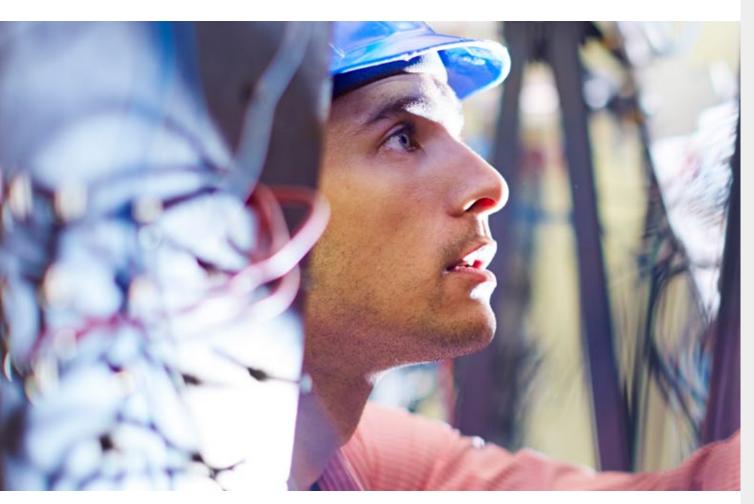


# TABLE OF CONTENTS



- 3 CHAIRMAN'S MESSAGE
- 5 OUR COMMITMENT TO ESG
- 6 OUR VALUES
- 7 COMPANY PROFILE

#### 11 TRANSFORMING INDUSTRIES

- Protecting Food Quality and Environmental Sustainability
- Ensuring Human Comfort and Health
- Advancing Energy and Resource Efficiency
- Enabling Safety and Security
- Leading Industries into the Digital Future

### 22 OPERATING RESPONSIBLY

- Corporate Governance
- Integrity and Ethics
- Environmental Management
- Supply Chain

### 40 INVESTING IN PEOPLE

- Employee Engagement
- Training and Development
- Workplace Safety
- Health and Safety Performance
- Diversity and Inclusion

## 59 STRENGTHENING COMMUNITIES

- Corporate Philanthropy
- STEM Education

## 73 REPORTING

- UN Sustainable Development Goals
- GRI Index

## 84 ABOUT THIS REPORT

# CHAIRMAN'S MESSAGE

## Dear Stakeholders,

This year, like those that came before it, we were guided at every turn by a laser focus on our values and our efforts to leave the world in a better place than we found it.

By confronting the most complex and important issues facing the world in commercial, industrial and residential markets, we are driven to rise to that challenge while creating long-term value for all our stakeholders.

We take our role in the global business community – and our

responsibility to pursue the highest standards of corporate citizenship – extremely seriously. With a presence across every major global region, we understand our opportunity to transform not only our own business operations, but also those of our customers in the

most critical industries around the world.

I'm proud of what we accomplished in 2019. United by our Emerson values, we combined our best-in-class technology and groundbreaking innovation to make a true difference in the communities and industries in which we operate. In this latest Corporate Social Responsibility report, we highlight how we did – and are continuing to do – just that.

Through bold leadership across our company and within our two business platforms, Automation Solutions and Commercial & Residential Solutions, we are delivering environmentally responsible solutions that improve efficiency, reduce emissions and conserve resources to help customers achieve their sustainability targets. We are stewarding the many industries we serve through difficult regulatory

changes and technical complexity, empowering them to operate more safely and sustainably. Our technologies are helping advance human health, comfort and safety, and they're enabling us to help protect food quality and reduce food waste in landfills. These tangible ways to impact our world inspire our global workforce to keep pushing for the next innovation and opportunity to make a difference.

To us, operating responsibly means acting with integrity and ethics in every business decision – from reducing the environmental impact of our business operations to ensuring our supply chain lives up to our highest standards. In 2019, as part of our ongoing work to further enhance shareholder value and ensure the strength of the organization, our Board of Directors began a comprehensive review of our operations,

capital allocation and portfolio. After completing this review, I'm extremely confident in our company's position to drive nearand long-term success, as we have been doing for 130 years.

In our business and manufacturing operations around the world, we are focusing more than ever on efficient use of energy and natural resources to help reduce the intensity of our company's greenhouse gas (GHG) emissions. In 2019, we committed to reduce our GHG emissions by 20%. normalized to sales, across more than 200 of our global manufacturing and shared service facilities by the year 2028. This bold and pragmatic target was developed in partnership with environmental experts to demonstrate real progress toward reducing emissions while accounting for growth and changes across our dynamic global business. During the 2019 fiscal year, we



made noticeable progress by reducing our GHG emissions intensity by 5.8% from our baseline value, and look forward to continuing this important effort in the years ahead.

Technology continues to drive new efficiencies in processes, procedures and resource allocation every day. But it is also creating disruption in the workforce that demands a response. The training and skills required for success in the manufacturing workplace in particular are changing rapidly.

Emerson is committed to helping our employees, customers and future generations of workers adapt to these changes. We support our employees and customers with reskilling and upskilling tools and training programs for the current workforce. Our partnerships with educational institutions and nonprofit organizations – through Emerson-funded scholarships,

grants and training opportunities – are helping prepare current and future workers with the knowledge and skills they need to succeed in their careers. And through our "We Love STEM" campaign and "We Love STEM Days," we are raising awareness among younger generations about the job opportunities in STEM fields like manufacturing.

We're also partnering with leaders to help spread the workforce reskilling message across industries. I am pleased to co-chair the "Creators Wanted" campaign by the National Association of Manufacturers. This unprecedented, nationwide effort to reshape the nation's perception of manufacturing has a goal of reducing the industry's skills gap by 600,000 over the next five years.

We are focused on nurturing the diverse communities in which we work and live. I'm proud of our

progress to make our workforce and management ranks more diverse and our workplace more inclusive and reflective of our communities. Diversity and inclusion enable a rich and productive exchange of ideas that lead to the best solutions – undoubtedly a competitive advantage as we work to serve our customers. More than 12,500 employees have participated in unconscious bias training since 2016, and in 2019 we increased the number of certified global facilitators to more than 160. I am personally committed to Emerson's continued efforts in this area, and I'm encouraged by the interest and enthusiasm surrounding our growing employee resource groups – Veterans, LGBTQ + Allies, Women in STEM and Blacks Reinforcing Diversity.

Our employees are the backbone of our business and our work to positively impact our communities. In 2019, we contributed time, funds and resources to more than 1,200 charities, nonprofit organizations and educational institutions in the United States, and numerous others in China, India, the Philippines and other countries where we operate. Emerson, the Emerson Charitable Trust and our business units have also made contributions totaling more than \$30 million globally to organizations focused on health and human services, education, culture and arts, and civic development, demonstrating our deep commitment to strengthening the communities we serve.

While this report focuses on our accomplishments in 2019, I would also like to thank our teams across the globe who have continued to drive these efforts and critical operations during the ongoing COVID-19 (coronavirus) pandemic.

The safety of our employees is our top priority, and we worked together as an organization to enact additional safeguards and policies to protect our dedicated workforce while meeting our customers' critical needs. Our customers and our technologies are integral to industries that society relies on each and every day: life sciences, food and beverage, power and energy, just to name a few. We understand the important role we play to help these industries carry on their vital work and as we fight this global pandemic together, we remain confident that we will recover from this as a stronger team and organization.

I want to extend my personal gratitude to the Emerson Board of Directors, management team, customers and employees around the world for their support. Amidst a time filled with its fair share of achievements and challenges, we

remain more resolved than ever to positively impact our customers, employees and communities.

Through this report and other communications, we are pleased to share our activities and progress with our stakeholders, and we are dedicated to building upon this progress in the years to come.

My personal regards,

**David N. Farr** Chairman and

Chief Executive Officer



OUR VALUES
DEFINE EMERSON'S
CULTURE

Integrity, Safety & Quality,
Support Our People, Customer
Focus, Continuous Improvement,
Collaboration and Innovation.
These values are our North Star –
guiding every decision we make.

These values, informed by feedback from nearly 14,000 employees from around the world, shape and define Emerson's culture and serve as the lens through which we evaluate key business decisions, initiatives and focus areas. Most importantly, they give meaning and purpose to our daily work, inspiring us 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.

#### **SAFETY & QUALITY**

We are unwavering in our commitment to the highest standards of safety and quality for ourselves and our customers.

### **SUPPORT OUR PEOPLE**

We attract, develop and retain exceptional people in an inclusive work environment, where all employees can reach their greatest potential.

#### **CUSTOMER FOCUS**

We actively listen to our customers to deeply understand their needs and deliver the unique solutions that ensure their success.

# CONTINUOUS IMPROVEMENT

We constantly strive for improvement in all aspects of our business, guided by metrics, feedback and our disciplined management process.

#### COLLABORATION

We work seamlessly across geographies, platforms, business units and functions to fully leverage our unmatched breadth and expertise.

#### **INNOVATION**

We passionately pursue new technologies, capabilities and approaches to drive tangible value in our customers.



Emerson is a global technology, engineering and manufacturing company with a 130-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.



2019 EMERSON CORPORATE SOCIAL RESPONSIBILITY REPORT COMPANY PROFILE | 8

## **Business Platforms**

## **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

- Life Sciences
- Water & Wastewater
- Food & Beverage
- Chemical
- Power
- Metals & Mining
- 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
- Energy

#### **KEY PRODUCT BRANDS**

- Plantweb
- Fisher
- DeltaV
- Keystone
- Ovation
- KTM
- Rosemount
  - emount Vanessa
- Micro
- Branson
- Motion
- HTE
- ASCO
- Appleton
- AVENTICS
- Bettis

## **Commercial & Residential Solutions**

Helps ensure human comfort and health, protect food quality and safety, advance energy efficiency and create environmentally 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

2019 EMERSON CORPORATE SOCIAL RESPONSIBILITY REPORT COMPANY PROFILE | 9

**FINANCIAL PERFORMANCE** 

2019

## **Driving Strong Business Results**



## **Creating Value for Shareholders**

63 Years Increased dividends

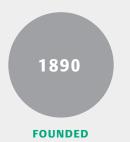
**Key Facts** at a Glance





ST. LOUIS, MISSOURI (USA)

**OF DESTINATION SALES OUTSIDE THE UNITED STATES** 



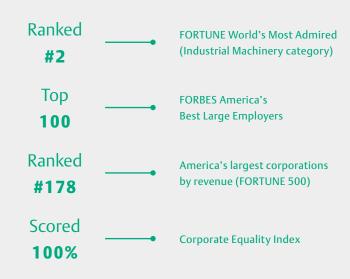


**NYSE: EMR** 



**ACTIVE PATENTS HELD BY EMERSON WORLDWIDE IN 2019** 

## **2019 Recognition**



Emerson recently ranked #22 in Newsweek's inaugural ranking of America's Most Responsible Companies for 2020.

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.



# Industries

Emerson is where technology and engineering come together to create solutions for the world's most complex challenges. Our talented global workforce combines a passion for innovation with our culture of performance to develop and deliver advanced technologies, software and services that enhance productivity, efficiency and safety for our customers.

# Commercial & Residential Solutions EMERSON'S COMMERCIAL

& RESIDENTIAL SOLUTIONS **BUSINESS DEVELOPS TECHNOLOGIES THAT HELP ENSURE HUMAN COMFORT AND HEALTH** by protecting food quality, creating sustainable infrastructure and advancing energy efficiency. Our technologies and integrated solutions are used throughout residential heating and cooling, commercial and industrial refrigeration, cold chain management, food waste disposal and professional tools for tradespeople. Emerson is engineering environmentally responsible, energy-saving solutions that help people live comfortably and safely around the world.



## **Automation Solutions**

# EMERSON'S AUTOMATION SOLUTIONS BUSINESS ENABLES THE GREATEST USE OF THE WORLD'S MOST VALUABLE RESOURCES.

helping industrial leaders achieve Top Quartile performance and ensuring the productivity and safety of industries which are the backbone of daily life.

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



## PROTECTING FOOD QUALITY AND ENVIRONMENTAL SUSTAINABILITY

Food waste is a significant global issue. Wasted food is the single largest category of material placed in landfills, according to the U.S. Food & Drug Administration.

Emerson's technology solutions help protect food across the cold chain – the network of refrigerated transport trucks, warehouses, retailers and restaurants used to maintain safe food temperatures and storage from farm to fork. These same Emerson technologies are used to protect critical, temperaturesensitive medications. At the other side of food's life cycle, Emerson provides advanced food waste

disposer solutions to help turn inevitable food scraps into energy.

# Fighting Food Waste with Cold Chain Technology

In addition to grocery stores and delivery trucks, Emerson's technologies help organizations like the Mississauga Food Bank, a hunger relief organization in Ontario, Canada, regulate food temperatures for those in need. The Mississauga Food Bank distributes more than 2.5 million pounds of food annually, with

perishable food accounting for more than half of its inventory. Emerson donated a wireless temperature monitoring system to help the food bank manage and protect its inventory, ensuring the organization was able to serve the families throughout the community who need it most.

# Turning Food Waste into Energy

Through our garbage disposal technologies, Emerson has helped divert 80 million tons of food waste from landfills. We are building on this technology with our Grind2Energy solution, which uses industrial InSinkErator disposers to enable businesses to turn food scraps into renewable energy.

With the installation of Grind2Energy, McCormick Place can now divert virtually 100% of preconsumer organic waste from their facility.

In 2019, Emerson installed this innovative solution in McCormick Place – North America's largest convention center and the first convention center in the world to receive Green Seal certification for environmentally responsible food purchasing. McCormick Place and SAVOR...Chicago, the venue's exclusive food service operator, have operations in place to compost, recycle and donate leftover food, diverting nearly 60% of food waste from landfills.

## ENSURING HUMAN COMFORT AND HEALTH



THE SENSI™
TOUCH SMART
THERMOSTAT
AND SENSI™
SMART
THERMOSTAT,
both of which
received the
ENERGY STAR
certification in
2018, can save
users about 23%
of HVAC energy
consumption.

Emerson empowers customers and businesses to reduce strain on the grid and manage energy efficiency through smart home technologies – like our smart thermostats, complementary heating and cooling solutions and energy-efficient compressor units – while maintaining optimal human comfort and health.

Maximizing Efficiency and Ease with Technology Solutions

Less than two years after Emerson's Sensi smart thermostats received ENERGY STAR® certification, Emerson has been named an ENERGY STAR® Partner of the Year. Sensi is the first smart thermostat brand to win this honor.
ENERGY STAR, a joint program between the U.S. Environmental Protection Agency and U.S.

Department of Energy, is a well-known indicator of energy efficiency and cost savings.

By adjusting the temperature using flexible scheduling, remote access and geofencing, Sensi Smart thermostats saved customers about 23% on HVAC energy usage. These energy savings were calculated by comparing operation time for a nationwide sample of Sensi users, with savings varying due to a variety of factors including equipment type and frequency of temperature adjustments.

Building on its Sensi suite of smart home capabilities, Emerson created a technology solution to monitor performance, identify issues and alert contractors and homeowners to costly inefficiencies in HVAC units with Sensi Predict. In addition to improving energy efficiency, this solution also brings ease to home improvement contractors as they evolve their business models. By providing real-time visibility into the health of a system and cutting down on the labor of busy

technicians, Sensi Predict helps address a significant skilled worker shortage by providing real-time notifications for preventive maintenance.



ADVANCING ENERGY AND RESOURCE EFFICIENCY

Environmental sustainability is a critical issue for individuals and businesses alike, and we are committed to advancing strategies and technologies to lower emissions and improve resource efficiency throughout our company and with our customers.



# Enabling Customer Efficiency & Environmental Sustainability

Our manufacturing customers are prioritizing opportunities to enhance the environmental sustainability and efficiency of their operations while working to reach Top Quartile performance, within the top 25% of their peers, in key areas like improved reliability, enhanced safety, higher production and lower energy usage. But with a wide array of metrics in use to measure energy usage and material usage, it can be difficult to know where to start and how to measure progress. Emerson helps customers define their vision and design their environmental sustainability journey.

By combining Emerson's technology offerings, technical expertise and

enable customers to realize their efficiency and environmental sustainability goals. Through the implementation of our proven roadmap, customers transform their operations and boost production while reducing energy, resource usage and emissions. Studies have found that Top Quartile performing facilities spend one-third as much as the industry average on energy costs and have 30% less CO<sub>2</sub> emissions.

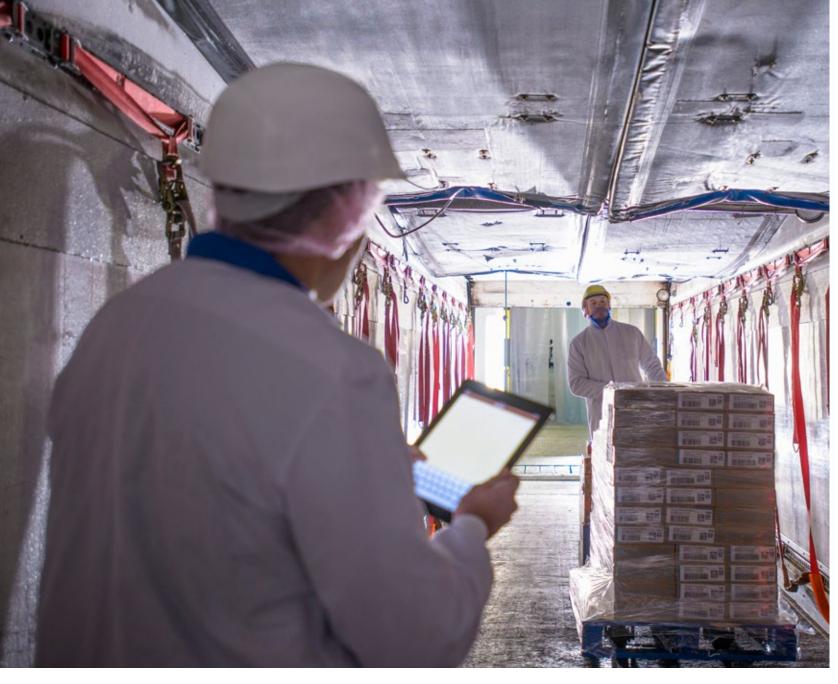
In addition, Emerson's

Plantweb™ digital ecosystem –
a scalable and secure portfolio
of transformational sensors,
intelligent control elements,
software and services – provides
industrial customers with the
insights and confidence needed
to drive measurable business

improvement. Together with Emerson's high-fidelity simulator, known as a "digital twin," Plantweb enables customers to identify and test proposed adjustments to operations risk free and in real time, helping ensure changes won't impact production.

In the refining industry, for example, premature fouling of heat exchangers can lead to increased cost of operations and loss of overall energy efficiency due to increased maintenance needs and fuel and steam usage. Dynamic monitoring through Plantweb sensors and analytics can detect premature fouling and alert technicians when action is needed, before energy losses occur. With thousands of heat exchangers across some enterprises, the potential impact is substantial.





# Enhancing Efficiency Without Compromising Comfort

Emerson is a leader in the global discussion around sustainable refrigeration and develops solutions that are optimized for both new global efficiency standards and refrigerant regulations.

We are helping heating, ventilation, air conditioning and refrigeration customers implement more energy-efficient compressors that provide responsible airconditioning solutions to address a growing global need. We're partnering to help our HVAC companies meet shifting environmental regulations that will dramatically change the industry's approach and technologies while reducing the use of refrigerants that potentially impact global warming.

As an industry steward, we are also working closely with trade groups, regulatory bodies, customers and suppliers to develop next-generation, sustainable solutions that help maintain comfort – an important element of health and well-being.

World Refrigeration Day is one way Emerson partners closely with the industry. This year, we hosted informational webinars on the application and regulation of refrigerants for others in the industry. As regulations evolve, Emerson engages with global industry associations, original equipment manufacturers and chemical companies to determine the best low-GWP (Global Warming Potential) refrigerant options for HVACR applications. We are committed to working with customers, industry partners and government leaders through the transition to these lower-GWP refrigerants through innovative solutions in all regions we serve.

# ENABLING SAFETY AND SECURITY

The personal safety and security of our employees and customers – and securing their data and operations – are of paramount concern to Emerson.

Our TÜV certified safety
products, including
measurement, safety
systems (SIS) and final
control devices together
with our cybersecurity
protection and
predictive technologies
help customers reduce
risk, avoid incidents and
operate with certainty.
Safety certified engineers
design and deliver complete
safety solutions for our
industrial customers.

# Investing in Cybersecurity and Data Privacy

Emerson is committed to cultivating a strong cybersecurity culture throughout our company while maintaining robust cyber protection capabilities for our operations, customers and employees. We continuously monitor and improve our cybersecurity measures, and we are aligning our activities including internal IT systems, product development and service

delivery to leading cybersecurity frameworks such as ISO27001, NIST and ISA 62443.

We are continually investing in our portfolio of systems and solutions with advanced security features to help our customers protect their own operations. For example, this year, we were proud to partner with Cisco to offer the most advanced industrial wireless network solution, introducing next-generation technologies that deliver highly secure data in industrial environments. This wireless solution enables nextgeneration sensors as well as secure wireless access to plant systems and data for plant personnel, providing the core infrastructure for many digital transformation solutions.

In 2019, our DeltaV™ distributed control system earned the industry's first ISASecure® System Security Assurance Level 1 certification for cybersecurity, independently certifying that the product and its systems are robust against network and system attacks, and reinforcing our commitment to provide secure, reliable automation for hybrid and process customers. This certification joins our Ovation™ control system for power and water customers, which is designated "Qualified Anti-Terrorism" by the U.S. Department of Homeland Security.

By bringing together Enterprise and Product Cybersecurity teams, Emerson developed a new, Bluetooth-enabled site monitoring ecosystem, REFCON Portable with Wireless Hubs. This advanced ecosystem combines the latest security requirements on its hardware – enabling refrigerated container data and commands through private keys and AES128 encryption to safely track and protect valuable goods in transport.

Emerson is also committed to protecting the personal information of our customers, employees, vendors and investors, all of whom expect us to adhere to the highest standards of data privacy and security. Read more about Emerson's data protection policies here.

1,000

INSULATED
BATTERYPOWERED
HYDRAULIC
TOOL LINES
are designed with
protection from
electric shock up
to 1,000 volts of
electricity.

# Promoting Industrial Worker Safety

We work with customers every day to help them confidently protect their facilities, personnel and community. By helping companies reach Top Quartile performance, we are helping them enhance their safety and protect their teams. In terms of safety, Top Quartile performers had two-thirds fewer safety incidents as compared to their average industry peers.

Technology is helping make a safety impact. Our Location Awareness technology leverages our Plantweb infrastructure to allow companies to monitor and help protect employees in refineries, chemical plants and oil and gas platforms.

In addition, our Mimic™
Simulation Software provides
accurate and real-time simulation
of plant behaviors, and was
enhanced in 2019 with new
modeling capabilities, usability
enhancements and tuning
options to help engineers
accelerate workforce safety and
more easily create, modify and
integrate simulations for process
improvements in a plant.

Our technology is helping companies operate in measurably safer ways. For example, Emerson's corrosion and erosion sensors, gas leak detection and pipeline integrity technologies reduce personnel exposure risk in industrial facilities, while also helping to protect surrounding communities and the environment. Additionally, automated real-time

data and greater process insight provide early notification of anomalies, reducing the risk of an event.

While detection of potential safety issues is crucial, a plant's Safety Instrumented System (SIS) serves as the ultimate safeguard, intelligently springing into action when operating conditions become unstable – protecting the plant, its people and the surrounding community. Emerson's SIS, part of the Plantweb digital ecosystem, is the industry's most advanced and digitally integrated plant safety system.

# Protecting Utility and Electrical Workers

This year, we also created the industry's first insulated battery-

powered hydraulic tool line. Our Greenlee Gator® Insulated Series of cutters and crimpers are designed with insulation barriers to help offer added protection from electric shock up to 1,000 volts of electricity, helping to save the lives of professional utility and electrical tradesmen while on the job.



LEADING
INDUSTRIES
INTO THE
DIGITAL FUTURE

# Digital transformation helps our customers use the latest advanced technologies to revolutionize business operations and optimize performance.

But integration of new technologies is often a complex transition that affects not only existing processes and procedures, but also the everyday work of employees. Emerson is committed to helping customers navigate this transition with scalable technologies and training solutions.

# Improving Performance and Productivity

Our industrial customers are using the latest digital transformation technologies to reach performance in the top 25%, or Top Quartile, of their peers, measured by enhanced safety, minimized energy usage, optimized production and improved reliability. Through our robust global consulting program, Emerson helps customers

implement solutions that address their specific needs, optimize their operations and make the most of their – and the planet's – resources.

In 2019, we deepened our commitment to manufacturers' Top Quartile performance with the launch of a new Digital Transformation organization.
The new business brings together critical resources to help manufacturers develop and implement pragmatic digital transformation strategies that deliver industry-leading performance, combining existing expertise in consulting, project execution, smart sensor



technologies, data management and analytics to help customers not only establish a clear vision for digital transformation, but also execute with confidence and realize measurable results at each step of their journey.

Simply having data isn't enough to enhance operations. Through our Plantweb™ digital ecosystem, we offer the most comprehensive operational analytics portfolio in the industry, enabling companies

to bring industrial facilities to life with dynamic sensor and analytics networks to detect problems before they impact production or risk personnel safety. We arm plant workers with the real-time insight to proactively assess the integrity of operating equipment, and target maintenance that reduces risk while helping to ensure business continuity.

# Training the Workforce of the Future

We understand the importance of training the next generation of innovators to develop the strength of the skilled trades workforce.

Emerson partners with over 350 universities and colleges across the globe to provide the curriculum and training needed for students to succeed in today's workforce.

A few examples include:

- Our partnership with *Texas*\*\*A&M College of Engineering
  and its Emerson Advanced
  Automation Laboratory
  to provide a space where
  engineering students can
  experience a modern,
  real-world plant simulation
  found in the manufacturing
  facilities for the oil and gas,
  refining and chemical industries.
- Emerson sponsored upgrades to a distillation column and computer labs at *The University* of Texas at Austin, including hardware to modernize a distillation column experiment station and DeltaV distributed control system software and hardware – the same equipment that is used in control centers of an actual plant. These investments will give students hands-on experience and the skills required to tackle process control-related challenges they will experience in industry.
- Our *Greenlee GreenApple Labs* program provides key
  competencies to students in
  the skilled trades that they will
  apply directly when entering
  the workforce. Greenlee's
  hands-on education model
  provides standardized
  curriculum for various levels of
  construction trades education.

- The industry-recognized program is currently offered on more than 50 campuses nationwide and compatible with well-known electrical curricula, including the National Coalition of Certification Centers. GreenApple Labs also offers certifications through the National Coalition of Certification Centers (NC3).
- In 2019, Singapore Polytechnic and Emerson celebrated the opening of the Energy and Chemicals Training Centre (ECTC). Spanning 1,430 square meters, the ECTC houses the Interactive Plant Environment (IPE), chemical engineering laboratories and a Virtualization Room equipped with augmented and virtual reality technologies. This space allows students and employees from the process industry conduct experiments, build prototypes and operate equipment.

- A new collaboration with Colorado State University to build the Emerson Brewing Innovation Center, where students will get hands-on experience using the latest automation technologies.
- As part of our collaboration with Ireland's **National Institute of Bioprocessing Research and Training** (NIBRT), Emerson is providing automation software and systems to help train students on the latest technologies designed to optimize pharmaceutical production. The Emerson Room at the NIBRT facility simulates an innovative bioprocessing environment and features a fully operational DeltaV system to provide real-life training in a safe environment.



Photo courtesy of Colorado State University



# Responsibly

Our culture of performance drives us to operate responsibly, from our disciplined management process to how we engage with our many stakeholders. From our Board of Directors and executive leadership team to our employees and suppliers, we expect all those who represent Emerson to share in our values as we remain committed to promoting a culture of integrity, protecting the interests of shareholders and minimizing our environmental footprint.

# CORPORATE GOVERNANCE

27%

BOARD OF DIRECTORS GENDER DIVERSITY: 27% of our Board members

are women.

As part of our commitment to earning and maintaining the trust and confidence of our stakeholders, Emerson is dedicated to the highest standards of corporate governance to ensure our company operates responsibly.

## **Board of Directors**

Members of Emerson's <u>Board</u> of <u>Directors</u> 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 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 2019, Emerson's Board included 10 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 continually seek a diversity of viewpoints on our Board that helps us to understand and anticipate changes in our business environment, as well as ethnic and gender diversity.

#### **COMMITTEES**

To provide sustained, specialized and in-depth oversight in certain areas, Emerson's Board of Directors has five committees: Audit, Compensation, Corporate Governance and Nominating, Executive, and Finance. All committees, except for the Executive Committee, are comprised entirely of independent Board members. More information about our Board committees and their charters is available in the Corporate Governance section of Emerson.com.

#### **LEADERSHIP**

The Board's Lead Independent Director serves as the key liaison between the Chairman and the rest of the Board. The duties of the Lead Independent Director include presiding at Board meetings at which the Chairman is absent. including executive sessions of independent or nonmanagement 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 nonmanagement 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.

## **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:

# AUDIT COMMITTEE FINANCIAL EXPERTS:

In 2019, the Board determined that two members of the Audit Committee are Audit Committee Financial Experts under SEC rules.

#### **BOARD REFRESHMENT:**

In 2019 we added two new members to the Board, Martin Craighead, Chairman and Chief Executive Officer of Baker Hughes, and Mark Blinn, former President and Chief Executive Officer of Flowserve.

# DECLASSIFYING BOARD OF DIRECTORS:

We recognize that a declassified Board of Directors is increasingly considered an important aspect of good corporate governance. In response to this trend and shareholder input, the company once again submitted a management proposal to declassify our Board of Directors.

The proposal, if adopted, would have resulted in the annual election of Board members to one-year terms, and a fully declassified Board by 2023. The management proposal did not receive the required shareholder approval at the company's Annual Meeting.

#### **GHG REDUCTION TARGETS:**

In 2019, the company has announced a commitment to reduce GHG emissions by 20%, normalized to sales, by 2028.

# SHAREHOLDER RESPONSIVENESS:

In response to shareholder input, in 2018 we proposed to amend our Restated Articles to allow shareholders the right to amend our Bylaws. The management proposal did not receive the required shareholder approval at the company's Annual Meeting.

## **Balanced Board Tenure**



Two new members were elected to the Board in 2019: Martin Craighead (June) and Mark Blinn (November). Together, these key additions bring to our Board a breadth of executive and board leadership experience and expertise in energy and automation end markets.

**EMERSON LEAD INDEPENDENT DIRECTOR DR. CLEMENS A.H. BOERSIG** plays a critical role in leading the Board in providing guidance regarding the management of the company and establishing all significant company policies, including ESG commitments.



## Enhancing Shareholder Value

One of the most important focus areas for the Board is guiding the organization through shifting economic trends, while continuing to invest in strategic ways that position the company to deliver value well into the future. To further enhance shareholder value and position, in mid-2019 the Board initiated a comprehensive review of Emerson's operational, capital allocation and portfolio initiatives. In collaboration with a leading consulting firm and independent legal and financial advisers, our Board spearheaded the evaluation process.

# 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 an annual review 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, ESG (environmental social governance), 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. In addition, the employee responsible for mitigating the risk and the mitigation plan and timeline ensures relevant findings 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.

# INTEGRITY AND ETHICS

At Emerson, employees and leaders are expected to uphold high standards of honest and ethical behavior, to not only cultivate trust among one another, but with our customers, suppliers and communities.

We are committed to ethical conduct and legal compliance – and we clearly define our policies and practices for employees through our Ethics and Compliance Program.

As a company, we are steadfast in our commitment to maintain ethical conduct and legal compliance – and clearly define policies and practices for employees through our Ethics and Compliance program. This program is overseen by the Corporate Governance and Nominating Committee of the Board of Directors.

Our Ethics and Compliance program takes a comprehensive approach through monitoring, investigation and evaluation – merging three core functional areas including Human Resources, Audit and Compliance, and Law.

We seek to communicate our program as distinctly as possible to employees through trainings, documentation and reporting channels in which employees can escalate questions or concerns.

The program is revisited annually to ensure consistency with the current business environment and industries in which we operate. New employees are introduced to the program during their onboarding, and current employees and leaders are refreshed on the program on an annual basis through trainings.

# Employee Code of Conduct

Our Employee Code of Conduct handbook, "The Right Way," serves as the foundation for how Emerson and our employees conduct business around the world. The latest version is available to all employees and the public at Emerson.com/ethics and has been translated into more than 20 languages. Supplemental ethical guidelines are also provided to executive officers and members of the Board of Directors – and available to the public – to address the special responsibilities of these leaders.



# CEO and Senior Financial Officer Code of Ethics

Our company's most senior leaders adhere to the <u>CEO and</u>
<u>Senior Financial Officers Code of Ethics</u>, which outlines expectations including exhibiting and promoting integrity, and providing accurate and timely financial reporting.

## **Annual Ethics Trainings**

All employees are required to complete our company's ethics training on an annual basis to ensure comprehension of our Employee Code of Conduct. The training is offered in person and online, with several interactive components and an evaluation at the end. While we prioritize in-person training, online training is also offered to ensure we reach our remote workforces. In 2019, we achieved a nearly 100% completion rate.

At Emerson, we believe the integrity of our company resides in the integrity of our employees.

In this training, we cover a wide range of ethics and compliance subject areas, including expectations of ethical business practices and behavior, the latest updates to governance principles and practices, and the channels we offer to report ethical concerns. We make it a priority to discuss our no tolerance policy for sexual harassment or retaliation of any kind as well as anti-corruption information that reflects risks identified during the previous year's audits.

In addition to the all-employee training, managers in the United States are required to complete a separate training, "You and the Law," that narrows in on the ethical responsibilities of those in supervisory roles.

Based on training evaluations and feedback given in our annual global employee engagement survey, we know our Ethics and Compliance program is engaging employees effectively. In the 2019 survey, both salaried and hourly employees reported having a strong understanding of our Ethics and Compliance program and how to report an ethics concern.

# Ethics Hotline and Reporting Process

At Emerson, we believe the integrity of our company resides in the integrity of its employees. The center of our Ethics and Compliance program is our ethics reporting process, which provides employees with clear steps on how

Emerson is fully committed to safeguarding against nonretaliation or harassment of whistleblowers.

to report unethical behavior while ensuring the protection of their employment status. We are fully committed to safeguarding against nonretaliation or harassment of whistleblowers.

Employees are provided with several avenues to escalate ethics concerns. First, employees are encouraged to contact their supervisor or business unit's ethics officer. Employees can also visit Emerson's Ethics Reporting website and file a concern or call the Ethics hotline number. Both channels provide the option for employees to remain anonymous. We ensure interpreters are available to help field calls from employees across our global workforce.

Our website and hotline are operated by an independent third party, which sends reports directly to Emerson's corporate headquarters and directly to the Audit Committee chair for reports regarding accounting, internal controls or auditing matters.

# Review and Resolution of Ethics Concerns

Reports of ethics issues are handled by a limited number of experienced and specialized Emerson management personnel. Significant ethics allegations, of which Emerson has a set criterion, are required to be reported directly to the Chief Ethics Officer and Chief Compliance Officer. Each year, internal and external

## **Channels of Ethics Reporting**

- 1 Supervisor or Business Unit Ethics Officer
- **2** Ethics Reporting Website
- **3** Ethics Hotline

auditors review our program, and subsequently, Emerson makes revisions as recommended.

The Audit Committee of the Board of Directors reviews all reports regarding accounting, internal accounting controls or auditing matters – and remains involved until resolution. In addition, an annual report, including a summary of all allegations throughout the company, is developed and delivered to the Board's Corporate Governance and Nominating Committee.

## Conflict of Interest Evaluation and Reporting

Conflicts of interest are taken seriously at Emerson, and transparency and communication are expected of our employees. In addition to disclosing the situation to their supervisors, employees complete an annual questionnaire to identify potential conflicts of interest between the company and any of its directors, officers or employees. This questionnaire is provided in 22 languages, and more than 43,000 directors, officers and employees responded in 2019.

The Chief Ethics Officer and corporate legal department handle all newly reported responses,

which are investigated and then resolved. Emerson's conflict of interest policies are overseen by the Corporate Governance and Nominating Committee of the Board of Directors, which is informed annually of the outcomes of the conflict of interest evaluation process.

## **Compliance Risk Oversight**

On a quarterly basis, members of Emerson's Compliance Committee meet to discuss new or existing compliance risks based on emerging trends. The committee includes representation from Law, Human Resources, Audit and regional lawyers from Europe, Latin America and Asia. Each functional area is responsible for establishing

and implementing an appropriate amount of controls based on risk.

We assess and monitor risk in nine key areas through a range of methods from self-assessments to on-site audits to inquiries. Emerson engages a third party to review the maturity of its ethics and compliance program and the extent to which the program aligns with U.S. Department of Justice guidelines, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework and other leading practices. The most recent review concluded that the program is aligned with these practices.

## **Anti-Corruption Controls**

Emerson follows detailed processes to prevent corruption across our global operations.

On a quarterly basis, all business units are required to certify an Internal Control Questionnaire (ICQ), which includes anticorruption controls. In addition, Emerson's internal audit annually conducts anti-corruption audits at locations identified as a part of a risk assessment.

In addition, all employees who come in contact with customers, government officials, third-party intermediaries and suppliers complete an online anti-corruption training program once every three years. Approximately 50,000

# Areas of Compliance Risk Oversight at Emerson

Anti-corruption

Antitrust/

competition law

Trade compliance

People treatment

Health and safety

Product-related

environmental law

Data privacy

Records

management

**Environmental** 

employees have received the training over the past three years.

To actively manage risk associated with third parties, Emerson conducts thorough screenings and ongoing risk assessments of these

groups, giving special attention to locations that operate in high-risk countries and industries to ensure anti-corruption.

# ENVIRONMENTAL MANAGEMENT

We manage our manufacturing facilities around the world according to a global set of principles that guide our commitment to responsible environmental practices.

## 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 wasteminimization practices, and technological developments. WE PERIODICALLY
AUDIT OUR
OPERATIONS to confirm
compliance with these
principles and local laws.

Emerson's business unit presidents implement these principles, with support and guidance from our Corporate Environmental Affairs department. Our general counsel oversees implementation of our environmental principles and periodically reports performance to the Audit Committee of the Board of Directors.

In 2019, we created a dedicated position for a global energy planner whose responsibilities include supervising and helping implement energy reductions for our largest manufacturing sites across the globe. We are also

creating an Executive Corporate Sustainability Steering Group, chaired by company leadership to further our environmental sustainability efforts in 2020.

## Enhancing Energy Conservation and Energy Efficiency

Reducing the impact of our operations is more than a cost-saving measure; we are committed to diligently implementing and enforcing energy efficiency tactics at our facilities. Last year these endeavors contributed to reducing more than 3.9 million kWhs.

3.9M kWhs

IN 2019, OUR
CONSERVATION
AND EFFICIENCY
ACTIVITIES
ACROSS OUR
OPERATIONS
contributed to a
reduction of just
over 3.9 million
kilowatt hours used.

These efforts have enabled the below examples:

# Emerson campus in Cluj, Romania



# Fluid & Motion Control facility in Brantford, Canada



# Appleton Foundry in Milwaukee, Wisconsin

\$7.6M+
IN UPGRADES, INCLUDING
NEW CORELESS MELT
FURNACES AND A NEW
METAL DELIVERY SYSTEM

\$1.4M annual energy cost reduction

\$1.87M annual savings, along with safety and reliability improvements

# Climate Group facility in Suzhou, China



# Actuation Technologies plant in Houston, Texas



Other Emerson locations experiencing energy savings from recent LED lighting retrofits include Chihuahua, Mexico; Novi, Michigan; Chennai, Tamil Nadu, India; Florham Park, New Jersey; and Gronau, Germany.



# In September 2019, we announced a new GHG reduction target:

We committed to reduce our GHG emissions by 20%, normalized to sales, across our global manufacturing and shared service facilities by the year 2028, measured by our baseline year of 2018.

# Reducing Our GHG Emissions

As a manufacturing leader, we recognize we have a role to play in the global effort to manage energy effectively and to reduce our greenhouse gas (GHG) emissions.

Our target was developed after extensive work with a leading environmental management consultancy, reviewing GHG reporting protocols, industry best practices and our current global operations. Due to improvements in the data collection and calculation of our facilities' GHG footprint, the incorporation of the market-based approach for scope 2 emissions calculations and adjustment to a fiscal year from calendar year,

Emerson's FY2018 baseline market-based GHG emissions intensity metric has been adjusted slightly to 38.8 from the previously reported value of 37.

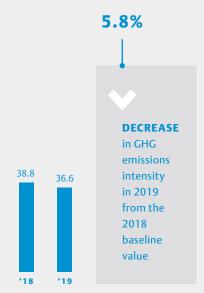
To help track against our goal, in 2019 we implemented the global use of a cutting-edge environmental, health and safety software system to track, manage and report our GHG emissions, electricity usage, water consumption and other environmental data to provide our facilities with the tools and resources they need to implement these energy saving measures.

In 2019, we made noticeable progress toward our carbon

mitigation target by producing a GHG emissions intensity metric of approximately 36.6, representing a 5.8% decrease from the 2018 baseline value.

We achieved this reduction throughout a variety of practices, including providing our facilities with tools and resources to implement new energy-saving measures while continuing ongoing environmental training to equip colleagues with knowledge on best practices for reducing energy waste and conserving energy.

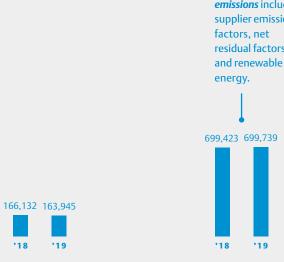
# **Emissions Intensity**



# MARKET-BASED INTENSITY

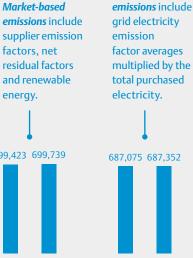
GHG emissions intensity is measured in Scope 1 and Scope 2 (market-based) metric tons of carbon dioxide equivalent (MT CO<sub>2</sub>e) per million dollars in sales.

# 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 nonmanufacturing facilities worldwide.



Location-based

# 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 nonmanufacturing facilities worldwide.

All GHG emissions are measured in metric tons of carbon dioxide equivalent (MT CO<sub>2</sub>e).



# Environmental Footprint of Our Facilities

To continue building on our commitment to responsible operations, 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.

Our emissions reporting includes all facilities within our operational control, including

nonmanufacturing facilities such as warehouses, distribution centers, headquarters buildings, sales offices and engineering centers.

Historically, we have reported metrics based on the calendar year. This year, in order to align with our financial reporting and add an intensity-based sales metric, we have improved our data collection and calculation methodologies to report by fiscal year. This year, we have also adjusted our reporting to include market-based scope II calculations in addition to locationbased calculations we've shared in the past. Moving forward, we will use our fiscal year market-based 2018 calculations as a baseline in order to measure and track year-over-year progress against the greenhouse gas (GHG) emissions we set in September of 2019.
Previously reported data based on calendar year calculations for GHG emissions, water consumption and energy usage can be found at Emerson.com/CSR.

Our greenhouse gas emissions and electricity calculations for fiscal year 2019 included 186 manufacturing facilities and 659 nonmanufacturing facilities. Our water consumption calculations for fiscal year 2019 included 186 manufacturing facilities. 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.

In 2019, Emerson experienced a 0.2% decrease in CO<sub>2</sub> emissions, a 0.5% decrease in global electricity usage and a 3.6% increase in global water consumption.

Though we had progress in some areas in 2019, we understand the vital importance of continuing to reduce our use of energy and natural resources and remain committed to these efforts in the year ahead.

# Electricity Use



Emerson's electricity usage in megawatt hours, as reported by our manufacturing and nonmanufacturing facilities worldwide.

## Water Consumption



Emerson's water usage in U.S. gallons, as reported by our manufacturing facilities worldwide.

All data is for the fiscal year indicated and is based on the Emerson business portfolio during that year. The company's GHG emissions and electricity usage for 2019 environmental data includes 186 manufacturing facilities and 659 nonmanufacturing facilities. Water consumption environmental data for 2019 includes 186 manufacturing facilities.

## **OUR INSINKERATOR GLOBAL HEADQUARTERS**

**FACILITY** in Racine, Wisconsin became LEED Certified this year. The facility opened in late 2018.



## 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 and local standards, technologies and best practices. This approach is just another way we seek to reduce the impact of our operations on environmental resources.

> Our fluid control and pneumatics headquarters in Florham Park, New Jersey, was recognized in October 2019 by the New Jersey Department of Environmental Protection (NIDEP) for its <u>leadership in</u>

Environmental Stewardship. The LEED® Silver-certified facility was specifically honored for voluntary and proactive measures taken to improve the environment and foster sustainability, including reduction of water and energy use, management of wetlands, diversified arboreal investments and meadows development.

This year, Emerson also joined the Energy Star Buildings & Plants Partnership, an initiative driven by the U.S. Environmental Protection Agency (EPA), aimed at raising awareness of energy management practices. Through this partnership, Emerson will collaborate with the Agency and other companies to continue to share best practices on operational resourcefulness.

The following Emerson facilities were designed to meet LEED® standards for using less water and energy and reducing greenhouse gas emissions:



#### **LEED CERTIFIED**

InSinkErator Global Headquarters RACINE, WISCONSIN (USA) 2019

The Helix Innovation Center DAYTON, OHIO (USA) 2016



#### **LEED SILVER**

**Emerson Scroll Machining Building** AVA, MISSOURI (USA) 2013

ASCO Fluid Automation Global Headquarters FLORHAM PARK, NEW JERSEY (USA) 2017

**Emerson Campus** SOROCABA (BRAZIL) 2013

**Emerson Latin American Headquarters** SUNRISE, FLORIDA (USA) 2009



#### **LEED GOLD**

Corporate Data Center ST. LOUIS, MISSOURI (USA) 2010

## **Environmental Training**

To help drive continued leadership across the organization, 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. Employees receive online or face-to-face environmental training to both 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 takes into consideration 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. During 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 and ensure they meet our standards.

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. These audits evaluate environmental regulatory compliance, as well as the overall environmental management practices of each plant. In addition, the audit process also encourages plant environmental managers to look beyond basic compliance to explore ways to implement more innovative and productive environmental management practices.

Before an on-site inspection by an outside environmental consultant, each plant must 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.

To ensure consistent vigilance, 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.

## **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 2019, environmental regulators inspected our facilities or were notified of incidents on 19 different occasions worldwide (compared with 39 occasions in 2018). Of these occasions in 2019, four (compared to two in 2018) resulted in monetary penalties, which totaled \$2,246.18. The average annual cost of environmental fines and penalties incurred globally by Emerson from 2014 through 2019 was approximately \$8,600.



# PERCENTAGE OF EMERSON MANUFACTURING FACILITIES

that received environmental compliance reviews in 2019.

### SUPPLY CHAIN



Emerson expects our suppliers to project our values and principles by acting with integrity and treating people and the environment with respect. We are committed to ensuring our suppliers meet these standards through frequent communication and requirements set forth in bid packages and supply contracts. Emerson is investing in our information technology systems and capabilities to better track compliance and enhance our continuous improvement efforts. By regularly evaluating and updating these standards and looking ahead to future trends, we have been able to build and maintain a global supplier network that is true to Emerson's core values.

### Training Emerson Employees

Managing a global supply chain entails a range of complex issues involving suppliers across diverse geographies, cultures and business Emerson's direct material spend with suppliers worldwide in fiscal 2019 was \$6.5B.

practices. Acting responsibly requires knowledge of each subject, an 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. In 2019, we developed a compliance program working group, comprised of both legal and technical team members, to ensure we are continuously improving on our ability to recognize, report and support remediation of any compliance issues.

20,000+

EMERSON SUPPLIERS WORLDWIDE in fiscal 2019.

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. Together with other major manufacturers, Emerson is a member of the Responsible Minerals Initiative, 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.

97%+

### PARTICIPATION FROM OUR BUSINESSES

on self-assessment of enterprisewide standards formalized in 2019 for compliance with key product materials laws.

### Affirming Supplier Responsibility

Our supplier agreement form contains a "Code 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 as contracts come up for renewal.

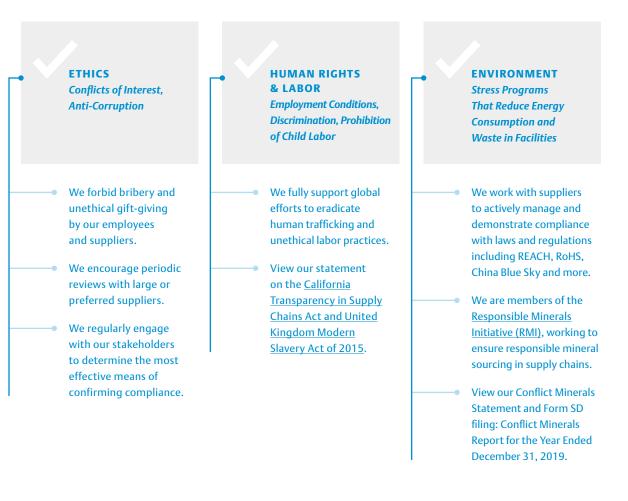
We require all suppliers who want to participate in our e-sourcing initiatives to acknowledge their understanding and compliance with our Supplier Code of Conduct before they are allowed to bid. We also conduct site visits of select new and developing suppliers as part of our qualification process.

### **Supplier Engagement**

In 2018, we implemented an online contract management platform and evaluated a supplier qualification module, enabling us to continue growing the percentage of spend under contract, which includes acknowledging our Code of Conduct clause. The supplier qualification module also provides a mechanism for open dialogue with our suppliers regarding environmental, social and governance information.

To evaluate our suppliers' awareness of and compliance with our Supplier Code of Conduct, as well as their own corporate social responsibility policies, we conduct regular surveys of our top 20 suppliers. Since launching our pilot survey in 2018, we have expanded the survey to include suppliers who account for 47% of our annual direct supplier spend.

### We expect each supplier to adhere to our <u>Supplier Code</u> of <u>Conduct</u>, which is built on a foundation of:

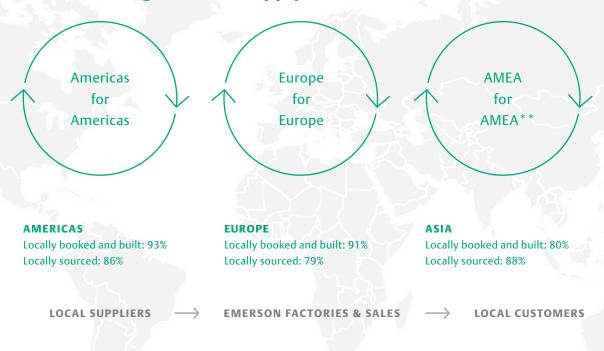


2019 EMERSON CORPORATE SOCIAL RESPONSIBILITY REPORT OPERATING RESPONSIBLY 1 38

### **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 cashflow 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.

### **Emerson's Regionalized Supply Chain\***



\* 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.

2019 EMERSON CORPORATE SOCIAL RESPONSIBILITY REPORT OPERATING RESPONSIBLY 1 39

<sup>\* \*</sup> AMEA represents Asia, Middle East and Africa.



### In People

Sharing a collective passion for innovation and a commitment to excellence, our most valuable asset at Emerson is our people. Our talented teams span the globe, and we support them by fostering a culture in which all individuals are empowered to reach their greatest potential. Through competitive wages and benefits, training and development opportunities, and an inclusive work environment, we aim to create an organization our people are proud to represent.

### EMPLOYEE ENGAGEMENT

## Since Emerson's founding 130 years ago, our employees have remained our greatest strength.

We continually seek employee feedback and create forums where employees can share their valuable perspective. We celebrate

Supporting Our People is a foundational value for Emerson, and we are committed to cultivating a positive, inclusive culture where our employees can thrive.

the ways employee insights help us innovate for our customers and grow as an organization focused on cultivating and attracting the most talented workforce.

To help maintain robust employee engagement, Emerson has conducted employee opinion surveys for more than 60 years. The annual survey highlights employee perspectives in critical areas like commitment to values, safety culture, diversity and

inclusion, training and support, job satisfaction, work-life balance and teamwork.

Employee opinion scores showed exceptional growth in these critical areas, and Emerson is focused on continuing to enhance personal growth and development opportunities, team collaboration and building on our culture of inclusion.

### FY 2019 Employee Opinion Survey Highlights



FY 2019
Employee Culture Survey Highlights

**8 / 10**Proud to work for Emerson



3 /4
Have sense of accomplishment from job



In 2019, we also completed an **Employee Culture Survey focused** on understanding how employees feel about our culture and environment as an organization. Through this survey of 19,500 people, we learned that 8 out of 10 people are proud to work at Emerson, and 3 out of 4 say their job gives them a sense of accomplishment. In addition, 7 out of 10 would recommend Emerson as a great place to work to friends. These are encouraging numbers that give us a strong foundation to continue building.

Employee connection to our unified values came through loud and clear in the survey.

All seven values are considered critical to Emerson's success, with 86% of employees citing every value as important. Nearly 8 out of 10 employees have a good understanding of how Emerson's values will help the company be successful. And 76% of employees believe Emerson's best years are ahead, showing strong optimism toward the company's future.

At the same time, employees shared a vital connection with their role and the global organization. In the survey, over 8 out of 10 respondents said they believe that their job impacts Emerson's success and 78% understand how their work aligns with Emerson's business strategy.



#### Labor Relations

We respect our employees' right to freedom of association in choosing labor organizations to represent them. We work collaboratively to keep 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 was unionized as of 2019. 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 At Emerson, we are working to retain and grow our exceptional global workforce. We seek to uphold our

value of Supporting Our People by providing 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, we offer a standard benefits package for full-time employees that includes health care, 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.

#### PAID PARENTAL LEAVE

Having a work-life balance and ample family time is critical to our employees' well-being. Our recent paid leave policy for new parents across our company – implemented globally Jan. 1, 2019 - has been positively received. This new paid parental leave policy outlines time off not by gender roles but by determining the primary caregiver.

When welcoming a new child into the home through birth or adoption, Emerson employees who identify as primary caregiver receive 12 consecutive weeks of paid parental leave with 100% pay upon the birth or adoption. Employees who wish to support their spouses or partners during

Emerson recently centralized and expanded our dedicated U.S. employee assistance program, offering benefits that include financial planning and bereavement support.

this time as a secondary caregiver can receive two weeks of paid parental leave, which must be taken within six months of the birth or adoption. In countries where the minimum standards of applicable law exceed our new policies, Emerson will always comply with the law.

### **Equal Employment Opportunity**

Emerson is committed to our 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 value the contributions of all employees and do not tolerate any discrimination or harassment. This is reinforced in our annual ethics training that is mandatory for all employees. In addition, we initiated a dedicated effort to conduct training for our people managers on unconscious bias in hiring, promotion and pay decisions in 2017. More than 12,500 of our directors, managers and individual contributors have participated in unconscious bias training over the past three years. We are now rolling this effort out to other levels of the organization.

### **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 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.

### Grievance Reporting Mechanisms

We prioritize providing a safe space where employees feel comfortable sharing concerns, either directly or through anonymous channels. Employee knowledge of where and how

to file concerns routinely scores among the highest questions on our employee opinion survey.

In addition to formal and informal complaint or grievance procedures at our business units, employees or other concerned parties have 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.

12,500+

EXPANDING
OUR
UNCONSCIOUS
BIAS TRAINING
across the
organization
after training
more than 12,500
of our directors,
managers
and individual
contributors.

**WE ARE** 

### TRAINING AND DEVELOPMENT

## Employee development is an integral part of the Emerson culture.

We invest in our people and have created programs to ensure they have the knowledge and training required to succeed in their careers.

**Professional Development** 

As a global business, we know it's imperative to personalize professional development opportunities to meet the individual needs of our employees. As such, we offer both e-learning and in-person trainings to our global workforce throughout the year.

Thousands of e-learning modules on everything from technical skills to leadership tactics are available for all of our employees through our Global Learning Center platform.

We have dedicated learning and development staff who lead in-person development opportunities, teaching skills that range from professional to leadership skills.

In 2019, Emerson's Global Learning Center program had 61,494 unique employee sign-ups. Employees logged 165,608 hours of training, spanning the globe:

ASIA PACIFIC	EUROPE	LATIN AMERICA	MIDDLE EAST & AFRICA	NORTH AMERICA
2	2	2	2	2
<b>20,782</b> Employees	<b>14,086</b> Employees	<b>4,182</b> Employees	<b>1,640</b> Employees	<b>20,804</b> Employees



In 2019, we received the *Excellence in Practice Award* from the International Association for Talent Development for our training and development programs. This prestigious international acknowledgment was awarded to Emerson for creating industry-leading practices that demonstrate clear and measurable results of achieving organizational goals, meeting a demonstrated need and aligning with other performance improvement initiatives while having long-term sustained results.

MORE THAN 565,000 COURSES were completed through our Global Learning Center in 2019.

565.000+

### Graduates of our Performing and Developing at Emerson shared their personal experiences:

I liked the training because it was so relevant to my career growth. I am sure the learnings from this training will help me be more credible in my current role and will be a great investment for my future growth in the organization."

-SAPNA RADHEYSHYAM SINGH,

Senior Engineer, Emerson Global Engineering Center

Having been in my current role for 6 years, I walked away energized and motivated to further develop my skills and abilities in my current role as well as further career opportunities."

-CHRISTINA KOFFSKEY.

Human Centered Design Engineer, Human Centered Design Institute

### Leadership Development Programs

At Emerson, we provide programs that empower our 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, Missouri, we develop and implement programming for managers that ties all training and developmental opportunities to business objectives, enabling our employees to immediately put what they have learned to work. Our approach, which effectively differentiates Emerson from our

peers and has been praised by experts on leadership development, helps our employees develop in their careers, grow their job satisfaction and, ultimately, positions Emerson as a leader in the marketplace.

### FOUNDATIONAL LEADERSHIP DEVELOPMENT

We take pride in investing in the leadership development for our employees at all levels.

This year, we unveiled a new program that is available to all our professional employees globally. Performing and Developing at Emerson is a two-day immersion workshop, training employees on performance reviews, setting career goals and outlining expectations of working at Emerson.

New managers also attend our three-day Leading at Emerson workshop. This training helps our new managers gain a deeper understanding of our culture, hone their leadership skills and ultimately learn how they can grow with Emerson. Each year, more than 2,000 managers attend this workshop.

### ACCELERATED LEADERSHIP DEVELOPMENT

Our supervisors continually look for opportunities to recognize deserving employees, and can nominate high-potential mid-level leaders for multiple professional development opportunities:

Our Rising Leaders Program covers fundamental competencies of being a leader at Emerson. Participants go through two, one-week intensive sessions to acknowledge progress from one session to the next. In 2019, 300 leaders from across the globe participated in and graduated from the program.

Our Executive Leadership Program is a highly selective program for senior leaders throughout Emerson. Throughout 36 months of leadership development curricula, participants develop skills on various

topics ranging from emotional intelligence to long-term strategic direction.

#### **Performance Reviews**

All of our salaried employees and their supervisors conduct an annual performance review, focusing on performance goals, development goals and competency-based goals. Our hourly workers are also expected to have similar conversations, reviewing their performance as it relates to their job categories.

In 2019, we launched our new performance management process, using a global competency framework for employee performance and development planning. Throughout the year of deploying this global performance management system, we also developed a global training and toolkit resource guide to equip managers and employees with the support they need to have effective performance discussions.

3,000+

MORE THAN
3,000 OF OUR
EMPLOYEES
ACROSS
THE GLOBE
GRADUATED

from our
Performing and
Developing at
Emerson program
in its first year.

### WORKPLACE SAFETY

# Safety is critical to everything we do, which is why Safety & Quality are core values for Emerson.

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 to track progress on priorities, including safety education, prevention, trends and compliance.

Each of our locations with 50 or more employees has 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 the achievements of locations in safety performance with Safety Leadership Awards, including our Chief Operating Officer Safety Award given to the location with outstanding safety performance and culture programs.



Our Commercial & Residential Solutions Climate Technologies facility in Kolin, Czech Republic received the 2019 Chief Operating Officer Safety Award for their longstanding commitment to safety, including over nine years without a recordable injury.



Belluno, Italy



St. Louis, Missouri



Cluj, Romania



Suzhou, China

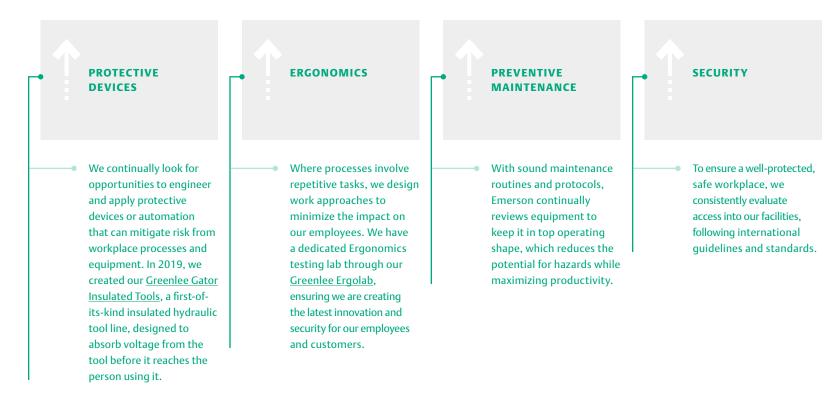
**LAST YEAR, WE CELEBRATED WORLD SAFETY DAY ACROSS THE GLOBE,** bringing light to the importance of workplace safety. Facilities held celebrations with curricula specific to the location, focusing on how to further implement safety practices throughout the working environment.

We are committed to reducing and further eliminating the risk of serious injuries, because we believe every incident is preventable. This year, we've brought that commitment to life through:

- A monthly newsletter series focused on our 12 Lifesaving Behaviors. This companywide initiative across the globe deepens our culture around safety and reinforces safe practices our employees can implement each day.
- Our required I Own Safety training modules. This global, five-module series explores the state of safety at Emerson, and shares tips to identify safe and unsafe practices as well as suggestions to understand and assess risk and take action when needed.
- Our partnership with a third-party software service for incident reporting and tracking. This global program empowers our employees to report safety hazards or incidents. The platform is easily accessible to our employees via their mobile devices and includes features such as adding photos from a mobile phone to document in the report.

To ensure our facilities are up to both Emerson's and local safety standards, we conduct cross-business and cross-platform safety audits at our facilities on a regular basis. Based on the results of these selective audits, we work with the local facility management to provide step-by-step plans to address any issues that are revealed.

### Emerson's emphasis on safety and health encourages continuous improvement in all our processes for our employees and our customers, including:



### HEALTH AND SAFETY PERFORMANCE

41%

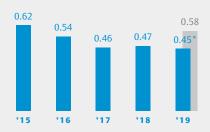
OVERALL TOTAL RECORDABLE RATE OF INJURIES has reduced by 41% since 2014.\* We measure health and safety performance across all our facilities to ensure continuous improvement and high standards in every facility.

In 2019, our workplace injury rate increased slightly due to an isolated foodborne illness incident at one of our global locations. Excluding that single isolated incident would have resulted in a decreased Total Recordable Rate of Injuries of 0.45.

Driven by improved global data integrity via a centralized

safety management system, we have revised our previously reported recordable injuries data to include restricted cases, lost workday cases and fatalities. We are closely reviewing the 2019 data to determine where we need to improve, and we are increasing our safety communication efforts to raise awareness.

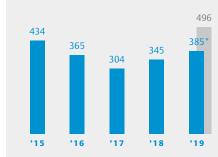
### **Emerson Global Health and Safety Performance**

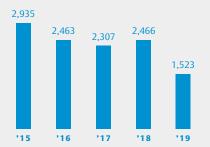




### Total recordable rate of injuries







Recordable injuries

First-aid cases

Note: Emerson health and safety information shown above excludes discontinued operations as of fiscal 2018.

<sup>\*</sup>Excludes an isolated foodborne illness incident at a single global location.

### **DIVERSITY AND INCLUSION**

At Emerson, we are committed to fostering a culture where every employee is valued and respected for their experiences and perspectives.

> We believe a diverse and inclusive work environment contributes to the rich exchange of ideas that inspire innovation and bring the best solutions to our customers.

This philosophy is fundamental to living our company's values as we nurture the diverse communities in which we work and live.

Emerson's approach to fostering 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 for our customers.



#### CULTURE

We believe a 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 can 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.

Diversity and inclusion are prioritized at the highest levels of our company. Our strategies and policies are guided by Emerson's chief executive officer and diversity council, made

up of 14 senior-level Emerson executives. Our vice president of diversity and inclusion, Akberet Boykin Farr, leads planning and implementation across the global organization. In 2017, Emerson Chairman and CEO David Farr

pledged support to CEO Action for Diversity and Inclusion, a collective effort by the business community to advance diversity and inclusion in the workplace.

### **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. We have also increased our focus on partnering our ERGs with the Talent Acquisition function to align diverse candidate recruiting strategies, which has led to a new partnership between Blacks Reinforcing Diversity and National Society of Black Engineers (NSBE). 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 veterans-focused MBA recruiting events at the University of Michigan, Northwestern University, Harvard University and Washington University in St. Louis.

### Mentorship Mindset

We believe mentorship can be a multiplier in our work to improve our pipeline of diverse talent. 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. Formal mentoring programs are available in many of our business units around the world, and in 2019, we laid the groundwork to develop an organization-wide mentorship program focused on identifying women and minority employees

who are rising
leaders and
matching
them with
knowledgeable
mentors.
This program
seeks to expand
the leadership
competencies of
high-potential employees
and cultivate inclusion
throughout Emerson.





### Diversity & Inclusion Week in Sweden

In November 2019, Emerson's Rosemount Tank Radar site in Sweden hosted its first Diversity & Inclusion Week, designed to foster openness, understanding and excitement about the power of each person's differences to enable the group to thrive. Activities were planned throughout the week to educate, celebrate and inspire, including TED-style talks, global cuisine lunches and a lecture on inclusion by Sofia Appelgren, founder of Mitt Liv (My Life), a company that focuses on enabling an inclusive society and labor market.

### Training & Assessment **Opportunities**

We know that ongoing diversity training is an important part of driving awareness and changing behavior throughout an organization. We continue to hold diversity training globally to help our people managers and other employees recognize and manage their unconscious biases. We have expanded our diversity training into other areas and continually evaluate other opportunities to provide education and insights to build on our inclusive. positive culture.

In 2019, we also began 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 selfunderstanding to improve their own cross-cultural goals. More than 260 senior leaders completed IDI this year.

160+

**WE CURRENTLY HAVE MORE THAN 160 CERTIFIED** GLOBAL **FACILITATORS** for unconscious bias training across the organization.



### **Employee Resources**

Emerson is committed to providing employees around the world with the necessary resources for a welcoming, inclusive workplace. Our employee resource groups (ERGs) are a critical component.

These voluntary, employee-led groups help promote a diverse and inclusive workplace while empowering employees to work toward a common goal. While each ERG is empowered to establish its own unique mission statement, all seek to further the professional development of their members, educate fellow

employees and participate in community outreach activities.

Emerson's four diversity-focused ERGs experienced significant growth and success in 2019:

- Blacks Reinforcing Diversity, established in 2018, expanded with additional chapters and interest groups across the country and led initiatives including a mentorship program for members, university recruiting, a partnership with the National Society of Black Engineers and participation in various Black History Month celebrations.
- Women in STEM, our first ERG, grew to more than 4,000 members and held more than 700 events across its 85 chapters around the world, including new chapters in Saudi Arabia and Argentina.

- LGBTQ+ Allies, established in 2018 based on a growing interest group in Manila, expanded its membership in 2019 to locations around the globe. Emerson's headquarters in St. Louis sponsored the local pride event, PrideSTL 2019, for the first time.
- The *Veterans ERG*, officially debuted on Veterans Day in 2018, partnered in 2019 with many well-established Veteran organizations, including a mentorship program with American Corporate Partnership, a job training program with Hiring Our Heroes and a consistent volunteer project with the USO.

### Women in STEM Growth







Celebrating Our Diversity **IN 2019, EMERSON LAUNCHED** 

**NEW GLOBAL ADS FOCUSED ON REPRESENTING DIVERSE COMMUNITIES AND THE MORE INCLUSIVE FUTURE WE ARE NURTURING.** These latest ads built on Emerson's "We See" advertising campaign, which showcases breakthrough innovation and positive opportunities for the company to help create a better world.













### Recognition

We are proud of the recognition our diversity and inclusion efforts received in 2019, most notably:





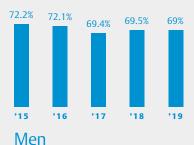


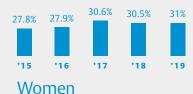




### Emerson's U.S. Workforce Diversity

### U.S. TOTAL WORKFORCE Composition



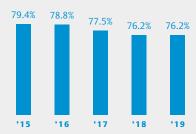




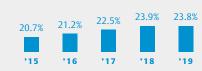
### Minorities\*

U.S. MANAGEMENT ONLY

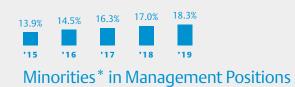
Composition



Men in Management Positions

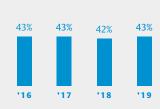


Women in Management Positions



U.S. TOTAL WORKFORCE

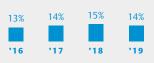
Age Groups



> 50 Years Old



30-50 Years Old



< 30 Years Old

### THROUGH THESE CONCERTED AND TARGETED EFFORTS, WE ARE BEGINNING TO SHOW PROGRESS.





All data is a snapshot of the Emerson business portfolio on the payroll at a specific point during the calendar year. For 2015-16, July 1 was utilized. For 2017-19, December 31 was utilized.

<sup>\*</sup>Minorities include: Asian, American Indian or Alaska Native, Black or African-American, Hispanic, Native Hawaiian or Other Pacific Islander, and two or more races.



### Communities

At Emerson, we understand that our company has a responsibility to contribute to the betterment of the communities where we operate, and to help address the needs of the broader society and the world we live in. Through our corporate philanthropy and employee volunteerism, our company and our people come together to make a difference in our communities and in the lives of all citizens, with a focus on STEM education and workforce development, especially in underserved communities.

### CORPORATE PHILANTHROPY

We focus our corporate philanthropy on organizations making an impact and helping those in need in the communities in which we live and work.

Emerson and the Emerson
Charitable Trust support
organizations across the
United States with the
goal of enriching human
lives, providing services
directly to those in
need and increasing the
impact of contributed
funds. Over the years,
Emerson has annually
allocated 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.



During 2019, Emerson and the Emerson Charitable Trust made contributions totaling \$28.6 million to more than 1,200 charities, nonprofit organizations and educational institutions across the United States, which includes the company's match of employee contributions. Approximately \$25.8 million of the donations

were by the Emerson Charitable
Trust and \$2.8 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.



## in Fiscal 2019 to Charities, Nonprofit Organizations and Educational Institutions Across the United States



### **EMERSON CONTRIBUTIONS IN THE U.S.** (in millions USD)

\*Decline in charitable contribution between 2015 and 2017 is related to Emerson's portfolio transformation and business unit divestitures.

### Emerson's Corporate Philanthropy Focus Areas

HEALTH & HUMAN
SERVICES: 510.9M
Supporting the health
and well-being of residents
of all ages.

## EDUCATION: 58.3M Developing and training future generations through schools, universities and related programs.

**CULTURE & ARTS:** *\$5.6M* Enhancing the quality of life through support for cultural activities and arts programs.

**CIVIC NEEDS:** *\$3.8M*Promoting prosperity of our cities and regions through infrastructure initiatives and community development.



Photo courtesy of Forest Park Forever

### U.S. Charitable Contributions

Examples of organizations and initiatives in the United States that received Emerson funding in fiscal 2019:

#### **CULTURE & ARTS**

Racine County (Racine, WI)

Emerson pledged \$100,000 to support the Pritchard Park campaign in Racine, WI, where our InSinkErator business is located. With our support, the park will transform to a modern, outdoor facility for the surrounding youth, families and community to enjoy.

### St. Louis Cultural Institutions (St. Louis, MO)

Emerson is a longtime supporter of the leading cultural institutions in its headquarters city. In 2019, Emerson completed its \$5 million pledge toward projects for Forest Park Forever. In celebration of this contribution. Forest

were rededicated as Emerson Central Fields. Other supported organizations included the Saint Louis Art Museum, Missouri History Museum, Saint Louis Zoo, Saint Louis Science Center, The Muny (Municipal Theatre Association of St. Louis) and the Missouri Botanical Garden. Over the past 10 years, Emerson has invested more than \$44 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.

Park's renovated Central Fields

#### **HEALTH & HUMAN SERVICES**

Boys & Girls Clubs of Greater
St. Louis, Inc. (St. Louis, MO)
Emerson supports the Boys &
Girls Clubs of Greater St. Louis
as a part of our ongoing efforts
to revitalize north St. Louis
County. We pledged \$1 million
toward the construction of the

organization's new teen center in Ferguson, which opened in October 2019. This community center offers a range of services for youth ages 12-18, including a nutrition education center, outdoor garden, gym, lounge and a performing arts studio. The Boys and Girls Clubs also has a trained social worker on-site to counsel teens about stress, trauma and resolving conflict.

### Regional YMCA of Western Connecticut, Inc. (Brookfield, CT)

In 2019, we were pleased to complete our pledge to the "Building a Stronger Community" campaign with the YMCA.
Emerson has partnered with the local YMCA since the late 1980s to serve the greater Danbury, CT community, and this campaign builds on our longstanding effort to support youth development, healthy living and social responsibility in the area.



#### **EDUCATION**

#### LUME Institute (St. Louis, MO)

Emerson believes strongly in the importance of early childhood education as critical preparation for K-12 education, college and beyond. Over the last several years, we've invested \$100,000 to support the innovative work of LUME Institute, a nonprofit focused on improving early childhood education in the St. Louis area, by providing free training programs to early

childhood educators who typically cannot afford professional development training.

#### **CIVIC NEEDS**

### **Houston Habitat for Humanity** Inc. (Houston, TX)

Habitat for Humanity's goal is to create a world where everyone has a decent place to live. The Houston chapter has served more than 5,000 families through new homeownership and home repair since 1987, and Emerson has been proud to support the effort through monetary donations and employees' volunteer time.

### Beyond Housing Inc. (St. Louis, MO)

Emerson is helping Beyond Housing, one of the St. Louis region's leading providers of housing and support services for low-income families and homeowners, expand its services in north St. Louis County for families and children including: increasing access to affordable housing and wrap-around services, improving health by promoting wellness and increasing access to care, and linking residents to job training and employment opportunities.

\$2.2M

### UNITED WAY SUPPORT

Aiken. South Carolina Asheville, North Carolina Atlanta, Georgia Austin, Texas **Bowling Green**, Kentucky Cambridge, Ohio Cedar Knolls, New Jersey Cincinnati, Ohio **Danbury**, Connecticut Detroit, Michigan Elk River, Minnesota Erie County, Pennsylvania Houston, Texas Kansas City, Missouri Kenosha, Wisconsin Knoxville. Tennessee

Lafayette, Colorado
Lorain, Ohio
Mansfield, Ohio
Marshalltown, Iowa
Minneapolis, Minnesota
Muskegon, Michigan
Philadelphia, Pennsylvania
Racine, Wisconsin
Rochester, New York
Round Rock, Texas
Rushville, Indiana
Sherman, Texas
Shelby, Ohio
St. Louis, Missouri



#### **UNITED WAY SUPPORT**

Each year, Emerson and our employees get involved in United Way fundraising and volunteer activities in the U.S. communities where they live and work. In 2019, the Emerson Charitable Trust made contributions totaling \$2.2 million to 30 United Way organizations across the country.

### SUPPORTING U.S. MILITARY MEMBERS AND VETERANS

Emerson is proud of the U.S. military veterans we employ, and we provide support and volunteers to a number of organizations helping active

duty military, veterans and their families, such as:

### USO of Missouri

Emerson has provided \$200,000 to the USO of Missouri over the past four years to support programs and events for active

duty members of the U.S. military and their families, including services offered at the USO center at St. Louis Lambert International Airport as well as a mobile unit used at troop deployments and events throughout Missouri and Illinois.

### **American Corporate Partners**

Emerson collaborates 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 charitable contributions, Emerson employee volunteers participate in the organization's mentorship program.

### REVITALIZING NORTH ST. LOUIS COUNTY

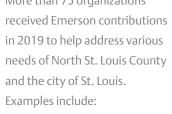
Emerson continues to take
a lead role as a corporate
supporter of initiatives in the
North St. Louis County region
where our global headquarters
is located. Our contributions
support organizations providing
social services, education and
employment opportunities
for economically disadvantaged
residents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

\$27M

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



More than 75 organizations in 2019 to help address various and the city of St. Louis. Examples include:





Health + Homes STL

Emerson supports Health

+ Homes STL, a nonprofit

organization created to

strengthen the WestFlo

In August 2019, St. Louis Community College officially opened the **Emerson STEM Academy** at its Florissant Valley campus. This dedicated space, made possible by Emerson's \$1 million grant over six years,

enhances the college's offerings related to STEM education and includes tutoring services, a computer lab and a place to study. The academy is also open to students from 10 area high schools in North County that are participating in dual credit, dual enrollment or Early College Academy programs for high school students.

### University of Missouri-St. Louis (UMSL)

Emerson pledged \$1.5 million to UMSL in 2014, creating the Emerson Community Scholarship Program to support 60 students annually. Through this commitment. Emerson awards \$5,000 annual grants to eligible UMSL students from area

high schools in north St. Louis County with preference given to those pursuing degrees in business or STEM fields. In 2019. UMSL was featured as a top 100 university for social mobility in an inaugural ranking by US News and World Report, which showcased colleges that enroll and graduate significant proportions of disadvantaged students.

### **EDUCATION SUPPORT FOR EMPLOYEES' CHILDREN**

### **Emerson National** Scholarship Program

Emerson offers a competitively awarded college scholarship program for children of our U.S. employees. Each year, an independent team of educators reviews the applications received and selects 30 new scholars. Each student receives a scholarship for \$2,500 per academic year for up to four years. In 2019, we provided 136 students with more than \$270,000 in scholarships.

#### **National Merit Scholarship**

Emerson is also a corporate supporter of the National Merit Scholarship Program and funds 10 new scholarships annually for the children of Emerson employees. Selection is based on academic performance, grade point average and national test scores, as well as participation in school activities and community involvement. Winners receive \$2,500 per academic year for four years.



### Emerson Philanthropy Around the World

As a global company, Emerson is committed to making a difference in communities where we operate across the globe. Each office supports our collective philanthropy themes, and employees are encouraged to volunteer their time toward meaningful causes. Together, we support a variety of nonprofit and charitable organizations around the world, including:

Emerson was an early corporate donor to the relief efforts within China to help people impacted by the outbreak of the coronavirus in early 2020.

#### **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 supporting an initiative by the Red Cross
Foundation of China to provide schools in underdeveloped areas with campus health sanitation protection systems and provide physical checkups at no cost to students. In 2019, Emerson's donation went to help build a campus clinic in Sichuan province, for physical checkups for students and training for the campus doctor.

#### **Health & Human Services**

For the past eight years,
Emerson has been a corporate
supporter of the Congenital
Heart Disease (CHD) relief
program initiated by the
Red Cross Society of China.
This program helps children
with CHD receive medical
treatment in western China.
Each year Emerson's support
helps about 25 children receive
surgical care. Our employees
also support the program
by providing donations and
volunteering to visit hospitals.

### **Education**

Emerson has supported the
New Great Wall Program since
2010, providing scholarships for
students from underprivileged
families to attend university every
year. Emerson was recognized by
the China Foundation of Poverty

**EMERSON** Alleviation for the company's

outstanding contributions in

2018, including the scholarship

program and volunteer teaching.

Aligned with the country's regulations, Emerson's CSR programs in India are focused on health, infrastructure development and education for disadvantaged youth.

#### **INDIA CHARITABLE PROGRAM**

Our charitable programs in India seek to support initiatives with impactful and enduring results. In 2019, we provided support to the following nongovernment organizations (NGOs) and projects:

#### **STEAM Education**

We are actively engaged with Learning Links Foundation (LLF) for uplifting the standard of primary education at government schools in Mohali and around Pune and Chakan, where Emerson operates. The initiative has been implemented in 11 schools across India and is focused on various remedial and educational programs focused on improving language skills and STEAM (Science, Technology, Engineering, the Arts, Mathematics) education.

### **Workforce Opportunities**

Emerson supports adolescent education in partnership with MagicBus and Lend A Hand India (LAHI). Project Manthan, a flagship program by MagicBus, helps 4,500 adolescents across 19 schools complete their secondary education while developing necessary skills to prepare them for a future in the workforce.

Project Swadheen, run by LAHI, integrates vocational education into the curricula for high school students. The program provides students with handson experience in key skill areas such as electrical wiring, welding, agriculture, animal husbandry, energy, environment and home and health science.

#### Skills Development

Emerson has continued its support for skills-building programs offered by Masoom's night school program in Mumbai. Our funding is providing training for more than 130 students enrolled in either short-term skills-building classes or long-term degree courses. We are also providing scholarships to female students and for engineering students who come from economically challenged backgrounds.

### **Constructing Educational Spaces**

Emerson has continued its support of Purkal Youth Development Society in Dehradun, which provides a nurturing educational environment for underserved students. Services include meals. uniforms, medical facilities and a hostel. Funding has also gone toward training teachers, construction, materials for a STEM lab and sponsorship of two classrooms. Emerson also provided e-learning kits and digitized syllabuses to nine public schools around Chakan and Pune, benefiting more than 800 students.

### Access to Safe Drinking Water

Emerson is working with Action for Food Production (AFPRO) to improve access to safe drinking water for four villages and schools near Chakan 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. These projects have created a safe source of drinking water for more than 1,200 students and provided irrigation water for farmland, helping 300 families.

#### **THE PHILIPPINES**

In the Philippines, Emerson
has supported several research
projects, faculty immersion
programs and innovation
competitions — all aimed at
inspiring young students to enter
STEM-related fields. Emerson also
sponsors a scholarship program
that provides training and
mentorship to university students;
44 of the scholars have been
hired by the company.

Emerson also hosted its second Innovation Challenge competition in the Philippines in 2019 in partnership with several local universities. Under the theme of Digital Transformation, the 2019 competition encouraged university students to create Internet of Things (IOT) applications to creatively address everyday challenges and to inspire their careers in STEM.



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. A few examples from the past year:

Bike for MS (Austin, TX)

Team Emerson joined nearly 75,00 fellow cyclists to bike over

150 miles to help fund research for a cure for people with MS.

### Habitat for Humanity (Florham Park, NJ)

Emerson's Florham Park Women in STEM group worked together on a building project with Morris Habitat for Humanity. Fifteen volunteers assisted in a new construction project that will house 12 families in early 2020.

### Project Bundle-Up (Pittsburgh, PA)

For 34 years, Project Bundle-Up, in partnership with The Salvation Army, has raised critical funds to provide brand new winter outerwear for more than 285,000 low income children and seniors in Western Pennsylvania. Volunteers from Emerson's Pittsburgh office helped to bring warmth to 20 underprivileged children in 2019 by helping them pick out warm winter clothing, just in time for the cold weather.

#### Costa Rica

The Emerson office in Costa Rica donated to the National Children's Museum for the construction of their first STEM-focused exhibit.

#### Mexico

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 2020 Socially Responsible Company Distinction.

### **Philippines**

Emerson was co-presenter for AmCham ScholaRun, an annual fundraising activity for the American Chamber Foundation of the Philippines. More than 1,400 Emerson employees participated in the event and, as in previous years, Emerson was awarded with the highest number of delegates.

#### Romania

Employees in Cluj, Romania, organized their first public STEM event dedicated to the local community. The team consisted of more than 200 event volunteers and 1,200 attendees. The interactive expo included hands-on activities, critical

skill workshops and roundtable executive talks.

#### Russia

Charitable giving efforts from the Emerson office in Russia included donations to organizations working to engage children and teenagers without parental support, and used computers and other office and technical equipment to local universities and hospitals.

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.

### STEM **EDUCATION**

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

For five years, we have conducted a STEM survey to understand more about perceptions and beliefs about STFM education and careers. Our 2019 survey – our first global survey – found that 60% of Americans are interested in pursuing STEM careers, but only 39% feel encouraged to do so.

As the global manufacturing industry relies more and more on STEM skills – and its workforce is

required to have more technical knowledge than ever before -Emerson is committed to bridging this gap. 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.

### **2019 STEM Survey**



From Gen X to Gen Z. **ENCOURAGEMENT TO PURSUE STEM CAREERS** jumped almost 25% – and younger generations are three times more likely to be encouraged to pursue STEM careers.



94% think **STEM EDUCATION IS IMPORTANT** to their country's future.



50% say THERE IS A GENDER **GAP IN STEM CAREERS** – 40% agree this is from a lack of female role models in the industry.



79% of people believe **COMPANIES SHOULD DO MORE** to train and prep their STEM workforce. Among the initiatives that received Emerson corporate or business unit funding in 2019 were:

### Ranken Technical College

Emerson has pledged \$1.8 million over three years (2019-2021) to Ranken Technical College in St. Louis, Missouri, for its preapprentice training program and to fund scholarships for students from North St. Louis County who demonstrate financial need. In 2019, we introduced the Performance Learning Platform created for Ranken students. This portable and compact automation technology training solution enables hands-on training to prepare students to maintain manufacturing facilities safely and efficiently. This contribution is part of Emerson's longtime support of Ranken's programs, and follows a partnership with the institution to develop its Manufacturing Incubator facility, opened in 2018 and designed to

enable Ranken students to split their time between classroom study and real-world learning, all while earning a salary that can help them support themselves as they complete their studies.

#### San Jacinto College

Emerson partnered with San
Jacinto College, located in
Pasadena, Texas to support its
new Center for Petrochemical,
Energy, and Technology (CPET),
which will empower students of all
levels with the skills and training
needed to support careers in
the evolving petrochemical and
refining industries. The new,
151,000-square-foot complex is
the largest petrochemical training
facility along the Texas Gulf Coast.

#### Marian Middle School

Emerson is supporting STEMrelated education programming at Marian Middle School, an all-girls school in St. Louis, Missouri that provides more than 70 students from low-income backgrounds with quality education, enrichment programs and graduate support. Emerson's funding is helping support a robotics competition team, partnerships with medical education institutions, and computer science and coding courses.

### SCHOLARSHIPS OFFERED BY EMERSON BUSINESSES

Many of our business units offer STEM-related scholarships in the communities where they operate or nationally. For example, Emerson's ASCO Engineering Scholarships are awarded each year to two students who demonstrate outstanding potential for leadership and contributions to the engineering profession. The scholarships, totaling \$10,000, are given to bolster the students' success and future contributions as engineering professionals.

Over the past 12 years, \$120,000 in scholarships has been awarded to 24 U.S. students through the ASCO Engineering Scholarship program.

Other organizations and institutions with STEM-related initiatives funded by the Emerson Charitable Trust in 2019 include (partial list): Challenger Learning Center, St. Louis, Missouri; City Academy, St. Louis, Missouri; Fontbonne University, St. Louis, Missouri; Girl Scouts of Greater St. Louis; Girls Incorporated of

St. Louis; Hawthorn Leadership
School for Girls, St. Louis, Missouri;
Junior Achievement USA; The
Magic House, St. Louis, Missouri;
National Science Teachers
Association; St. Louis Community
College Foundation; St. Louis
Science Center Foundation; Texas
A&M University; University of
Missouri-St. Louis; Washington
University STEM Teacher Quality
Program, St. Louis, Missouri.



### FUNDING COMMITMENTS

in fiscal 2019 alone by Emerson and Emerson Charitable Trust in support of STEM education programs and activities in the United States.





#### We Love STEM

Launched in 2015, our "We Love STEM" campaign continued in 2019 to increase support for STEM education and awareness of career opportunities. Our ongoing partnership with YouTube star and STEM advocate Hank Green in 2019 led to a series of videos on STEM topics from the importance of female role models in STEM to the ways engineers move medicine around the world. Emerson shares these videos on our social media channels and dedicated "We Love STEM" hub 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. The events are organized with volunteer support from our employees, most especially our local Women in STEM members. Emerson has hosted 23 "We Love STEM" events in 12 countries, with more than 1,800 volunteers reaching over 1,700 students.

The goal of the "We Love STEM" initiative is to help young people discover STEM fields – and some students even leave our events inspired to pursue careers in STEM.



**UN SUSTAINABLE** DEVELOPMENT GOALS

> **Established by the United Nations** and adopted by member states in 2015, the Sustainable Development Goals (SDGs) identify the ways in which organizations and individuals can make our world more sustainable, prosperous and resilient for the future.

In 2019, we began to assess how we can best contribute to the SDGs. Through a preliminary approach, we have identified several initiatives and practices

economic challenges facing our planet today.

Examples of these actions and programs as they relate to the SDGs are illustrated



#### GOAL 4 -**QUALITY EDUCATION**

As the global manufacturing industry relies on STEM skills, Emerson is uncompromising in our efforts to bridge the current skills-gap. We are working to ensure equitable access to all levels of education, especially for those who are traditionally underrepresented in the engineering and manufacturing industries. In fiscal 2019, Emerson pledged \$3 million in funding commitments in support of STEM education, programs and activities.



#### GOAL 5 -**GENDER EQUALITY**

Emerson is making a concerted effort across the company and around the world to advance women's participation in the workforce and end genderbased discrimination. In 2019, we laid the foundation for an organization-wide mentorship program focused on identifying women and minority employees who are rising leaders and matching them with knowledgeable mentors. The program seeks to expand the leadership competencies of high-potential employees and cultivate inclusion throughout Emerson and beyond.



#### **GOAL 6 - CLEAN WATER AND SANITATION**

Through our fluid control products and solutions, Emerson is working to improve water quality and increase access to safe drinking water by helping our customers ensure their water applications are clean, safe and compliant with regulations. In 2019, Emerson expanded our lead-free ASCO™ valve offerings to enable original equipment manufacturers and contractors to comply with U.S. Safe Drinking Water Act (SDWA) Section 1417. The expansion eliminates the necessity for complex lead content calculations and simplifies the replacement of existing valves with lead-free brass models.





#### GOAL 7 – AFFORDABLE AND CLEAN ENERGY

From smart sensors in industrial facilities to cloud applications and connected services, Emerson is helping customers across industries introduce technologies to improve energy efficiency. In advance of evolving regulations facing customers in the commercial air conditioning industry, Emerson recently introduced a new line of Copeland™ scroll compressors specifically designed for lower-GWP refrigerants and increased energy efficiencies. The flexible product platform also provides infrastructure upon which future sustainability improvements can be expanded – all without compromising ease of system installation or servicing.



### GOAL 8 – DECENT WORK AND ECONOMIC GROWTH

Through our regionalized sourcing strategy, Emerson has made significant long-term investments to serve local market suppliers and support sustainable economic development in the areas where we operate. With this in-region, for-region focus, we have helped to advance critical infrastructure around the world and provide enhanced training, research and upskilling opportunities for local talent.



#### GOAL 9 - INDUSTRY, INNOVATION AND INFRASTRUCTURE

Emerson's Plantweb and Ovation systems allow industrial customers in countries such as China, India. Poland and others to modernize their power plants to operate more efficiently and enable other power generators to adapt to cleaner energy sources. In 2019, Emerson began work with TransAlta Corporation to help convert coal-fired plants to natural gas for delivery of clean, sustainable and affordable electricity. The conversions will substantially reduce emissions while providing clean, reliable electricity to the city of Alberta.



# GOAL 12 - RESPONSIBLE CONSUMPTION AND PRODUCTION

Around the globe, Emerson is working to ensure we and our customers responsibly make the most of the planet's resources. Through our garbage disposal technologies, we've helped divert 80 million tons of food waste from landfills. We're building on this technology with our Grind2Energy solution, which uses industrial InSinkErator disposers to enable businesses to turn food scraps into renewable energy. In 2019, Emerson installed the innovative solution into McCormick Place –

North America's largest convention center. With the installation of Grind2Energy, McCormick Place can now divert virtually 100% of pre-consumer organic waste from their facility. This focus extends to many resources. Emerson's flow measurements solutions are essential to improving resource efficiency for industrial customers, providing real-time measurements to allow them to manage and optimize materials use, energy efficiency and emissions performance.



### GOAL 17 – PARTNERSHIPS FOR THE GOALS

No one organization or policy solution on its own can address the challenges we face in advancing these ambitious goals. Emerson actively participates in a number of strategic public-private partnerships and coalitions dedicated to promoting the development and dissemination of technology solutions for all, including the CEO Action for Diversity & Inclusion, the European Partnership for Energy and the Environment, the Global Food Cold Chain Council, the Responsible Minerals Initiative, and the ENERGY STAR® buildings and Plants Partnership, to name a few.

#### **GRI INDEX**

The following information references selected Global Reporting Initiatives (GRI) Standards, a widely used reporting framework on a variety of important topics. The GRI framework provides a structure for organizations like Emerson to communicate the environmental, social and economic impacts of our business operations. For more information about GRI, please visit <u>GlobalReporting.org</u>.

DISCLOSURE NUMBER	GRI STANDARD TITLE	DISCLOSURE TITLE	LOCATION
GENERAL DISCLOSURES			
GRI 102-1	General Disclosures	Name of the organization	Emerson Electric Co.
GRI 102-2	General Disclosures	Activities, brands, products, and services	Emerson 2019 CSR Report: Company Profile, p. 7-10  Emerson 2019 Form 10-K: Item 1 - Business  Emerson.com
GRI 102-3	General Disclosures	Location of headquarters	Emerson Electric Co. 8000 West Florissant Avenue, P.O. Box 4100 St. Louis, MO 63136 USA
GRI 102-4	General Disclosures	Location of operations	Emerson.com: Contact Us Emerson 2019 Form 10-K: Item 2 – Properties Emerson.com: Investor Fact Sheet
GRI 102-5	General Disclosures	Ownership and legal form	Emerson.com: Corporate Governance (Articles of Incorporation)
GRI 102-6	General Disclosures	Markets served	Emerson 2019 Form 10-K: Item 1 – Business Emerson.com: Automation Solutions Emerson.com: Commercial & Residential Solutions

2019 EMERSON CORPORATE SOCIAL RESPONSIBILITY REPORT

DISCLOSURE NUMBER	GRI STANDARD TITLE	DISCLOSURE TITLE	LOCATION
GRI 102-7	General Disclosures	Scale of the organization	Emerson 2019 Form 10-K: Results of Operations, p. 13 Emerson 2019 CSR Report: Company Profile, <u>p. 8</u> Emerson.com: <u>Investor Fact Sheet</u>
GRI 102-8	General Disclosures	Information on employees and other workers	Partially reported: Emerson 2019 CSR Report: Investing in People (Emerson's U.S. Workforce Diversity), <u>p. 58</u>
GRI 102-9	General Disclosures	Supply Chain	Emerson 2019 Form 10-K: Item 1 – Business Emerson 2019 CSR Report: Operating Responsibly (Supply Chain), p. 37-39
GRI 102-10	General Disclosures	Significant changes to the organization and its supply chain	Emerson 2019 Form 10-K: Item 1 – Business Emerson 2019 Annual Report: Letter to Shareholders
GRI 102-11	General Disclosures	Precautionary Principle or approach	Emerson 2019 CSR Report: Operating Responsibly (Risk Management and Oversight), <u>p. 25</u> Emerson 2019 Form 10-K: Item 1A – Risk Factors
GRI 102-12	General Disclosures	External initiatives	Emerson 2019 CSR Report: p. 35, 38, 51  Member of: Alliance for Responsible Atmospheric Policy CEO Action for Diversity & Inclusion European Partnership for Energy & the Environment Responsible Minerals Initiative United States Green Building Council (USGBC) Water Research Foundation
GRI 102-13	General Disclosures	Membership of associations	Emerson.com: Corporate Governance (Trade Associations & Lobbying)
GRI 102-14	General Disclosures	Statement from senior decision-maker	Emerson 2019 CSR Report: Letter from David Farr, p. 3-4
GRI 102-15	General Disclosures	Key impacts, risks, and opportunities	Emerson 2019 CSR Report: Operating Responsibly (Risk Management and Oversight), <u>p. 25</u> <u>Emerson 2019 Form 10-K</u> : Item 1A – Risk Factors <u>Emerson 2019 Annual Report</u> : p. 10-21

DISCLOSURE NUMBER	GRI STANDARD TITLE	DISCLOSURE TITLE	LOCATION
GRI 102-16	General Disclosures	Values, principles, standards, and norms of behavior	Emerson 2019 CSR Report: Our Values, <u>p. 6</u> Emerson 2019 CSR Report: Operating Responsibly (Integrity & Ethics), <u>p. 26-29</u> Emerson.com: Corporate Governance (Business Ethics)
GRI 102-17	General Disclosures	Mechanisms for advice and concerns about ethics	Emerson.com: Corporate Governance (Ethics and Compliance) Emerson 2019 CSR Report: Operating Responsibly (Ethics Hotline and Reporting Process), p. 28 Emerson 2019 CSR Report: Operating Responsibly (Conflict of Interest Evaluation and Reporting), p. 29 Emerson 2019 CSR Report: Investing in People (Grievance Reporting Mechanism), p. 44
GRI 102-18	General Disclosures	Governance structure	Emerson 2020 Annual Meeting Proxy Statement, p. 7 Emerson 2019 CSR Report: Operating Responsibly (Corporate Governance), p. 23, 25 Emerson.com: Corporate Governance (Principles and Practices)
GRI 102-19	General Disclosures	Delegating authority	Emerson 2020 Annual Meeting Proxy Statement, p. 7 Emerson 2019 CSR Report: Operating Responsibly (Environmental Management), p. 30 Emerson 2019 CSR Report: Operating Responsibly (Board of Directors), p. 23 Emerson.com: Corporate Governance (Principles and Practices – Board Oversight of Management)
GRI 102-22	General Disclosures	Composition of the highest governance body and its committees	Emerson.com: Corporate Governance Emerson 2019 CSR Report: Operating Responsibly (Board of Directors Policies), p. 23 Emerson 2020 Annual Meeting Proxy Statement, p. 2-3, 8-9
GRI 102-23	General Disclosures	Chair of the highest governance body	Emerson.com: Corporate Governance (Principles and Practices) Emerson 2019 CSR Report: Operating Responsibly (Board of Directors Policies), p. 23 Emerson 2020 Annual Meeting Proxy Statement, p. 8
GRI 102-24	General Disclosures	Nominating and selecting the highest governance body	Emerson.com: Corporate Governance (Principles and Practices) Emerson 2020 Annual Meeting Proxy Statement, p. 12
GRI 102-25	General Disclosures	Conflicts of interest	Emerson 2019 CSR Report: Operating Responsibly (Conflict of Interest Evaluation and Reporting), <u>p. 29</u> <u>Emerson.com: Corporate Social Responsibility (Integrity and Ethics)</u>
GRI 102-26	General Disclosures	Role of highest governance body in setting purpose, values, and strategy	Emerson 2019 CSR Report: Operating Responsibly (Board of Directors Policies), <u>p. 23</u> <u>Emerson.com: Corporate Governance (Principles and Practices)</u> <u>Emerson.com: Corporate Governance (Committee Charters)</u> <u>Emerson 2020 Annual Meeting Proxy Statement</u> , p. 7

DISCLOSURE NUMBER	GRI STANDARD TITLE	DISCLOSURE TITLE	LOCATION
GRI 102-27	General Disclosures	Collective knowledge of highest governance body	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.
GRI 102-28	General Disclosures	Evaluating the highest governance body's performance	Emerson 2020 Annual Report: Board and Committee Evaluations, p. 12
GRI 102-29	General Disclosures	Identifying and managing economic, environmental, and social impacts	Emerson.com: Corporate Governance (Audit Committee Charter) Emerson 2019 CSR Report: Operating Responsibly (Risk Management and Oversight), p. 25 Emerson 2019 Form 10-K: Item 1A – Risk Factors
GRI 102-30	General Disclosures	Effectiveness of risk management processes	Emerson 2019 CSR Report: Operating Responsibly (Risk Management and Oversight), <u>p. 25</u> Emerson 2019 Form 10-K: Item 1A – Risk Factors
GRI 102-31	General Disclosures	Review of economic, environmental, and social topics	Emerson 2019 CSR Report: Operating Responsibly (Risk Management and Oversight), p. 25 Emerson.com: Corporate Governance (Audit Committee Charter)
GRI 102-32	General Disclosures	Highest governance body's role in sustainability reporting	The Corporate Social Responsibility Report is reviewed by the Emerson Board of Directors' Corporate Governance & Nominating Committee.
GRI 102-33	General Disclosures	Communicating critical concerns	Emerson 2019 CSR Report: Operating Responsibly (Ethics Hotline and Reporting Process), p. 28 Emerson 2019 CSR Report: Operating Responsibly (Conflict of Interest Evaluation and Reporting), p. 29 Emerson 2020 Annual Meeting Proxy Statement, p. 5
GRI 102-35	General Disclosures	Remuneration policies	Emerson 2020 Annual Meeting Proxy Statement: Director Compensation, p. 13; Executive Compensation, p. 18 Emerson 2019 Form 10-K: Part III
GRI 102-36	General Disclosures	Process for determining remuneration	Emerson 2020 Annual Meeting Proxy Statement: Director Compensation, p. 13; Executive Compensation, p. 18 Emerson 2019 Form 10-K: Part III
GRI 102-38	General Disclosures	Annual total compensation ratio	Emerson 2020 Annual Meeting Proxy Statement: Pay Ratio Disclosure, p. 46
GRI 102-40	General Disclosures	List of stakeholder groups	Emerson.com: Corporate Governance (Trade Associations and Lobbying) Other organizations listed throughout the report
GRI 102-41	General Disclosures	Collective bargaining agreements	Emerson 2019 CSR Report: Investing in People (Labor Relations), <u>p. 43</u>

DISCLOSURE NUMBER	GRI STANDARD TITLE	DISCLOSURE TITLE	LOCATION
GRI 102-42	General Disclosures	Identifying and selecting stakeholders	Emerson solicits and uses feedback from employees, customers, investors and analysts, community leaders, suppliers, regulator 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 2019 Form 10-K: Subsidiaries and Affiliates of Emerson Electric Co., September 30, 2019
GRI 102-50	General Disclosures	Reporting period	Emerson 2019 CSR Report: About This Report, p. 85
GRI 102-51	General Disclosures	Date of most recent report	June 2019
GRI 102-52	General Disclosures	Reporting cycle	Emerson 2019 CSR Report: About This Report, p. 85
GRI 102-53	General Disclosures	Contact point for questions regarding the report	Emerson 2019 CSR Report: About This Report, p. 85
GRI 102-54	General Disclosures	Claims of reporting in accordance with the GRI Standards	This material references GRI Standards 2018 as is detailed in this index. Emerson 2019 CSR Report: About This Report, p. 85
GRI 102-55	General Disclosures	GRI content index	Emerson 2019 CSR Report: Referenced GRI Standards Index, p. 76
ECONOMIC INDICATORS			
GRI 201-1	Economic Performance	Direct economic value generated and distributed	Emerson 2019 Form 10-K: Results of Operations
GRI 201-3	Economic Performance	Defined benefit plan obligations and other retirement plans	Emerson 2019 Form 10-K: Notes to Consolidated Financial Statements; Retirement Plans
GRI 203-1	Indirect Economic Impacts	Infrastructure investments and services supported	Emerson 2019 CSR Report: Strengthening Communities (U.S. Charitable Contributions), <u>p. 62-66</u> ; (China Charitable Program), <u>p. 67</u> ; (India Charitable Program), <u>p. 68</u>
GRI 203-2	Indirect Economic Impacts	Significant indirect economic impacts	Emerson 2019 CSR Report: Strengthening Communities (U.S. Charitable Contributions), <u>p. 62-66;</u> (China Charitable Program), <u>p. 67</u> ; (India Charitable Program), <u>p. 68</u>
GRI 204-1	Procurement Practices	Proportion of spending on local suppliers	Emerson 2019 CSR Report: Operating Responsibly (Regional Sourcing), p. 39
GRI 205-2	Anti-corruption	Communication and training about anti-corruption policies and procedures	Partially reported: Emerson 2019 CSR Report: Integrity & Ethics (Anti-Corruption Controls), <u>p. 29</u>

2019 EMERSON CORPORATE SOCIAL RESPONSIBILITY REPORT

DISCLOSURE NUMBER	GRI STANDARD TITLE	DISCLOSURE TITLE	LOCATION
GRI 206-1	Anti-competitive behavior	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Emerson 2019 Form 10-K: Note 13 – Contingent Liabilities and Commitments
ENVIRONMENTAL INDICATORS			
GRI 302-1	Energy	Energy consumption within the organization	Partially Reported: Emerson 2019 CSR Report: Operating Responsibly (Electricity Use), <u>p. 34</u>
GRI 302-4	Energy	Reduction of energy consumption	Emerson 2019 CSR Report: Operating Responsibly (Electricity Use), <u>p. 34</u> Emerson 2019 CSR Report: Operating Responsibly (Enhancing Energy Conservation and Energy Efficiency), <u>p. 30-31</u>
GRI 303-3	Water	Water withdrawal	Partially reported: Emerson 2019 CSR Report: Operating Responsibly (Water Consumption), <u>p. 34</u>
GRI 305-1	Emissions	Direct (Scope 1) GHG emissions	Partially reported: Emerson 2019 CSR Report: Operating Responsibly (Greenhouse Gas Emissions), p. 32  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 nonmanufacturing sites in the Scope 1 and 2 emissions. While estimations and assumptions were used to gather the data for nonmanufacturing sites, emission calculations are done the same as the manufacturing sites.
GRI 305-2	Emissions	Energy indirect (Scope 2) GHG emissions	Emerson 2019 CSR Report: Operating Responsibly (Greenhouse Gas Emissions), <u>p. 32</u> See 305-1 for energy data methodology. Scope 2 emissions are calculated using IEA (2015). CO <sub>2</sub> Emissions from Fuel Combustion, 2015 Edition. International Energy Agency. 2.10.2 Direct Global Warming Potentials. IPCC - Intergovernmental Panel on Climate Change. IPCC "Calculating Greenhouse Gases." Calculating Greenhouse Gases. International Carbon Bank Exchange.

DISCLOSURE NUMBER	GRI STANDARD TITLE	DISCLOSURE TITLE	LOCATION
GRI 305-4	Emissions	GHG emissions intensity	Partially reported: Emerson 2019 CSR Report: Operating Responsibly (Emissions Intensity), <u>p. 32</u>
GRI 305-5	Emissions	Reduction of GHG emissions	Emerson 2019 CSR Report: Operating Responsibly (Reducing Our GHG Emissions), p. 32
GRI 307-1	Environmental Compliance	Non-compliance with environmental laws and regulations	Emerson 2019 CSR Report: Operating Responsibly (Fines and Sanctions), p. 36
GRI 308-1	Supplier Environmental Assessment	New suppliers that were screened using environmental criteria	Partially reported: Emerson 2019 CSR Report: Operating Responsibly (Affirming Supplier Responsibility), <u>p. 38</u>
SOCIAL INDICATORS			
GRI 401-2	Employment	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Partially reported: Emerson 2019 CSR Report: Investing in People (Wages and Benefits), <u>p. 43;</u> (Paid Parental Leave), <u>p. 43</u>
GRI 403-2	Occupational Health and Safety	Hazard identification, risk assessment, and incident investigation	Partially reported: Emerson 2019 CSR Report: Investing in People (Workplace Safety), <u>p. 47-49</u>
GRI 403-3	Occupational Health and Safety	Occupational health services	Partially reported: Emerson 2019 CSR Report: Investing in People (Workplace Safety), <u>p. 47-49</u>
GRI 403-4	Occupational Health and Safety	Worker participation, consultation, and communication on occupational health and safety	Partially reported: Emerson 2019 CSR Report: Investing in People (Workplace Safety), <u>p. 47-49</u>
GRI 403-5	Occupational Health and Safety	Worker training on occupational health and safety	Emerson 2019 CSR Report: Investing in People (Workplace Safety), p. 47-48
GRI 403-7	Occupational Health and Safety	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Emerson 2019 CSR Report: Investing in People (Workplace Safety), <u>p. 49</u>
GRI 403-9	Occupational Health and Safety	Work-related injuries	Partially reported: Emerson 2019 CSR Report: Investing in People (Health and Safety Performance), <u>p. 50</u>
GRI 404-2	Training and Education	Programs for upgrading employee skills and transition assistance programs	Emerson.com: Careers (Learning & Development) Emerson 2019 CSR Report: Investing in People (Training and Development), p. 45-46; (Transition Assistance), p. 44

2019 EMERSON CORPORATE SOCIAL RESPONSIBILITY REPORT

DISCLOSURE NUMBER	GRI STANDARD TITLE	DISCLOSURE TITLE	LOCATION
GRI 404-3	Training and Education	Percentage of employees receiving regular performance and career development reviews	Partially reported: Emerson 2019 CSR Report: Investing in People (Performance Reviews) <u>p. 46</u>
GRI 405-1	Diversity and Equal Opportunity	Diversity of governance bodies and employees	Partially reported: Emerson 2019 CSR Report: Investing in People (Emerson's U.S. Workforce Diversity 2015 – 2019), p. 58 Emerson 2019 CSR Report: Operating Responsibly (Board of Directors Policies), p. 23 Emerson 2020 Annual Meeting Proxy Statement: p. 3
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 2019 CSR Report: Investing in People (Labor Relations), <u>p. 43</u>
GRI 408-1	Child Labor	Operations and suppliers at significant risk for incidents of child labor	Partially reported: Emerson 2019 CSR Report: Operating Responsibly (Human Rights & Labor), <u>p. 38</u> Emerson 2019 CSR Report: Investing in People (Labor Relations), <u>p. 43</u> ; (Human Rights), <u>p. 44</u>
GRI 409-1	Forced or Compulsory Labor	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Partially reported: Emerson 2019 CSR Report: Operating Responsibly (Human Rights & Labor), <u>p. 38</u> Emerson 2019 CSR Report: Investing in People (Human Rights), <u>p. 44</u>
GRI 412-1	Human Rights Assessment	Operations that have been subject to human rights reviews or impact assessments	Emerson 2019 CSR Report: Supply Chain (Supplier Engagement), p. 38
GRI 412-3	Human Rights Assessment	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Partially reported Emerson 2019 CSR Report: Operating Responsibly (Affirming Supplier Responsibility), p. 38
GRI 414-1	Supplier Social Assessment	New suppliers that were screened using social criteria	Partially reported: Emerson 2019 CSR Report: Operating Responsibly (Affirming Supplier Responsibility), <u>p. 38</u>
GRI 415-1	Public Policy	Political contributions	Emerson 2019 CSR Report: Operating Responsibly (Political Participation), <u>p. 25</u> Emerson.com: Corporate Governance (Political Contributions)



This Report

## ABOUT THIS REPORT

The Emerson 2019 Corporate Social Responsibility Report presents information focused primarily on data collected and activities that occurred during calendar 2019 or Emerson's fiscal 2019 (October 1, 2018 – September 30, 2019), except where indicated otherwise.

In fiscal 2019, the company funded \$469 million in acquisitions, all in the Automation Solutions segment, which added 5% to our sales. 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 and United Nations Sustainability Goals (SDGs), unless noted otherwise. Please see the Referenced GRI Index beginning on <u>Page 76</u> 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.

Any questions or comments regarding this report can be directed to our Vice President, Corporate Social Responsibility, 8000 West Florissant Avenue, St. Louis, MO 63136, +1-314-553-2000.

2019 EMERSON CORPORATE SOCIAL RESPONSIBILITY REPORT ABOUT THIS REPORT | 85



Appleton, ASCO, Aventics, Bettis, Branson, Copeland, Copeland Scroll, DeltaV, Emerson, Emerson Automation Solutions, Emerson Charitable Trust, Emerson Commercial & Residential Solutions, Emerson's Actuation Technologies, Emerson STEM Academy, Fisher, Greenlee, Greenlee Gator Insulated Series, Greenlee GreenApple Labs, Grind2Energy, HTE, InSinkErator, Keystone, Klauke, KTM, Micro Motion, Mimic Simulation Software, Ovation, Plantweb, REFCON Portable, RIDGID, Rosemount, Sensi, Sensi Predict, Sensi Touch, Vanessa are trademarks, service marks and/or trade names of Emerson, its subsidiaries, affiliates, investments, or joint ventures.

Action for Food Production (AFPRO), Alliance for Corporate Social Responsibility, American Chamber Foundation of the Philippines, American Corporate Partners, Beyond Housing, Bike MS, Boys & Girls Clubs of

Greater St. Louis, Carbon Disclosure Project (CDP), CEO Action for Diversity and Inclusion, Challenger Learning Center St. Louis, China Academy St. Louis. Colorado State University. Committee of Sponsoring Organizations of the Treadway Commission (COSO), ENERGY STAR, ENERGY STAR Buildings and Plants Partnership, Enterprise Cybersecurity, Magazine America's Best Employer for World's Most Admired, Gateway Arch Park Foundation, Girl Scouts of Greater St. Louis, Girls Incorporated of St. Louis, Global Food Cold Chain Council, Green Seal, Hawthorn Leadership School for Girls, Health + Homes STL, Hiring Our Heroes, Houston Habitat for Humanity, Human Rights Campaign Association for Talent Development, Intercultural Development Inventory® (IDI), ISASecure, Junior Achievement USA, Learning Links Foundation (LLF), Lend A Hand India (LAHI), LUME Institute, MagicBus, Marian Middle School, Masoom, McCormick Place, Mexican Center for Philanthropy, Mississauga

Food Bank, Missouri Botanical Garden, Missouri Ethics Commission, Missouri History Museum, Mitt Liv (My Life), Morris of Manufacturers, National Children's Museum, National Coalition of Certification Centers, National Merit Scholarship Program, National Science Teachers Association, National Society of Black Engineers, New Most Responsible Companies, PrideSTL, Pritchard Park, Purkal Youth Development Society, Ranken Technical College, Red Cross Society of China, Responsible Minerals Initiative (RMI), Regional YMCA of Western Connecticut. Saint Louis Art Museum. Saint Louis Science Center, Saint Louis Zoo, San Jacinto College, SAVOR...Chicago, STEM Workforce Diversity Magazine Top 50 Employer, St. Louis Community College, Texas A&M University, The Magic House, The Muny, The Salvation Army, TransAlta Corporation, United Nations Sustainable Development Goals, United States Green Building Council (USGBC), United Way,

University of Missouri–St. Louis, US News and World Report, USO of Missouri, Washington University STEM Teacher Quality Program, Woman Engineer Magazine Top 50 Employer, Women's Forum of New York and their related designs and logotypes used in this Corporate Social Responsibility Report are trademarks, service marks and/or trade names of their owner, and are not owned or affiliated with Emerson.

©Emerson Electric Co., 2020. All Rights Reserved