

Corporate Social Responsibility Report



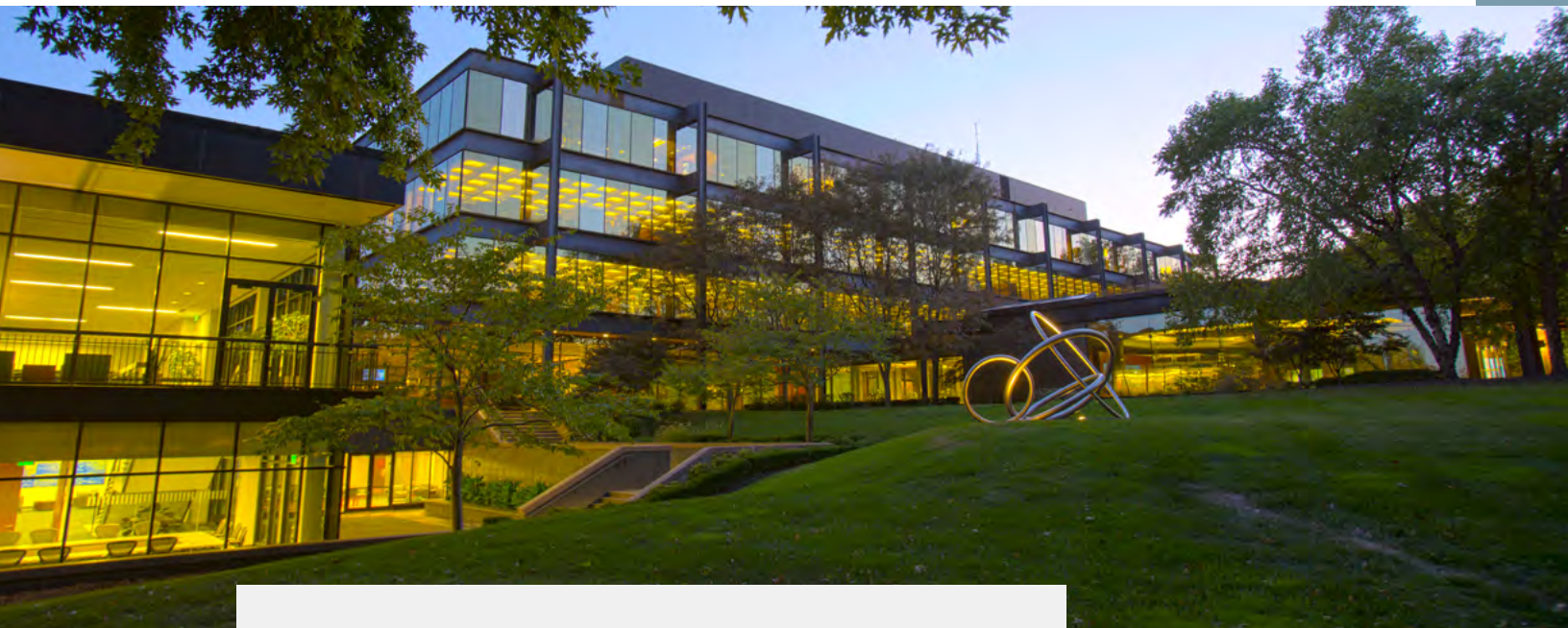


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St. Louis, MO

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Company Profile

Emerson is a diversified global manufacturing company that brings technology and engineering together to provide innovative solutions to customers in the industrial, commercial and consumer markets. This report includes information and data from 2015 from our Process Management, Industrial Automation, Network Power, Climate Technologies, and Commercial & Residential Solutions businesses during that time. In 2015, the company had approximately 111,000 employees and 205 manufacturing locations worldwide. We do business in more than 150 countries and the company's global revenue was \$22.3 billion in fiscal 2015. Founded in 1890, Emerson is incorporated under Missouri law and is a publicly traded company listed on the New York Stock Exchange.

Emerson announced plans in June 2015 to transform its business portfolio to address declining sales and earnings and to drive near- and long-term value for our customers and shareholders. This strategic repositioning has resulted in the sale of the Network Power business and the power generation and motors and drives businesses (consisting of Leroy-Somer and Control Techniques); both sales were announced in August 2016 and are expected to close by the end of 2016. Going forward, the company portfolio is focused on two core business platforms: Emerson Automation Solutions and Emerson Commercial & Residential Solutions. Automation Solutions includes the Process Management platform and the remaining Industrial Automation businesses. Commercial & Residential Solutions includes the Climate Technologies platform, Copeland, RIDGID and InSinkErator businesses.

Additional information regarding our company and businesses, including products, brands, and markets served, 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.



Dear Stakeholders

Emerson's performance over more than 125 years has been driven by a straightforward mission: we design and deliver innovative technologies that help our customers solve their most complex challenges.

But we also understand that neither Emerson nor its customers achieve success in a vacuum. We must also address the needs of a broader ecosystem – our employees, business partners, shareholders and the communities where we operate. That part of our mission is more complex, and requires us to look both inside and beyond our company to understand our role as a trusted partner and the impact we can have to make the world a better place.

The customers and industries that we serve in process, industrial, commercial and residential markets provide key building blocks for human progress. Fuel and energy production that power everything we do, and the pipelines, tankers and grids that bring that power to us. Manufacturing of the materials and products that we depend on at work and home. Heating and cooling systems that support human comfort and food safety. Emerson helps these industries to improve efficiency, maximize reliability and achieve new solutions that improve the quality of life.

We must also look closely at Emerson's own operations to ensure we are efficient and environmentally responsible. That we conduct our business with the highest levels of integrity and responsibility. That we provide equal opportunity and maximum safety for all of our employees, in everything we do. And that we make a positive impact on the communities where we operate to benefit our employees, their families and society as a whole.

All of us at Emerson take these responsibilities very seriously. We have established processes, guidelines and objectives in these areas to ensure that we are not only complying with laws, regulations and benchmarks, but that we are continually enhancing our business and our operations to benefit all of the parties that are connected to us.



These efforts are backed by Emerson's comprehensive operational program to drive continual internal improvements that exceed customers' expectations, which we call Perfect Execution. As part of the program, we are implementing changes that help maximize safety for our workers; improve the environmental profile of our facility operations; and encourage more efficient use of natural resources in our manufacturing processes.

Today, Emerson is going through substantial change as we realign our businesses to increase our value to our stakeholders and build toward our Perfect Execution objectives. It makes for an ideal time to measure and establish benchmarks for how we are doing in addressing the needs of our broader ecosystem as well. This report serves as that measure, providing detailed background on our efforts in the following areas:

ENVIRONMENTAL STEWARDSHIP

INTEGRITY & ETHICS

CORPORATE GOVERNANCE

PEOPLE & WORKPLACE

SUPPLY CHAIN

COMMUNITY INVOLVEMENT

We are proud of our accomplishments in each of these areas, but we also understand the need for continual effort and improvement. We see this 2015 Corporate Responsibility Report as the beginning of an ongoing dialogue with you on our efforts and our progress. Further information regarding key trends, risks and opportunities impacting the long term financial performance of Emerson can be found in our Annual Report to Shareholders and our Form 10-K Annual Report, which can be found [here](#).

David N. Farr

CHAIRMAN AND CHIEF EXECUTIVE OFFICER



Environmental Stewardship

Emerson and the industries we serve stand at the intersection of two of humanity's most urgent goals – the need to improve quality of life for people around the globe, and the imperative that we must do so while reducing our impact on our environment. Together, these goals ensure that we drive progress for today and for the generations that come.

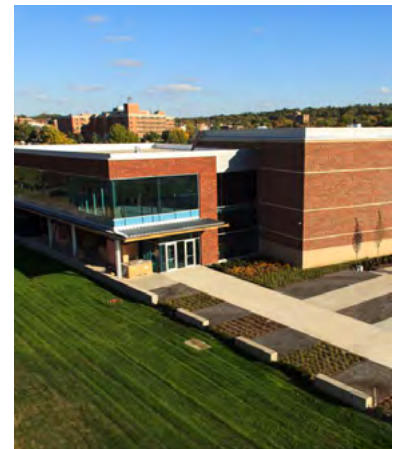
Emerson is committed to delivering innovations that help customers in energy, manufacturing and a wide range of other industries to advance both of these critical goals. We provide technologies that help our customers reduce energy use, build new efficiencies into plant operations, reduce food waste and get the most from finite resources.

If we operate more reliably and more efficiently, we can both improve quality of life and reduce environmental impact. It's a cornerstone of Emerson's business, and a philosophy that we embrace throughout our own operations.

Emerson Innovations Reduce Energy Consumption and Waste

Across our business units, Emerson's core mission is to deliver solutions that enable our customers to operate at peak efficiency and performance. We help customers to maximize reliability, reduce energy costs, automate processes and avoid unexpected issues.

It's no accident that all of these things also benefit all of us. Energy efficiency and reduced waste mean that the goods that we need are produced with less of an impact on the environment and fewer natural resources. These efficiencies are good for business, and they also help our customers improve their environmental stewardship.



THE HELIX INNOVATION CENTER

Emerson launched its Helix initiative dedicated to advancing research for the food sustainability, global heating, ventilation, air conditioning and refrigeration (HVACR) industries.

Emerson's products and services address the world's environmental challenges in five ways:

Enabling efficient use of energy. Emerson innovation minimizes the environmental impact of our residential, commercial and industrial products. In addition to creating solutions that advance energy efficiency, we participate in numerous industry and governmental efforts to define, promote and measure efficiency improvements.

Supporting cleaner forms of energy production. Our technologies and solutions help shift electrical power generation to approaches that lower carbon footprints, utilizing energy sources such as wind, solar, nuclear, hydro and natural gas.

Providing technologies that monitor and limit emissions. Our technologies provide cost-effective industrial monitoring and better access to emissions data and management.

Reducing the environmental impact of refrigeration. In 2015, Emerson unveiled a full line of compressors and controls with refrigerants that are more than 50 percent lower in global warming potential refrigerants compared to the products they were created to replace.

Reducing and recycling food waste. Our innovative cooling solutions help keep food fresher, longer, and we're breaking new ground in helping businesses and municipalities turn food waste into renewable energy.

Following are a few examples of meaningful Emerson innovation at work for customers and society:



DRIVING INDUSTRYWIDE INNOVATION TO IMPROVE EFFICIENCY

In April 2016, Emerson launched its Helix initiative, including the opening of The Helix Innovation Center, an industry-first, \$35 million facility dedicated to advancing research for the global heating, ventilation, air conditioning and refrigeration (HVACR) industry. The Helix Innovation Center will focus on advancing HVACR ideas from concept to prototype in 90 days or less, generating new opportunities to increase our health and comfort while also reducing energy consumption and environmental impact. To achieve these goals, Emerson will collaborate with customers, HVACR industry partners and competitors as well as experts from other industries who can bring new perspectives to specific challenges.

Our new line of compressors and controls support use of refrigerants
50% lower
IN GLOBAL WARMING POTENTIAL

\$35 million
EMERSON INVESTMENT IN THE HELIX INNOVATION CENTER AT UNIVERSITY OF DAYTON TO ADVANCE HVACR RESEARCH

HELPING UTILITIES INTEGRATE RENEWABLE AND TRADITIONAL ENERGY SOURCES

Wind and solar energy sources are renewable and environmentally friendly, but they're also variable, meaning they don't always generate the steady supply of power required for homes and businesses. To address that challenge, utilities must balance the use of renewable and traditional resources at all times. Emerson is helping to ensure the steady supply of electricity by providing automation technologies that enable utilities to reliably and efficiently generate power. Power companies have reported millions of dollars in savings through use of these predictive systems that identify potential problems before they have any effect on delivering electricity while also helping them operate as efficiently as possible.

GRINDING TO TURN FOOD WASTE INTO RENEWABLE ENERGY

Food waste disposal is a substantial societal challenge today, representing the single largest source of landfill waste and a significant producer of greenhouse gases. But with household garbage disposers and upgraded technology at waste water treatment plants, food waste can be recycled into energy. After a two-year-plus pilot program between the City of Philadelphia and Emerson's InSinkErator, the city saw a 34 percent reduction in food waste in participating households. Philadelphia now requires food waste disposers in all new residential construction, while Emerson has expanded efforts to help supermarkets, restaurants and others in the food service industry to adopt similar recycling efforts through its [Grind2Energy](#) initiative.

IMPROVING PLANT OPERATIONS TO DELIVER CLEANER COAL-FIRED POWER

Longview Power's 700-megawatt coal power plant in Maidsville, West Virginia, was beset with frequent outages and poor performance. Emerson contributed to a massive turnaround at the plant by providing automation technologies and services to help deliver enough reliable, affordable electricity to power more than 500,000 homes. These improvements not only dramatically improved plant performance and production, but also turned the facility into one of the cleanest, most efficient coal-fired plants in the United States. Today the plant produces 15 percent fewer carbon dioxide emissions than the average U.S. coal-fired power plant.



GRIND2ENERGY

Emerson is helping restaurants and others in the food service industry to adopt similar recycling efforts

Our automation technologies and services enable Longview Power's new Maidsville, WV power plant to emit

15% fewer

CO₂ EMISSIONS THAN AVERAGE US COAL-FIRED POWER PLANTS

SERVING UP FRESH FOOD WITH A SIDE OF ENERGY SAVINGS

Refrigeration is a major expense for most restaurants, but performance is critical to maintaining quality ingredients. When a North American restaurant chain sought to improve efficiency and reliability of its walk-in coolers, a field test of Emerson's Copeland Scroll® compressors accounted for approximately 35 percent annual energy savings when compared to its legacy technology units. At the same time, built-in diagnostic equipment allowed for faster identification of potential concerns and maintenance needs, helping the chain to avoid potential outages.



**A NORTH AMERICAN
RESTAURANT CHAIN ACHIEVED**

35%

**ANNUAL REFRIGERATION ENERGY
SAVINGS USING OUR COPELAND
SCROLL COMPRESSORS**

Environmental Principles for Emerson's Operations

Each of our approximately 205 manufacturing facilities around the world follows a set of principles that guides our commitment to environmental stewardship in everything that we do.

Highlights of these principles include:

01. We comply with all applicable laws and regulations, but also seek to reduce and, where possible, eliminate hazardous waste through source reduction and recycling.
02. We continually work to minimize environmental impact through safe technologies, facility design and operating procedures.
03. We conserve energy and work to improve the efficiency of the products we manufacture and of our own operations.
04. We conduct regular training to ensure knowledge of updated laws and regulations, pollution-prevention and waste-minimization practices, and technological developments.
05. We periodically audit our operations to confirm compliance with these principles.

Emerson's business unit presidents are responsible for implementing these principles, with support from our Corporate Environmental Affairs Department. Our General Counsel is responsible for overseeing implementation of the Company's environmental principles and policy, and periodically reports to the Audit Committee of the Board of Directors.

1. ENVIRONMENTAL COMPLIANCE

We assess the environmental compliance of Emerson facilities annually in most cases, with 93 percent of manufacturing facilities assessed in 2015. In this process, we analyze the procedures and performance of our facilities against standards set by local or U.S. law – whichever sets a higher standard. Furthermore, when acquiring companies, we assess their environmental policies and procedures to correct any issues or shortcomings.

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

2. MINIMIZING ENVIRONMENTAL IMPACT THROUGH FACILITY DESIGN AND OPERATING PROCEDURES

Emerson designs and builds many of its new facilities following Leadership in Energy and Environmental Design, or LEED, certified standards, incorporating sustainable design principles, technologies, and best practices. It is another way Emerson uses innovative approaches to reduce the impact of its operations on environmental resources.

Beyond these important certifications, other Emerson facilities are making meaningful strides to reduce environmental impact. Emerson’s Alliance Compressors business is finding new ways to recycle cardboard and plastic at its Natchitoches, Louisiana (USA) plant, using color-coded carts and hoppers to collect recyclables. In its first three months, the recycling program kept more than 23 tons of trash from taking up space at local landfills, including about 20 tons of cardboard and three tons of plastic.

Emerson’s Appleton facility in Elmira, Ontario, has integrated recycling activities across its operations, from the plant floor to the lunch room. Wire, electronic waste, and various metals from the manufacturing process are turned over to a local recycler, and meal areas have discontinued offering paper plates and plastic ware.



Emerson facilities with green building certifications (using less water and energy and reducing greenhouse gas emissions)



LEED Certified
Helix Center
 Dayton, Ohio (USA)

Emerson India HQ
 Gurgaon (INDIA)



LEED Silver
Emerson Climate Technologies
Scroll Machining
 AVA, MISSOURI (USA)

Emerson Process
Management Campus
 SOROCABA (BRAZIL)

Emerson Latin American HQ
 SUNRISE, FLORIDA (USA)

Emerson Network
Power Training Center
 WESTERVILLE, OH (USA)



LEED Gold
Corporate Data Center
 ST. LOUIS, MISSOURI (USA)

Emerson also has recycled over 400,000 pounds of batteries from facilities across the U.S. and Canada through Call2Recycle since joining the battery recycling initiative in 1996. For the second straight year, Emerson was honored in 2016 for its dedication to environmental stewardship with Call2Recycle’s 2015 “Leader in Sustainability” award. The award recognizes organizations that demonstrate the strongest commitment to sustainability through their consistent participation in Call2Recycle’s signature battery recycling program.



400,000 lbs

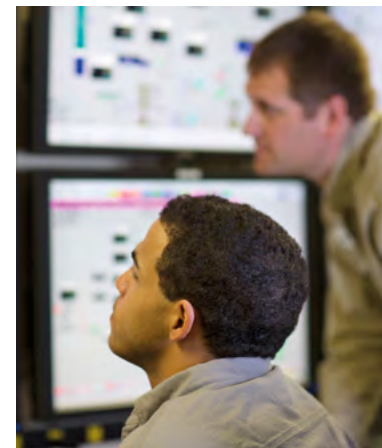
AMOUNT OF BATTERIES RECYCLED AT EMERSON FACILITIES IN U.S. AND CANADA SINCE 1996

3. ENERGY CONSERVATION AND EFFICIENCY

Emerson has continually implemented energy reduction measures at its facilities, conducted energy audits and sought out new opportunities to reduce the impact of its operations on the environment.

One recent example is Emerson’s Marine Tank Management business in Denmark, which engaged the consulting services of a local power provider to review its operations for energy-saving opportunities. As a result of that audit and changes implemented at its facilities, this Emerson business achieved a total energy savings of more than 560,000 kWh/year and \$61,000 in cost savings.

In China, our Jinqiao plant has focused on multiple energy-saving projects since 2010, upgrading air conditioning and ventilation and implementing programs to adjust lighting and temperature of the facility to better match production needs at given times of the day. These efforts resulted in energy savings of 556,000 kWh/year. Additionally, our Wuqing plant in China realized savings of 96,000 kWh/year through an upgrade to more efficient lighting throughout the facility.



560,000 kWh/year

ENERGY SAVINGS ACHIEVED AT EMERSON’S MARINE TANK MANAGEMENT FACILITIES IN DENMARK

4. REGULAR ENVIRONMENTAL TRAINING

Emerson conducts annual environmental training programs for its plant environmental managers, division environmental coordinators and other key personnel worldwide. Each session takes into account the specific needs of the regions in which our global facilities are located.

Each year, employees receive online or face-to-face environmental training with two primary goals:

- > Give employees a practical understanding of the requirements of environmental laws and regulations as they apply to the company.
- > Share ideas on how to reduce the generation of waste, enhance the quality of the environment, and conserve energy.

The training conferences cover a broad range of topics, including:

- > Emerson’s environmental principles.
- > Good environmental management practices.
- > Country-specific environmental laws and regulations.

- > New developments in environmental laws (by country).
- > Pollution prevention, waste minimization and energy conservation.
- > Specialty topics like hazardous material transportation, spills and incident response, and recycling technologies.

5. AUDITS TO CONFIRM COMPLIANCE

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

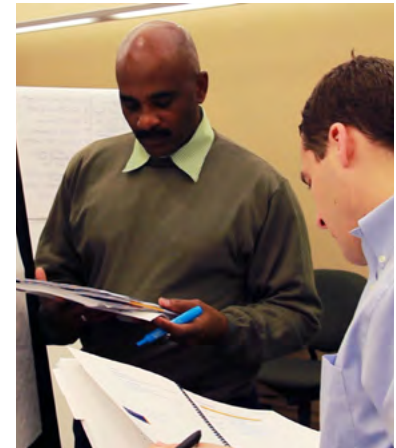
Prior to an on-site inspection by the environmental consulting firm, each plant is required to complete a detailed questionnaire provided by the Corporate Environmental Affairs Department. Once the formal audit is completed and the outside auditor submits a written report, Environmental Affairs works with the business unit president and facility personnel to ensure that all audit findings are addressed. About 10 percent of Emerson's audits are surprise audits, where facility managers receive only 48 hours' notice of the third-party audit team's schedule. In non-audit years, business unit environmental coordinators work with plant management to complete a checklist to ensure compliance with environmental regulations. Corporate environmental staff oversees this annual process.

FINES AND SANCTIONS

Emerson facilities are routinely inspected by environmental authorities in the jurisdictions where we operate. It is Emerson policy to cooperate fully with environmental authorities. The majority of all inspections by authorities do not result in monetary fines or penalties. When environmental fines or penalties have been imposed, the costs have been minimal in comparison to the size of our operations. For example, in 2015 environmental regulators inspected our facilities or were notified of incidents on 44 different occasions worldwide. Of these occasions, only five resulted in monetary penalties totaling \$13,486. The average annual cost of environmental fines and penalties incurred globally by Emerson from 2005 through 2015 was approximately \$34,000.

GRIEVANCE MECHANISMS

In addition to Emerson's global [Ethics and Compliance Hotline](#), each of our business units has its own formal and informal channels to raise concerns or complaints about environmental compliance. We also periodically receive concerns regarding environmental issues from the people and businesses neighboring our facilities. Issues raised via these channels are rare and are appropriately addressed.



Greenhouse Gas, Water and Energy Use

Emerson tracks its impact on the environment in a number of ways, including measuring emissions into the atmosphere, water consumption and energy use associated with our manufacturing operations. Emerson has voluntarily participated in the Carbon Disclosure Project (CDP) since 2006.

2015 CY Greenhouse Gas (GHG) Emissions

All GHG emissions measured in tons of carbon dioxide equivalent - CO₂e

Scope 1

All direct GHG emissions, which are from the combustion of fossil fuels [e.g. natural gas, fuel oil, propane, etc.] for comfort heating or other industrial applications.

BY BUSINESS UNIT

Commercial & Residential Solutions

17,501 MT CO₂e emissions

Climate Technologies

59,087 MT CO₂e emissions

Industrial Automation

44,412 MT CO₂e emissions

Network Power

22,854 MT CO₂e emissions

Process Management

25,967 MT CO₂e emissions

Other

3,795 MT CO₂e emissions

TOTAL 170,617 MT CO₂e emissions

SCOPE 1 OVER TIME (BY CALENDAR YEAR)

2011 CDP Report

281,920 MT CO₂e emissions

2012 CDP Report

264,967 MT CO₂e emissions

2013 CDP Report

199,756 MT CO₂e emissions

2014 CDP Report

208,952 MT CO₂e emissions

2015 CDP Report

170,617 MT CO₂e emissions

Scope 2

All indirect GHG emissions, which are from the consumption of purchased electricity, steam or other sources of energy [e.g. chilled water] generated upstream from Emerson facilities.

BY BUSINESS UNIT

Commercial & Residential

77,085.8 MT CO₂e emissions

Climate Technologies

209,935.9 MT CO₂e emissions

Industrial Automation

86,748.5 MT CO₂e emissions

TOTAL 583,350.1 MT CO₂e emissions

Network Power

62,930.2 MT CO₂e emissions

Process Management

126,205.7 MT CO₂e emissions

Other

20,444.0 MT CO₂e emissions

SCOPE 2 OVER TIME

2014 CDP report

724,189 MT CO₂e emissions

2015 CDP report

761,996 MT CO₂e emissions

2016 CDP report

583,350 MT CO₂e emissions

2015 CY Water Consumption

2014 **1,402,947,620** gallons vs 2015 **1,189,500,885** gallons = **15% REDUCTION**

2015 CY Energy Use

2014 **1,431.38** megawatt-hours vs 2015 **1,200.05** megawatt-hours = **16% REDUCTION**

In addition to programs like those highlighted in this report, reductions in emissions, water and energy use in 2015 can also be attributed to the sale of power transmission businesses that year.

Integrity & Ethics

Building a Culture of Integrity

Emerson works hard to maintain a culture of ethical conduct and legal compliance. Our Business Ethics Program is a set of policies and practices honed over the past two decades that define ethical conduct for every Emerson employee in interactions with each other, customers, communities and other stakeholders.

Our leadership team is required to communicate and reinforce our commitment to compliance with applicable laws, rules and regulations, proper handling of proprietary data and information and accurate financial reporting. Employees are urged to communicate questions or concerns about compliance in whatever way they feel comfortable, including our global whistleblowing system operated by an independent third party.

The Emerson Board of Directors, in conjunction with a senior management committee, oversees the program and bears final responsibility for its success. Senior management and the Board of Directors regularly review and update the program to consider if updates are necessary or appropriate.

Policies and documents that support Emerson's Business Ethics Program include:

CEO AND SENIOR FINANCIAL OFFICER CODE OF ETHICS

The [Emerson Chief Executive and Senior Financial Officers Code of Ethics](#) conveys the roles, responsibilities and expectations for top corporate officers in exhibiting and promoting integrity and in providing accurate and timely financial reporting.

ETHICS PROGRAM HANDBOOK FOR ALL EMPLOYEES

Emerson's [Business Ethics Program Handbook](#) sets forth the detailed elements of our ethics program. The handbook along with our annual all-employee ethics and compliance training cover many topics including:



- > The company's commitment to conducting business with honesty, integrity and in compliance with laws and regulations.
- > Our standards for all dealings with customers, suppliers, governments, the public, and each other.
- > A stipulation that no employee may have a personal, business or financial interest that conflicts with his or her responsibilities to our company.
- > The rules forbidding payments in money, products, gifts or services – either directly or indirectly – to any foreign government representative to induce favorable business treatment or to affect governmental decisions in violation of the U.S. Foreign Corrupt Practices Act (FCPA) or other U.S. or local country laws.
- > The importance of being alert and sensitive to situations that may be illegal, unethical, in violation of the ethics program, or that are otherwise improper.
- > The obligation of employees to report any questionable situations or suspicious activity.



To reinforce the critical importance of these requirements and deal with evolving challenges and interpretations, all employees undergo annual training on Emerson's ethics requirements.

ANNUAL ETHICS TRAINING

We reinforce our Ethics and Compliance Program with annual all-employee training to ensure that every employee is aware of and following the requirements of the program. This commitment to training also helps to ensure that every employee is aware of the latest important updates for our governance principles and practices.

These annual training sessions are generally done face-to-face with various levels of management conducting the training, which encourages dialogue that helps Emerson leaders to identify and address emerging questions or issues. Most importantly, we use the interaction to ensure that every employee understands how to report any ethical concern without apprehension or fear of retaliation. We conduct surveys to measure employees' understanding of the program. These surveys show a high level of understanding of our Ethics and Compliance Program by our employees throughout the world.



ETHICS HOTLINE AND COMMUNICATION

To facilitate the communication of ethical concerns or questions, we provide email and phone access to an [Ethics and Compliance Hotline](#) for our employees globally. Reports to the hotline may be filed anonymously, and we tolerate no form of reprisal against employees for reporting concerns.

Ethics Hotline emails or calls are received by an independent company, which reports the information to a limited number of experienced and specialized Emerson management personnel for investigation and response. The program is audited by internal and external auditors each year and is revised regularly to improve the program. The Audit Committee of the Board of Directors directly receives hotline reports from the independent hotline provider, reviews ethics and compliance allegations, and receives a report on the resolution of any such allegations from management when the allegations relate to accounting, internal accounting controls and auditing.

CONFLICT OF INTEREST EVALUATION AND REPORTING

Emerson conducts an annual reporting process to determine whether any potential conflicts of interest exist between the company and any of its Directors, officers or employees. Each year, a questionnaire is administered to all exempt/salaried employees and any other employee deemed to be in a position to influence and/or receive personal gain at the company's expense. The questionnaires are available in 21 languages. Any variant responses received are investigated and resolved. All newly reported variant responses for the campaign year are reported to the Ethics Committee. The Corporate Governance and Nominating Committee provides oversight for Emerson's conflict of interest policies and receives a report annually on the results of the Conflict of Interest Evaluation process.

ANTI-CORRUPTION TRAINING

Emerson articulates its anti-corruption internal control requirements in an Internal Control Questionnaire ("ICQ"). All business units are required to complete the ICQ and to certify on a quarterly basis that their ICQ is accurate and that the business unit has implemented the required internal controls. Emerson audits approximately 50 locations per year to ensure appropriate anti-corruption internal controls are in place. Emerson utilizes a risk assessment model to identify audit targets and all locations that operate in high-risk countries and industries are audited at least once every three years. Emerson also operates an anonymous hotline that employees can use to escalate potential corruption issues, and all hotline allegations are thoroughly investigated.

Emerson includes anti-corruption information in its annual ethics training, which is received by all employees worldwide. The training is modified each year in response to risks identified during the previous year's audits. Emerson also requires all employees with contact with customers, government officials, third party intermediaries and suppliers to complete an online anti-corruption training program once every three years. Additional face-to-face and webcast training also is available.





POLITICAL CONTRIBUTIONS

Emerson participates in the political process through our federal and Missouri political action committees and direct company contributions. Emerson and the Emerson political action committees (PAC) are non-partisan. Contributions are made to political candidates and causes to support pro-manufacturing, pro-business and pro-economic growth policies. Both the company and the PAC boards base their contribution decisions on what they believe to be sound public policy and in the best interests of the company.

The Board of Directors' Corporate Governance and Nominating Committee oversees policies and practices related to the company's political spending. The committee approves an annual contribution limit on expenditures to support state and local political candidates, as well as those for campaigns, ballot issues and bonds. The annual contribution limit is \$1,000,000.

U.S. law prohibits companies from contributing to candidates for federal office, but many states allow corporate contributions to state and local candidates, political organizations and ballot issues. For fiscal 2015, Emerson contributed a total of \$49,100 to state and local political candidates, and federal, state and local campaigns and ballot issues and bonds. The recipients and amounts of those contributions are detailed in our [Political Contributions Report](#).

Emerson has established two PACs: a federal PAC called the Emerson PAC and a state PAC called the Emerson Missouri Responsible Government Fund. The state and federal PACs are separate and nonpartisan. The federal PAC is a voluntary fund supported by contributions from Emerson employees and retirees who elect to participate in the political process by pooling their resources to support candidates who share the values and goals of the company. This fund supports federal candidates and other candidates where permitted by law. The Missouri fund is supported by company contributions to support candidates in Missouri. Both of these PACs may make contributions to party organizations where permitted in accordance with law and their bylaws.

Details of contributions to and disbursements from the federal PAC fund are available at the U.S. Federal Election Commission's website (www.fec.gov), by searching for Emerson PAC (or its prior name, Emerson Responsible Government Fund) at the site's Campaign Finance Disclosure Portal Link

In fiscal 2015, Emerson contributed \$39,100 to the Emerson Missouri Responsible Government Fund. A list of contributions by this fund is available on the Missouri Ethics Commission website at www.mec.mo.gov

Further information about Emerson's policies and procedures for political spending can be found on the [Political Contributions page](#) of the Emerson website.

TRADE ASSOCIATIONS AND LOBBYING

As a large and diverse global company, Emerson is a member of many trade associations and coalitions where we work with our industry partners on a range of issues and activities that represent the Company's interests. These organizations operate independently. For many organizations and coalitions, we pay dues or make contributions which are not necessarily related to lobbying efforts or political goals. In some cases, however, these organizations do engage in advocacy at the federal, state and/or local levels. While we may generally agree with positions taken by these associations, Emerson's membership in any particular trade association does not indicate its agreement with all of the association's views.

Emerson does engage with public officials at all levels of government directly through our employees and through third party advocacy organizations. These engagements educate officials on our company's operations, emerging technologies and markets, as well as on our views concerning public policy matters. Emerson lobbying activity is reported in our Lobbying Disclosure Act filings, which are publicly available at <http://disclosures.house.gov> and are also posted to the [Trade Associations and Lobbying page](#) of the Emerson website.



Corporate Governance

BOARD OF DIRECTORS

Emerson's Board of Directors is elected by stockholders 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 stockholders, not to any special constituency of stockholders, and other corporate constituencies. The Board selects and oversees the members of senior management, to whom the Board delegates the authority and responsibility for the conduct of the day-to-day operations of the business. The Board of Directors provides guidance and oversight regarding the management of the Company and is responsible for establishing all significant Company policies, overseeing compliance with those policies and approving all significant Company transactions.

BOARD OF DIRECTORS POLICIES

Emerson's principles and practices are driven by its Board of Directors, which ensures that they are shaped by highly independent, diverse viewpoints and deep management expertise. Our Board's composition and operation is 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. Emerson's Board currently includes nine 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. Our Board provides a diversity of viewpoints that help us to understand and anticipate changes in our business environment.

- > **Committees.** We have five Board committees: Audit, Compensation, Corporate Governance and Nominating, Executive and Finance. All committees except for the Executive Committee are comprised entirely of independent Board members.
- > **Leadership.** Our Board chairman is CEO David N. Farr. The Board also has a Lead Independent Director who serves for a three-year term and 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 non-management Directors, reviewing and consulting with the Chairman regarding meeting agendas and schedules and information to be sent to the Board, calling meetings of independent or non-management Directors, consulting with major 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.
- > **Non-Management Director Meetings.** The Company's non-management Directors periodically schedule and hold executive sessions in which management does not participate. The Lead Independent Director and the other non-management Directors determine the length, topics of discussion and procedures for these meetings. If, in any year, one or more of the non-management Directors is not independent, the independent, non-management Directors shall hold at least one executive session in which only such independent, non-management Directors participate.

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

Emerson's Board of Directors establishes guidelines for ethical conduct via its Statement of Governance Principles and Practices. This statement outlines how Emerson must govern for full compliance with the law and in the best interests of our constituencies. It includes comprehensive rules and criteria for Board roles and responsibilities, from management oversight and performance reporting to director independence standards. Refer to our Statement of [Corporate Governance Principles and Practices](#) for further information.

BOARD COMMITTEES

To provide sustained, specialized and in-depth oversight in certain areas, Emerson's Board of Directors has established five committees: Audit, Compensation, Corporate Governance and Nominating, Executive and Finance. More information about our Board Committees and their charters is available in the [Corporate Governance section](#) of Emerson.com.

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, assessment and management of critical risks. The Audit Committee assists the Board by annually reviewing and discussing with management this process and its functionality. The areas of critical risk include strategic, operational, compliance, environmental and financial. The formal, annual risk assessment process includes surveys of all business unit Presidents and interviews with all business leaders, corporate functional leaders and members of the Office of the Chief Executive. For each risk, the magnitude and probability of the risk occurring are determined. In addition, the employee responsible for mitigating the risk and the mitigation plan and timeline are documented.

The full Board, or the appropriate Committee, receives this risk assessment information annually to enable it to understand and monitor the 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.

For fiscal 2015, the Compensation Committee reviewed management's process for assessing risk in the company's compensation programs for its employees, including the company's executive compensation program and practices. The Committee also reviewed management's longstanding internal process and controls for compensation programs for employees who do not participate in the executive compensation program. Based on the results of these reviews, the Committee determined that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on our business.

BOARD EVALUATION PROCESS

The Board of Directors and each Committee thereof conducts an annual self-evaluation process to determine whether the Board and its Committees are effectively performing the responsibilities required of them. Each Director completes an evaluation survey regarding the full Board and each Committee on which the Director serves. This survey includes numerical evaluations of performance as well as an opportunity for the Directors to make narrative comments regarding the performance of the Board, each Committee and individual Directors. The survey results are reviewed by the Corporate Governance and Nominating Committee and the results are communicated to the full Board, with an emphasis on areas where the surveys indicate areas where Board practice could be modified or improved. The results of the Committee surveys are shared with the Chair and members of each Committee to be discussed at each Committee's next regularly scheduled meeting.



People & Workplace

Emerson is a company of innovators. Our ability to help customers solve their greatest challenges starts with the expertise, creativity, energy and enthusiasm that each of our employees brings to Emerson every day.

We have created a high-performance culture by understanding that it's a two-way street. Emerson expects nothing less than top performance from our employees, and employees expect a destination-of-choice workplace from Emerson. We strive every day to keep both ends of that bargain.

Our employee management process, has always centered on open and honest communication. This philosophy guides our broad efforts to create a global workforce that encourages diversity and embraces inclusion while promoting workplace safety and fair labor practices.

We carry these core beliefs, approaches and tools with us as we continually look to break new ground in recruiting, diversity and safety programs, and we bring these programs to every country where we operate across six continents. This combination of core values and program innovation helps Emerson to maintain its status as an employer of choice, which in turn maintains our long heritage of delivering excellence for customers.

DIVERSITY & INCLUSION

We are dedicated to creating a global workplace that supports and promotes diversity, and cultivates respect for the individual. We believe that bringing together bright, enthusiastic, and talented people from a variety of backgrounds and cultures promotes the birth of new ideas that match the needs of our diverse global customer base



EQUAL OPPORTUNITY

We are committed to equal opportunity in all phases of employment. Our company prohibits discrimination against or harassment of any employee or applicant on the basis of race, color, religion, sex, sexual orientation, gender identity, age, disability, national origin, veteran status, political affiliation, union membership, or any other factor deemed unlawful.

RECRUITING FOR A DIVERSE WORKFORCE

We actively seek to increase the diversity of our workforce by hiring women and minorities and promoting them to our management ranks. These efforts include both an ongoing focus on maintaining an inclusive workplace, as well as pioneering partnerships designed to identify and foster top talent. For example, we recruit candidates for our MBA Leadership Program through our partnership with the [Consortium for Graduate Study in Management](#), the nation's largest diversity network that seeks to reduce underrepresentation of African Americans, Native Americans and Hispanic Americans in education and business by linking corporate partners with top-tier students. Emerson was one of the first companies to become a Consortium corporate partner and participation has become a cornerstone of the company's MBA recruiting program.

We are a proud corporate partner of the [Society of Women Engineers \(SWE\)](#), an organization dedicated to the advancement of women engineers. Through SWE, we conduct outreach and recruitment of female engineering talent for our company.

In 2015 and 2016, Emerson was ranked in the "Top 50 Employers" in Woman Engineer magazine among the top companies in the U.S. for which women engineers would most like to work or whom they believe would provide a positive working environment.

We also offer networking and learning opportunities through groups such as our Women in Engineering Council; and we have an internal task force that meets to identify company initiatives and best practices that will support a diverse workforce.

We work hard to create an environment where everyone can contribute and succeed at every level of the company. We seek to create an employer-of-choice environment in terms of promotions, transfers, compensation, benefits, career mentoring, company-sponsored training, tuition assistance, and social and recreational programs for our employees.

We participate in recruiting events at universities and business schools, and at job fairs during professional societies' annual conferences, to help us target qualified candidates for both entry- and executive-level positions.

As of 2015, Emerson's U.S. workforce included:

27.8%
WOMEN

23.3%
MINORITIES

7.5%
MILITARY
VETERANS

4.5%
PEOPLE WITH
DISABILITIES

2011 to 2015 trends in Emerson's U.S. workforce:

+17.2%
WOMEN IN
MANAGEMENT POSITIONS

-1.9%
WOMEN IN ALL POSITIONS

+30.8%*
MINORITIES IN
MANAGEMENT POSITIONS

+19.0%*
MINORITIES IN ALL POSITIONS:

*Includes Asian, American Indian or Alaska Native, Black or African-American, Hispanic, Native Hawaiian or Other Pacific Islander

Promoting Health and Safety

We strive to create and sustain a safe and healthy work environment for all of our employees, focusing our efforts in three critical areas:

- > Implementing global safety and health standards that are based on some of the strongest regulations from around the world.
- > Tracking global injury trends from first aid, medical treatment, restricted, and lost time injuries.
- > Conducting safety and health audits of our operations around the globe.

The safety and health of all our employees is a core value within our company. We expect all levels of management and employees to not only anticipate hazards, but also to address them and stop employees if they deem a work environment or task to be unsafe. All of our significant locations have a health and safety committee, which includes representation from members of the work force, to work proactively in addressing health and safety concerns. We conduct safety training for all operational management and require each significant location to have a formal safety program. Emerson's emphasis on safety and health encourages continuous improvement in all our processes, including the following:

- > **Protective Devices** – We continually engineer and apply devices that mitigate risk from workplace processes and equipment.
- > **Ergonomics** – Where processes involve repetitive tasks, we design work approaches to minimize the impact on our employees.
- > **Preventive Maintenance** – With sound maintenance routines and protocols, Emerson continually reviews equipment to keep it in top operating shape, which reduces the potential for hazards while maximizing productivity.
- > **Security** – To assure a well-protected, safe workplace, we consistently manage access to our facilities following international guidelines and standards.

With our continuous commitment to employee safety and health, Emerson ensures that safety goes hand-in-hand with operating productively, which in turn helps Emerson to compete effectively. Beyond this, many of Emerson's products and services, including automation, monitoring and consulting services, are designed to help our customers increase safety within their own operations.



MEASURING SUCCESS

We consistently measure health and safety performance to assure continuous improvement and high standards in every facility. The most important measure is the workplace injury rate among our global workforce, where Emerson has seen substantial reductions in incidents between 2011 and 2015.

Our commitment to continual evaluation and improvement of our health and safety standards will help us to keep these numbers on a downward trend.

We conduct selective audits annually to measure compliance with safety standards. Based on audit results, we work with facility management to rate safety compliance, and provide step-by-step plans to address any issues that are discovered. In the vast majority of cases, audit issues are addressed within 90 days.

LABOR PRACTICES

As part of our commitment to employees, we seek to uphold the highest standards in our labor practices, including conditions of employment and human rights. We do not employ child labor and we respect our employees' right to freedom of association in choosing labor organizations to represent them. Many of our employees are represented by unions or works councils and we strive to maintain positive relationships with those representatives.

WAGES AND BENEFITS

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.

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.

Emerson Employee Safety: Global Data 2011 vs. 2015

TOTAL RECORDABLE RATE OF INJURIES HAVE DROPPED BY

41%

with a 2015 rate of 0.67 incidents per 100 employees.

RECORDABLE INJURIES HAVE DROPPED BY NEARLY

53%

with 681 in 2015.

FIRST-AID CASES HAVE DROPPED BY

44%

with 4,622 in 2015.

NUMBER OF LOST OR RESTRICTED WORKDAYS HAVE DROPPED BY MORE THAN

53%

with 416 in 2015.

HUMAN RIGHTS

As we work in all parts of the world, Emerson lives its commitment to protect and promote human rights that are essential to a healthy and vital commercial environment and to a 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.
- > **Prohibition of Child Labor** - Our policies oppose child labor and we do not use child labor in any facility or business. Emerson has established age 18 as a standard minimum age for employment, which complies with or exceeds local legal requirements. We support the use of legitimate workplace apprenticeship programs that conform with laws and regulations. We also prohibit our suppliers from employing anyone under the local legal working age, or 14, whichever is greater.

GRIEVANCE MECHANISMS

In addition to formal and informal complaint or grievance procedures at our business units, concerned parties have easy access to Emerson's global ethics and compliance hotline to report complaints or concerns.

Supply Chain

Managing a World-Class Global Supply Chain, Ensuring Integrity

Emerson's supply chain is essential to our ability to solve customer challenges and stay ahead of their needs. As we've expanded globally and broadened our supply chain, we've focused on picking the right suppliers to help us deliver ideal solutions for our customers, then helping to advance their processes and technologies to support them in expanding operations and realizing new opportunities.

We expect our suppliers to share our values and principles. We expect suppliers to stay current with technology, act with integrity and treat people and the environment with respect – all actions that reflect our priorities. We understand that those high expectations require investments from Emerson as well. Those investments strengthen our suppliers, and accelerate progress, capability and quality of life in the regions where they operate, including many developing regions of the world.

We demand that suppliers align with our stances on social responsibility and ethics. This enables us to maintain and build a supplier base that crosses geographies and cultures, but always stays true to Emerson's core values.

This approach benefits Emerson, its suppliers, and the communities where our suppliers operate. It allows us to move at the speed of our customers' needs, while always maintaining the highest levels of quality, backed by unwavering integrity and responsibility. And it ensures a strong and flexible supply chain that is positioned to sustain Emerson and its customer for the long haul.



Our supplier management practices include:

VENDOR PRACTICES

To enhance our knowledge of suppliers and limit the risk of inadvertently supporting wrongful practices, we use internal, industry and public sources to alert us to improper supply chain behavior. We expect business unit supply chain managers to make reasonable assessments of questionable activity and to ensure that all practices conform to Emerson expectations. We encourage our businesses to conduct periodic business reviews with large or preferred suppliers, which should include discussion of social issues such as safety and environmental compliance.



TRAINING EMERSON EMPLOYEES

Corporate social responsibility efforts address a range of complex issues across differing geographies, cultures and business practices. Acting responsibly requires knowledge of each subject, understanding of laws and practices, and the ability to recognize potential deviations.

To deal with these complexities, Emerson trains managers and employees annually to help them engage effectively with suppliers as they communicate Emerson's priorities. This training also helps improve our ability to recognize, report and support remediation of any compliance issues.



AFFIRMING SUPPLIER RESPONSIBILITY

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

We strive to have all principal suppliers affirm their understanding of Emerson values and standards regarding ethical behavior, labor practices, human rights and environmental protection. We expect all suppliers to operate in a manner that supports Emerson's commitment to conduct business responsibly. Our form supplier agreement contains a "Standards of Conduct" clause which states that we expect suppliers to comply with generally accepted principles of social responsibility, referencing the Emerson Supplier Code of Conduct. Currently, almost half of Emerson's supply chain spend is under contracts containing this clause.

SUPPLIER CODE OF CONDUCT

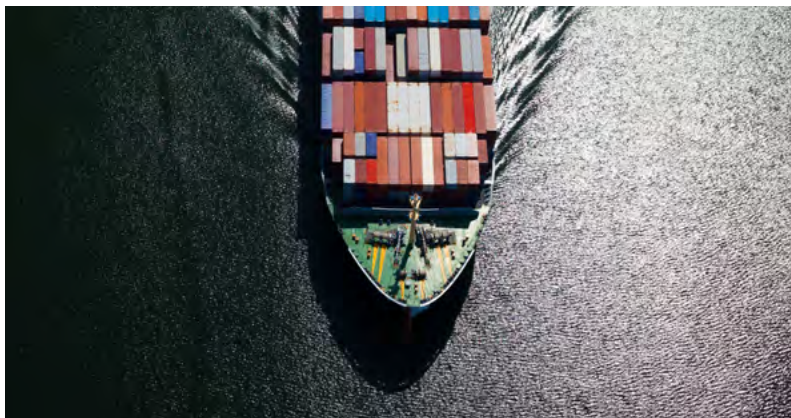
This [Emerson Supplier Code of Conduct](#) embodies the broad principles set forth in our Corporate Citizenship Statement. We encourage all of our suppliers to familiarize themselves with this statement as we expect each supplier to adhere to these principles.

EMERSON CONFLICT MINERALS STATEMENT

Emerson supports all efforts to end the human suffering and environmental impact that has been associated with mining in the Democratic Republic of Congo and adjoining countries. Emerson is committed to meeting all legislative and regulatory requirements that seek to eradicate this suffering. To this end, Emerson expects its suppliers and their suppliers to acquire minerals only from responsible sources.

MATERIALS USAGE

As a broadly diversified company with a wide variety of products, we purchase through our supply chain a wide variety of raw materials and component parts. Copper and steel are the most widely used raw materials across our businesses. In fiscal 2015, our businesses used approximately 29,000 tons of copper and 314,000 tons of steel, not including copper and steel contained in finished components, of which approximately 72 percent and 48 percent, respectively, were recycled materials.





Community Involvement

Community Giving

At Emerson, we believe in supporting the communities where we operate. We are committed to enhancing and improving people's lives, and to help in building communities around the globe that are attractive places to live and work.

Our corporate philanthropy is focused on:

- > **Education** - Fostering learning through schools and universities related programs
- > **Health and Human Services** - Promoting the health and well-being of residents
- > **Arts and Culture** - Enhancing the quality of life through support for arts and cultural institutions
- > **Civic** - Supporting infrastructure initiatives and other community needs

HELPING U.S. COMMUNITIES WHERE WE OPERATE

Through the Emerson Charitable Trust, we provide financial assistance and other support to local organizations in the United States that improve and enrich lives, promote volunteerism, sponsor education, and provide services to those in need.

During fiscal year 2015, we contributed \$35.7 million to charities and nonprofit organizations across the United States, including the company's matching of employee contributions.

\$35.7 million

EMERSON CONTRIBUTIONS TO CHARITIES AND NONPROFIT ORGANIZATIONS ACROSS U.S. IN FISCAL 2015

SUPPORTING THE ST. LOUIS COMMUNITY

As part of our commitment to the St. Louis area where our company was founded more than 125 years ago and where our global headquarters is located, we announced an initiative in September 2014 to help bring renewal to the Ferguson community after a time of unrest, which included protests and riots. The effort has since grown to a \$11.8 million commitment to more than 30 programs focusing on early childhood education, youth jobs, scholarships for college, technical and trade careers, and business development grants and training.

In October 2015, we announced another major St. Louis initiative, a \$5 million contribution over the next seven years to the Missouri Historical Society, which operates the Missouri History Museum and Library and Research Center. This contribution is part of a multi-year effort by community leaders and Emerson to create a unique and meaningful platform to tell the important story of African Americans' role in past and continued growth of St. Louis and the region. More than just looking to the past, the endowment is meant to provide a forum and format for ongoing community education and dialogue to drive greater understanding of the impact our diversity has on our future.

CHINA CHARITABLE PROGRAM

In China, Emerson fulfills its commitment to being a good corporate citizen through its China Charitable Program. Launched in 2009, this national initiative leverages our core capabilities of engineering and infrastructure development, as well as our interest in education, health and humanitarian relief to enhance the quality of life in Chinese communities.

Since 2009, we have been a corporate sponsor of the China Women's Development Foundation's Water Cellars for Mothers project which aims to help relieve the water shortage in poverty-stricken villages that have no direct access to clean running water. We have donated nearly \$1 million to the Water Cellars for Mothers program and contributed many hours of volunteer work to help bring clean water to more than 5,000 villagers in seven different locations in the province. Over the years, our employees from Shenzhen, Shanghai, Suzhou, Shenyang, Xian, Tianjin, Beijing, Lanzhou, Kunming, Hong Kong, and Chengdu have volunteered their time to visit the region and help investigate water sources for these villages, monitored construction progress, and assessed effectiveness and impact of the program. These Emerson employees have also organized several donation events to benefit the villagers.

INDIA CHARITABLE PROGRAM

In 2015, Emerson in India developed and launched a corporate citizenship program called "Making a Difference" that consolidates funds from our business units operating in India. This initiative, in accordance with Indian regulations, seeks to make a difference in addressing the unmet needs of society, communities and people.

\$11.8 million

**EMERSON COMMITMENT TO
30+ PROGRAMS IN ST. LOUIS
AREA RELATED TO FERGUSON
FORWARD INITIATIVE**



WATER CELLARS FOR MOTHERS

Emerson sponsors the Water Cellars for Mothers project, which aims to help relieve the water shortage in poverty-stricken villages in China that have no direct access to clean running water.

The primary focus of our India program is promoting continuity in education for disadvantaged youth. We are partnering with Agastya International Foundation, the nonprofit educational trust in India, to bring Agastya's innovative science education approach to economically disadvantaged youth, ages 6-18, who are attending government schools in the cities of Pune and Pilani. Additionally, we have partnered with SOS Children's Villages of India, a nongovernment organization (NGO) that provides long-term support to orphan and abandoned children to grow up in a nurturing environment.

Employee Volunteerism

We encourage employees around the world to be involved in their communities, and many devote their time and energy to important causes and organizations.

ST. LOUIS EMPLOYEES GIVE BACK TO THE COMMUNITY TO CELEBRATE EMERSON'S 125TH

To commemorate Emerson's 125-year anniversary, nearly 300 employees at the St. Louis, Mo. headquarters campus participated in a Week of Giving to help the local community by either contributing donations or performing volunteer activities. In coordination with United Way of Greater St. Louis, employees volunteered their time in various intervals throughout the week with non-profit organizations such as Salvation Army, the International Institute, Almost Home, and YWCA, among others. Teams of employees took on projects ranging from indoor home repair and landscaping to sorting donations of clothes and household goods. Employees also gave blood, and contributed donations of coats and items for kits for new mothers.

PREPARING HIGH SCHOOL STUDENTS FOR FUTURE CAREERS IN BUSINESS

Since 2007, employees in Chanhassen, Minnesota have volunteered at Best Prep to provide mentorship to local high school students as part of a series of mentoring initiatives begun through involvement with Best Prep's eMentors program. Over the years, Emerson's employees have engaged in numerous activities with the students, such as conducting mock interviews, participating in career fairs, and sponsoring and mentoring Chaska High School's team for the FIRST Robotics® Competition. Emerson Process Management's Rosemount Youth Mentoring Team has grown into an active group of 100 Emerson employees and has mentored more than 500 students since 2007.



SOS CHILDREN'S VILLAGES OF INDIA

Emerson is providing financial support for SOS Children's Villages of India to help disadvantaged youth.



WEEK OF GIVING

Employees in St. Louis participated in Week of Giving volunteer activities in 2015 at local nonprofits to commemorate Emerson's 125th anniversary.

BUILDING HOMES OF HOPE

In Costa Rica, our management and employees established the Help Others and Promote Excellence (HOPE) program. Emerson HOPE focuses on three areas of action: health, environment, and community service. A number of initiatives and activities are undertaken each year.

For example, in 2014, for the second consecutive year, Emerson employees in Costa Rica and a group of Emerson Process Management employees from Calgary, Canada who traveled to Costa Rica teamed up to raise money and help build a home for a low-income family in the town of Lomas del Rio, Pavas. The employees who participated in this initiative collectively gave 100 hours of their time to build the home and raised nearly \$12,000. A similar project was undertaken in Costa Rica in 2015.



SOCIETY OF WOMEN ENGINEERS

Emerson employees participate in a recruitment event at the Society of Women Engineers Career Fair.

Encouraging young people to explore STEM careers

As a technology-focused organization, we value the need to nurture and encourage young people fascinated by the elements of science and management education. In 2015, we launched our '[I Love STEM](#)' social media campaign with YouTube star Hank Green to inspire and empower the next generation of engineers by connecting science to technological advances and modern conveniences.

Through our partnership with the [Society of Women Engineers \(SWE\)](#), we promote the advancement and recruitment of female engineering talent for our company. Additionally, we were ranked in the "Top 50 Employers" in Woman Engineer magazine among the top companies in the U.S. for which women engineers would most like to work or whom they believe would provide a positive working environment in 2015 and 2016.

Emerson has embraced and supported a wide range of STEM initiatives for many years in the communities where it operates. A multimillion dollar commitment to STEM and robotics programs through 2020 has supported or will expand activities within organizations and schools such as Girls Scouts of Eastern Missouri; STEMpact; Harris-Stowe University; University of Missouri-St. Louis; Girl Start in Austin, Texas; Air Camp in Dayton, Ohio; and Edina Public Schools, in Minnesota.



I LOVE STEM

Emerson launched its 'I Love STEM' campaign with YouTube star Hank Green to inspire the next generation of engineers.

This report has been prepared as of September 30, 2016 and is focused primarily on data collected and information made public during calendar 2015 or Emerson's fiscal 2015.

Any questions regarding this report should be directed to the:

Emerson Investor Relations Department,
8000 W. Florissant Avenue,
St. Louis, MO 63136, 314-553-2197.

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 which involve risk 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 SEC.