CORPORATE SOCIAL RESPONSIBILITY REPORT SASB/TCFD ADDENDUM

## 2019



The following preliminary disclosure is aligned to the Sustainability Accounting Standards Board (SASB) framework for the sector denoted as "Resource Transformation — Electrical and Electric Equipment (EE)." However, given the diversified nature of Emerson's business, our company does not fit squarely within one single industry. We have therefore included metrics aligned to other industry sectors we believe would be of interest to our stakeholders. Emerson will continuously evaluate the disclosure of additional topics as these emerge, considering relevance, availability of high-quality data and competitive sensitivities.

DISCLOSURE TOPIC	METRIC	SASB CODE	UNITS	EMERSON METRIC / DISCLOSURE LOCATION
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	Metric tons (t) CO <sub>2</sub> e, Percentage (%)	2019 Corporate Social Responsibility Report, Greenhouse Gas Emissions, page 32: 163,945 MT CO <sub>2</sub> e
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and analysis of performance against targets	RT-CH-110a.2	N/A	<u>2019 Corporate Social Responsibility Report</u> , Reducing Our GHG Emissions, page 32; Environmental Footprint of Our Facilities, page 34 <u>2020 CDP Climate Change Report</u>
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	RT-CH-140a.1	Thousand cubic meters (m³), Percentage (%)	<u>2020 CDP Water Security Report</u> , Section W1.2b, 4,377 megaliters withdrawn <u>2019 Corporate Social Responsibility Report</u> , Water Consumption, page 34: 1,156,341,118 U.S. gallons (4,377 megaliters)
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	RT-CH-140a.2	Number	<u>2020 CDP Water Security Report</u> , Section W2.2a, three total water-related fines, none of which are considered significant
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	N/A	2020 CDP Water Security Report, Section W3.3

DISCLOSURE TOPIC	METRIC	SASB CODE	UNITS	EMERSON METRIC / DISCLOSURE LOCATION
Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	RT-IG-320a.1	Rate	2019 Corporate Social Responsibility Report, Emerson Global Health and Safety Performance, page 50: 0.58 total recordable rate of injuries
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery; (2) anti-competitive behavior	RT-EE-510a.1	N/A	2019 Corporate Social Responsibility Report, Anti-Corruption Controls, page 29 Emerson Employee Code of Conduct, Giving Gifts or Other Things of Value and Bribery, page 9; Antitrust or Anti-competition, page 14 Emerson Business Ethics Emerson Supplier Code of Conduct
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2	Reporting currency	<u>SEC Filings</u> : Information on legal proceedings is disclosed in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	RT-EE-510a.3	Reporting currency	<u>SEC Filings</u> : Information on legal proceedings is disclosed in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q
Activity Metrics	Number of employees	RT-EE-000.B	Number	Notice of 2020 Annual Meeting and Proxy Statement, page 46: approximately 88,385 employees globally as of July 1, 2019

The table below is a preliminary disclosure of Emerson's publicly available climate-related information using the framework developed by the Task Force on Climate-Related Financial Disclosures (TCFD). It contains our responses to each of TCFD's recommendations, as well as the location of these disclosures.

## GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities.

SUMMARY RESPONSE	RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION
The Board of Directors assumes responsibility for the oversight of Emerson's risk management and strategy. This oversight is designed to provide to the Board timely visibility into the identification, reporting, assessment, and management of critical risks, including climate-related risks, and opportunities. The Corporate Governance and Nominating Committee assists the Board in the oversight of the company's sustainability initiatives, including the company's Corporate Social	a. Describe the board's oversight of climate-related risks and opportunities.	2020 CDP Climate Change Report, sections C1.1a, C.1.1b Notice of 2020 Annual Meeting and Proxy Statement, page 7 2019 Corporate Social Responsibility Report, Risk Management and Oversight, page 25; Compliance Risk Oversight, page 29
Responsibility Report. Our CEO engages directly with the Board to report progress toward greenhouse gas (GHG) targets. Our Corporate Operations Group and Environmental Affairs Group monitor performance against these targets. Each business unit measures and tracks its performance on a quarterly basis and reports it to Corporate management.	b. Describe management's role in assessing and managing climate-related risks and opportunities.	2020 CDP Climate Change Report, sections C1.2, C1.2a
The members of the Office of the Chief Executive (OCE), which includes the most senior leaders of the company, bring the relevant experience essential to developing and executing our climate-related strategies. An Environmental Sustainability Steering Committee, comprised of many of these executive leaders, meets bi-annually to evaluate the company's sustainability strategy.		

## STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.

SUMMARY RESPONSE	RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION
Emerson is committed to developing and maintaining sustainable, responsible practices and offerings in its global operations to create value for customers and shareholders. Our business strategy and product development processes take into consideration the implications of climate change. Climate-related risks and	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	2020 CDP Climate Change Report, Risks and Opportunities, section C2
opportunities are considered in our strategies throughout the business and value chain, including within product development, supplier engagement, business objectives and operations and financial planning. Emerson does not expect climate-related scenarios to impact the business in any meaningful way in the	<ul> <li>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</li> </ul>	2020 CDP Climate Change Report, sections C2.3a, C2.4a, C3.1, C.3.1c C.3.1d
immediate future.	<ul> <li>c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</li> </ul>	2020 CDP Climate Change Report, Business Strategy, section C3

## **RISK MANAGEMENT**

Disclose how the organization identifies, assesses, and manages climate-related risks.

SUMMARY RESPONSE	RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION
Emerson identifies climate-related risks as those with the potential for substantive financial or strategic impact to our business, operations, revenue or expenditures that would impact our ability to successfully deliver products to our customers.	a. Describe the organization's processes for identifying and assessing climate-related risks.	2020 CDP Climate Change Report, sections C2.1b, C2.2
Emerson considers various climate-related risks as part of an integrated multi- disciplinary, company-wide risk management process. The Audit Committee supports the Board in risk management. In addition, business operations include	b. Describe the organization's processes for managing climate-related risks.	2020 CDP Climate Change Report, section C2.2
regular monitoring, mitigation and control. Each year, there is a review of the company's climate-related activities, audits and expenditures.	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	2020 CDP Climate Change Report, sections C1.1a, C.1.1b, C1.2, C1.2a

METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.				
SUMMARY RESPONSE	RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION		
In 2019, Emerson announced a target to reduce greenhouse gas emissions by 20%, normalized to sales, by the year 2028. The company's intensity goal covers over 200 of our global manufacturing facilities where we own, operate and have control over operations. This represents roughly 80% of our scope 1 and 2 GHG footprint.	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2020 CDP Climate Change Report, Business Strategy, section C3		
Emerson has disclosed its Scope 1 and Scope 2 GHG emissions and marked a decrease in gross global emissions compared to the previous reporting year. Emerson has used protocols from The Greenhouse Gas Protocol and	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<u>2020 CDP Climate Change Report</u> , sections C2.2a, C3.1d, C6.1, C6.2, C6.3, C7.6a, C7.9a 2019 Corporate Social Responsibility Report, Reducing Our GHG Emissions, page 32		
source documents from the U.S. Environmental Protection Agency to guide methodologies, emission factors and collection of data.	<ul> <li>Describe the targets used by organization to manage climate-related risks and opportunities and performance against targets.</li> </ul>	2020 CDP Climate Change Report, section C4.1b 2019 Corporate Social Responsibility Report, Reducing Our GHG Emissions, page 32		