</td>
<td>Communication and training about anti-corruption policies and procedures</td>
<td>Partially reported: Emerson 2018 CSR Report: Integrity &amp; Ethics (Anti-Corruption Controls), p. 22</td>
</tr>
<tr>
<td>Anti-competitive behavior</td>
<td>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</td>
<td>Emerson 2018 Form 10-K: Note 13 – Contingent Liabilities and Commitments</td>
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**ENVIRONMENTAL INDICATORS**

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<thead>
<tr>
<th>GRI Standard Title</th>
<th>Disclosure Title</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>Energy consumption within the organization</td>
<td>Partially Reported: Emerson 2018 CSR Report: Operating Responsibly (Electricity Use), p. 27</td>
</tr>
</tbody>
</table>
### Disclosure

<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>GRI Standard Title</th>
<th>Disclosure Title</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 305-1</td>
<td>Emissions</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>Emerson 2018 CSR Report: Operating Responsibly (Greenhouse Gas Emissions), p. 27</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Emerson uses an in-house methodology for collecting activity data. Each year, a form is sent out to environmental staff at each manufacturing facility requesting the following information: stationary combustion use, fuel types, amount of fuel purchased/used, mobile combustion fuel type and amount purchased/used, vehicle types and amount of fuel used for each, amount of electricity used, cost of electricity used, how electricity is generated, and any reason for change in emissions from the previous year. These data are compiled and used to calculate Scope 1 and 2 emissions. Scope 1 emissions are calculated using the EPA Center for Corporate Climate Leadership Greenhouse Gas Inventory Guidance – direct emission from mobile and stationary sources, January 2016, tables A-1, A-2, B-1, B-7 and B-8. For CY2018 Emerson included non-manufacturing sites in the Scope 1 and 2 emissions. While estimations and assumptions were used to gather the data for non-manufacturing sites, emission calculations are done the same as the manufacturing sites.</td>
<td></td>
</tr>
<tr>
<td>GRI 305-2</td>
<td>Emissions</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>Emerson 2018 CSR Report: Operating Responsibly (Greenhouse Gas Emissions), p. 27</td>
</tr>
<tr>
<td>GRI 307-1</td>
<td>Environmental Compliance</td>
<td>Non-compliance with environmental laws and regulations</td>
<td>Emerson 2018 CSR Report: Operating Responsibly (Fines and Sanctions), p. 26</td>
</tr>
</tbody>
</table>

### SOCIAL INDICATORS

<table>
<thead>
<tr>
<th>GRI 401-2</th>
<th>Employment</th>
<th>Benefits provided to full-time employees that are not provided to temporary or part-time employees</th>
<th>Partially reported: Emerson 2018 CSR Report: Investing in People (Wages and Benefits), p. 33; (Paid Parental Leave), p. 34; (Enhancing Wages, Benefits for U.S. Employees), p. 34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure Number</td>
<td>GRI Standard Title</td>
<td>Disclosure Title</td>
<td>Location</td>
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</table>
| GRI 404-2         | Training and Education                  | Programs for upgrading employee skills and transition assistance programs          | Emerson.com: Careers (Learning & Development)  
Emerson 2018 CSR Report: Investing in People (Training and Development), p. 36-37 |
| GRI 405-1         | Diversity and Equal Opportunity         | Diversity of governance bodies and employees                                      | Partially reported:  
Emerson 2018 CSR Report: Operating Responsibly (Board of Directors Policies), p. 37 |
| GRI 407-1         | Freedom of Association and Collective Bargaining | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Partially reported (company operations only):  
Emerson 2018 CSR Report: Investing in People (Labor Relations), p. 33 |
| GRI 408-1         | Child Labor                             | Operations and suppliers at significant risk for incidents of child labor          | Partially reported (company operations only):  
Emerson 2018 CSR Report: Investing in People (Labor Relations), p. 33  
(Human Rights), p. 34-35 |
| GRI 409-1         | Child Labor                             | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Partially reported (company operations only):  
Emerson 2018 CSR Report: Investing in People (Labor Relations), p. 33  
(Human Rights), p. 34-35 |
| GRI 412-1         | Human Rights Assessment                 | Operations that have been subject to human rights reviews or impact assessments    | Emerson 2018 CSR Report: Supply Chain (New Initiatives Underway), p. 30 |
| GRI 412-3         | Human Rights Assessment                 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | Partially reported:  
| GRI 414-1         | Supplier Social Assessment              | New suppliers that were screened using social criteria                             | Partially reported:  
| GRI 415-1         | Public Policy                           | Political contributions                                                            | Emerson 2018 CSR Report: Operating Responsibly (Political Participation), p. 19  
Emerson.com: Corporate Governance (Political Contributions) |
The Emerson 2018 Corporate Social Responsibility Report presents information focused primarily on data collected and activities that occurred during calendar 2018 or Emerson’s fiscal 2018 (October 1, 2017 – September 30, 2018), except where indicated otherwise.

In fiscal 2018, the company funded $2.2 billion in acquisitions, which added 7% to our sales, while the divestiture of the residential storage business (Closetmaid) subtracted 2%. Where appropriate, we have indicated whether the data we present here includes discontinued businesses.

This report presents information that references selected Global Reporting Initiative (GRI) Standards 2018, unless noted otherwise. Please see the Referenced GRI Index beginning on Page 57 for details.

We expect to update this report annually. However, we undertake no obligation to update any statements herein to reflect later developments. This report may contain forward-looking statements that are not strictly historical and may involve risks and uncertainties. These risks and uncertainties include economic and currency conditions, market demand, pricing, protection of intellectual property, and competitive and technological factors, among others, as set forth in Emerson’s most recent Annual Report on Form 10-K and subsequent reports filed with the U.S. Securities & Exchange Commission.

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