

Corporate Social Responsibility Report

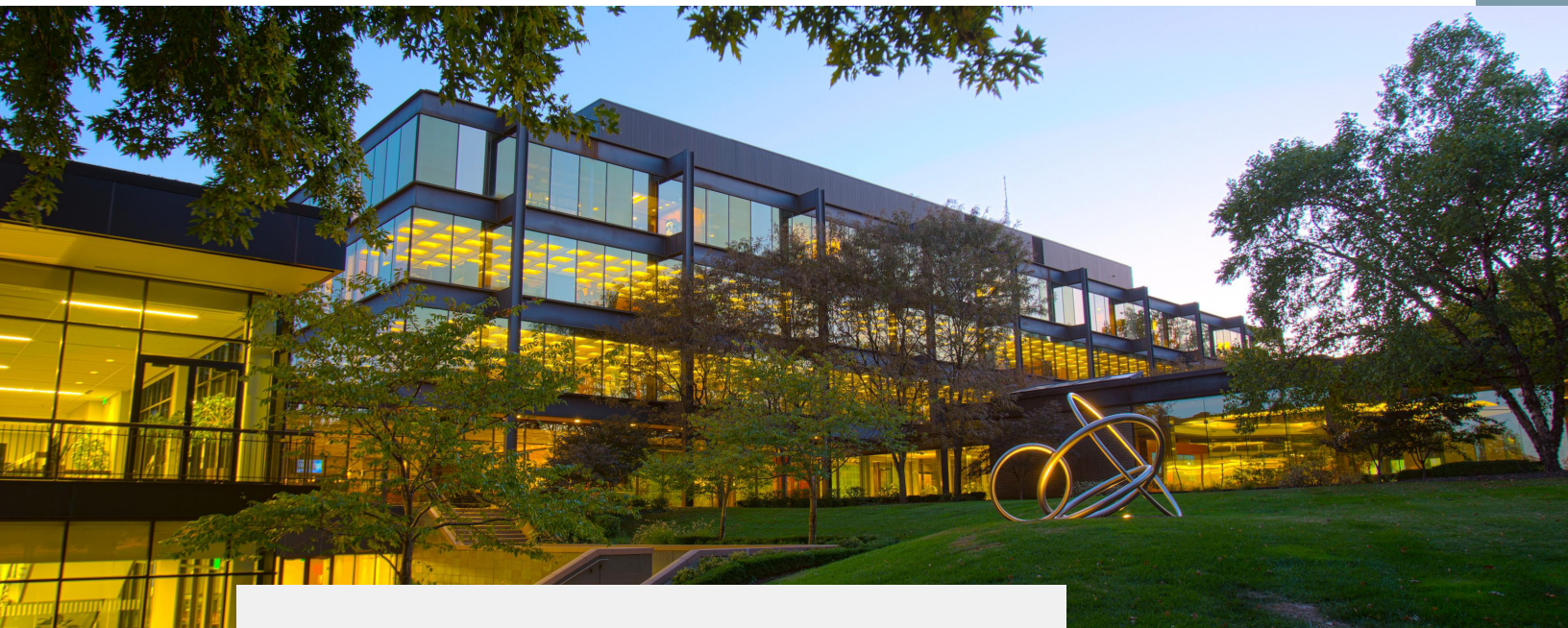


TABLE OF CONTENTS

EMERSON HEADQUARTERS
St. Louis, MO

Chairman's Message	03
Company Profile	04
Environmental Stewardship	05
Integrity & Ethics	15
Corporate Governance	21
People & Workplace	25
Supply Chain	32
Community Involvement	35
GRI Index	39

Chairman's Message

The past two years marks a period of significant change at Emerson as we realigned our business portfolio for our future success. We executed our plan (announced on June 30th 2015) to transform the company into a more focused enterprise. In 2016, we entered into agreements to sell the Network Power, Leroy-Somer, and Control Techniques businesses at favorable values. Our remaining businesses, which hold leading positions in their served markets, have been realigned around two new business platforms: Emerson Automation Solutions and Emerson Commercial & Residential Solutions. And we acquired Pentair's \$1.5 billion valves and controls businesses to strengthen our automation portfolio. The last of these major changes was completed by April 2017.

As we repositioned Emerson to be a more growth-oriented and economically sustainable enterprise for the next generation, we also worked to strengthen our approach to environmental sustainability and social responsibility.

We continue to drive innovation in our products, technologies, and services to reduce energy consumption and improve productivity for our customers. Automation Solutions introduced the Plantweb™ digital ecosystem which links our digital plant architecture for process control, safety and asset management with the power of the Industrial Internet of Things (IIoT). This helps to deliver improved performance in safety, reliability, production and energy use for our industrial customers. Emerson Commercial & Residential Solutions is working with the commercial refrigeration industry on systems that use more environmentally-friendly refrigerants. They are also working with customers in China to switch from local coal-fired, smog-producing boilers for residential heating to the use of modern energy-efficient electric heat pumps. We are working across this company to be more environmentally safe, clean, and more sustainable.

We also reaffirmed our commitment to improving internal operations. Safety is a priority at all of our manufacturing and office facilities around the world. This message has had an impact as our total recordable incident rate globally has fallen each year for the past five years, but we must be ever more vigilant to ensure the health and safety of our employees in the workplace.

As a company competing to recruit and retain the best talent for our management, engineering, and production needs, we are committed to making Emerson a more diverse and inclusive organization at all levels. In 2016, we began unconscious bias training for managers and employees, and this training was expanded in 2017. We have encouraged the growth of our Emerson Women in STEM organization to provide networking and professional development for women employees in engineering and other professional roles in our company.

I am also proud of how Emerson and its employees are helping to improve the communities where we operate. We are funding a wide range of programs and employees are volunteering in our communities to make a real and positive difference in people's lives, from Ferguson to rural China. Through our "We Love STEM" initiatives, we're helping make young people aware how Science, Technology, Engineering and Math classes help prepare them for future career opportunities. As a company, our focus is to help today's youth understand that manufacturing is very important to the global economy and we can make a difference.

On behalf of the Board of Directors, I want to thank our employees around the world for living our core values and helping make Emerson an ethical and more economically, environmentally, and socially responsible company. Through this Corporate Social Responsibility Report and our other communications, we are committed to maintaining an ongoing dialogue with our stakeholders on our efforts and progress in these areas.

Sincerely,

David N. Farr
Chairman and Chief Executive Officer



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. Founded in 1890, Emerson is incorporated under Missouri law and is a publicly traded company listed on the New York Stock Exchange (NYSE: EMR).

This report focuses primarily on information and data on the company's business and operations during 2016, a year of challenging market conditions and of transformational change for the company as we realigned our business portfolio to be a more focused enterprise. During 2016, the company sold the Network Power business (closed in December 2016) and the power generation and motors and drives businesses (closed in May 2017). The company's most significant acquisition during this time period was the purchase of Pentair's Valves & Controls business (announced in August 2016 and closed in April 2017).

The company portfolio now consists of two business platforms: Emerson Automation Solutions and Emerson Commercial & Residential Solutions. Our Emerson Automation Solutions business helps process, hybrid, and discrete manufacturers maximize production, protect personnel and the environment while optimizing their energy and operating costs. Our Emerson Commercial & Residential Solutions business helps ensure human comfort and health, protect food quality and safety, advance energy efficiency, and create sustainable infrastructure.

In fiscal 2016, the company had approximately 74,000 employees and 155 manufacturing locations worldwide (excluding discontinued operations). The company's global revenue was \$14.5 billion in fiscal 2016.

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.

MEMBERSHIPS

Emerson, its senior management and its employees are associated with a wide range of business-related initiatives and organizations around the world. Here are just a few examples: [Air-Conditioning, Heating & Refrigeration Institute](#), [Air Conditioning Contractors of America](#), [CEO Action for Diversity & Inclusion](#), [The Conference Board](#), [Conflict Free Sourcing Initiative](#), [The Consortium for Graduate Study in Management](#), [European Heat Pump Association](#), European Partnership for Energy & the Environment, [National Association of Manufacturers](#), [National Electrical Manufacturers Association](#), [Society of Women Engineers](#).



Environmental Stewardship

As a public company, Emerson develops and markets innovative technologies and services that meet the needs of our customers, provide jobs for our employees, and create value for our stockholders. As an industry leader and a corporate citizen in our communities, we also seek to improve quality of life, reduce the impact of our operations and products on the environment, and to leave the planet in a better place for future generations.

These goals aren't mutually exclusive. 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, reduce waste, and avoid unexpected issues. We focus on the same priorities within our own manufacturing operations.

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Our Technologies for Customers

Emerson is focused on helping our customers with the most complex and important challenges facing the world in the process, industrial, commercial, and residential markets. Our Automation Solutions business is helping customers make the greatest use of the world's valuable resources, helping nations move their economies forward in responsible ways, enabling the performance and safety of industries, and advancing the industries that are the backbones of daily life. Our Commercial & Residential Solutions business is helping customers ensure human comfort and health, protecting food quality and sustainability, advancing energy efficiency and environmental conservation, creating sustainable infrastructure, and continuing research and development momentum.

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

LAUNCH OF NEW PLANTWEB™ DIGITAL ECOSYSTEM

First introduced as the industry's most advanced digital plant architecture for process control, safety and asset management, Plantweb now harnesses the power of the Industrial Internet of Things to expand digital intelligence to the entire manufacturing enterprise, while also providing an architecture for on-premise applications. Plantweb provides a comprehensive framework to help manufacturers achieve Top Quartile performance in the areas of safety, reliability, production and energy use. Top Quartile is defined as achieving operations and capital performance in the top 25 percent of peer companies.

DRIVING INDUSTRY INNOVATION TO IMPROVE EFFICIENCY

In April 2016, Emerson opened The Helix Innovation Center on the campus of the University of Dayton (Dayton, OH, USA), an industry-first facility dedicated to advancing research for the global heating, ventilation, air conditioning, and refrigeration (HVACR) industry. The Helix provides a space for Emerson to collaborate with customers, HVACR industry partners, and competitors, as well as experts from other industries. Emerson has invested \$35 million in this facility and staff which seeks to advance HVACR ideas from concept to prototype in 90 days or less, generating new opportunities to increase health and comfort, and reduce energy consumption and environmental impact.

Examples of work at The Helix in 2016-2017 include:

- > To help industry partners improve ice machine efficiency, Emerson developed and filed a patent application for a computer simulation model of a commercial ice machine in September 2016. The new computer simulator was tested to be within 5 percent accuracy of actual ice machines. Emerson's work on ice machine efficiency is aimed at helping the industry address the U.S. Department of Energy's target of reducing energy usage in ice machines that produce 50 to 4,000 pounds per day by 10 to 15 percent by 2018.
- > In 2016, Emerson installed an industrial refrigeration system module at The Helix Innovation Center that can be used for testing larger cold storage systems using CO₂, a natural refrigerant that is considered more environmental friendly than HFC (hydrofluorocarbon) refrigerants. Carbon dioxide has no ozone depletion potential and negligible direct global warming potential when used as a refrigerant in closed cycles. The system at The Helix allows Emerson engineers and product development staff to create a CO₂ subcritical cascade system providing insights into the entire process from design to installation, start-up commissioning and performance testing.

Emerson has been so encouraged by industry and academic interest in the HVACR arena that the company opened a second Helix Innovation Center at Georgia Tech University's Technology Square in midtown Atlanta in the fall of 2016. The Atlanta location will serve as a focal point of Emerson's collaboration on Big Data and Internet of Things concepts for the HVACR industry.



THE HELIX INNOVATION CENTER AT UNIVERSITY OF DAYTON

GRIND2ENERGY™ TURNING FOOD WASTE INTO RENEWABLE ENERGY

Food waste represents the single largest source of landfill waste and a significant producer of greenhouse gases. In fact, commercial kitchens produce on average more than 4,000 pounds of food waste a week. GrindzEnergy™, developed by the engineers at Emerson's InSinkErator® business, helps large food waste generators such as supermarkets, hotels, casinos, and sports arenas to minimize their environmental impact and boost their operational efficiency. The system uses industrial-strength InSinkErator food waste grinders to process food scraps into a liquid "slurry" that is pumped into on-site holding tanks at business locations. The slurry is then transported to anaerobic digesters, which naturally convert it into water, fertilizer and methane that is captured to produce renewable energy. In 2016, [GrindzEnergy](#) customers diverted 7,400 tons of food waste from landfills and eliminated greenhouse gases equivalent to driving 11.9 million miles.

- > In 2016, Northgate Markets in California introduced GrindzEnergy to help address food waste across its stores. Renewable energy created from the chain's food scraps has been enough to power 53 homes and heat 78 homes for a month. The food scraps have also generated 20,394 pounds of nutrient-rich fertilizer and have reduced greenhouse gas emissions equivalent of driving 234,385 miles.
- > Whole Foods Market is using GrindzEnergy at 10 stores in its North Atlantic Region to dramatically reduce food waste from these stores going to landfills. GrindzEnergy was initially installed in 2014 in a Whole Foods Market in Andover, Massachusetts. Since then, Emerson has helped Whole Foods Market produce more than 220,000 pounds of nutrient-rich fertilizers, eliminate greenhouse gas emissions equivalent to more than 2.5 million automobile miles, and convert enough natural gas to heat nearly 850 homes for one month. In 2016 Whole Foods Market designated GrindzEnergy as the North Atlantic Region's Green Supplier of the Year.

Results from Cleveland and other GrindzEnergy early adopters have demonstrated the solution's ability to reduce landfill waste, generate significant energy from renewable resources and reduce greenhouse gas emissions into the atmosphere, all at costs equal to or less than composting or other environmentally friendly options.

NEW HEATING TECHNOLOGIES WITH LESS POLLUTION IN CHINA

Emerson is delivering new technologies for heat pumps that help reduce China's reliance on coal-burning heat plants. An electric-powered air-source heat pump can both cool and heat a home. Heat pumps with Emerson's Copeland Scroll Heating technology – which can efficiently operate even when temperatures are below freezing – are 20 percent more energy efficient than a traditional hot-water system heated using a coal-fired boiler. More than 150,000 electric heat pump units using Emerson's scroll compressor technology were installed in China in 2016, each helping to reduce China's carbon footprint while providing modern indoor comfort for



GRIND2ENERGY

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

7,400 tons

Amount of food waste customers using GrindzEnergy diverted from landfills in 2016 — eliminating greenhouse gases equivalent to driving 11.9 million miles.

its residents. The expanded use of heat pumps is one of several strategies that has contributed to a 4.7 percent reduction in China's overall coal use compared with 2015, marking the third consecutive year that China has reduced coal consumption.

HELPING JUNEAU, ALASKA PLAN A RENEWABLE HEATING SYSTEM USING SEAWATER

Emerson's Vilter business, manufacturer of industrial heat pump systems, is working with private investors and local officials in Juneau, Alaska on plans to build North America's first district heating system to use seawater to heat homes and businesses. The system will generate no carbon emissions because it burns no fossil fuels. The power required for the heat pumps is sourced from a nearby hydroelectric facility also owned by the developers resulting in zero emissions.

The plan is to supply heat to buildings in downtown Juneau, which includes state-owned buildings, commercial buildings, and even homes. The Juneau District Heating system will take in seawater from the Gastineau Channel into a district energy plant where a network of heat exchangers and the innovative Emerson Seawater Heat Pumps transfer the heat energy from the seawater to create high temperature freshwater that is distributed to heat the buildings in Juneau. Emerson's patented system of compressors and high temperature heat pumps provide a cost effective and sustainable means to provide heat without requiring costly building retrofits or burning of fossil fuels. Furthermore, the refrigerant used does not affect the ozone in any way and has a zero global warming potential.

SUPPORTING WASTE-TO-ENERGY PLANTS TO ENSURE EFFICIENT, RELIABLE POWER GENERATION

- > Poland. In 2016, Emerson provided its Ovation™ automation technologies and services to ensure the successful startup of a waste-to-energy plant in Bydgoszcz, Poland. The new plant enables the region to dispose of waste effectively and helps Poland meet its obligations under the European Union's 2020 climate and energy directive. The municipal waste incineration facility, operated by Miedzygminny Kompleks Unieszkodliwiania Odpadów (MKUO) ProNatura, will generate 100,000 megawatts-hours of electricity per year, which is enough to power 50,000 homes from 180,000 metric tons of household waste.
- > United Kingdom. Emerson is providing its control systems and project services for a new waste-to-energy power plant near Knaresborough Allerton, North Yorkshire, UK. The plant, which will also incorporate biogas and recycling facilities, will produce 28 megawatt-hours of electricity per hour from 320,000 tons of waste, exporting enough energy to the National Grid to power the equivalent of 40,000 homes and further help the UK to meet the EU Energy Directive 2020 targets for renewable energy. The facility will also divert more than seven million metric tons of waste from landfills over its 25-year lifetime, and recover more than one-and-a-half

“Carbon Clean 200”

EMERSON RANKED SIXTH IN THE INAUGURAL CARBON CLEAN 200 RANKINGS (AUGUST 15, 2016), WHICH RANKS THE LARGEST PUBLICLY LISTED COMPANIES BY THEIR CLEAN ENERGY REVENUES

million tons of recyclable materials. The plant will be operated by Amey on behalf of North Yorkshire County Council and the City of York Council.

- > Switzerland. Similarly, Emerson is providing process automation technologies and services for current and future waste-to-energy projects of Hitachi Zosen Inova. Zurich-based Hitachi Zosen Inova specializes in thermal and biological treatment of municipal waste, and with experience on more than 600 projects worldwide, is a leader in the generation of energy using waste as fuel. Under a global framework agreement announced in 2016, Emerson was selected by Hitachi Zosen Inova as a preferred supplier of automation technologies, including control and safety systems, predictive maintenance software, control valves and measurement devices, and services such as engineering, project management, and lifecycle care. The agreement formalizes the relationship between the two companies following a successful project at Perlen, near Lucerne, Switzerland. The US\$319 million (CHF 320 million) Perlen project is the largest climate protection project in central Switzerland. The facility is set to produce 155,000 MWh of electricity per year, covering the energy requirements of nearly 38,000 households, and will supply 320,000 MWh of steam to an adjacent paper mill.

EMERSON ADDS THERMAL ENERGY HARVESTING TO WIRELESS PRODUCTS

In 2016, Emerson announced it would adopt advanced thermal energy harvesting as a power source for its wireless products. Power Puck® thermoelectric energy harvesters, made by Perpetua, convert ambient heat commonly released in industrial processes into electricity for powering Rosemount™ wireless transmitters. The Power Puck energy harvesting solution is especially advantageous to wireless devices in power intensive applications, where a conventional power module may require replacements more frequently. Power Puck thermoelectric energy harvesters provide continuous, reliable power for the life of the transmitter and include an intrinsically safe power module for back-up power. Power Puck is a convenient, sustainable energy harvesting solution which can be incorporated into a variety of applications, enabling users to decrease maintenance costs.

DESIGNING COMMERCIAL REFRIGERATION COMPRESSORS TO MEET NEW EPA COMPLIANCE STANDARDS

With the commercial refrigeration industry taking a closer look at natural and alternative refrigerant options in the wake of the Significant New Alternatives Policy (SNAP) program set forth by the Environmental Protection Agency (EPA), Emerson has updated its Copeland compressor lines to meet these new compliance standards. The refrigeration industry is taking an even closer look at both CO₂ (R-744) and propane (R-290); each has extremely low global warming potential. In one back-to-back R-290 performance test, Emerson saw an efficiency improvement of approximately 10 percent.



POWER PUCK®
Power Puck® thermoelectric energy harvesters convert ambient heat commonly released in industrial processes into electricity for powering Rosemount™ wireless transmitters.

Managing Our Facilities

ENVIRONMENTAL PRINCIPLES FOR EMERSON'S OPERATIONS

Each of our 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:

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

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.

ENVIRONMENTAL COMPLIANCE

We assess the environmental compliance of Emerson facilities annually in most cases, with 85 percent of manufacturing facilities assessed with compliance audit or self-assessment in 2016. In this process, we analyze the procedures and performance of our facilities against standards set by local law or Emerson's standards – whichever sets a higher standard. Furthermore, when acquiring companies, we assess their environmental policies and procedures to correct any issues.

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.

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.

In spring 2017, Emerson announced plans to build a new headquarters for its InSinkErator business in Wisconsin. The new headquarters and lab building, which has been designed to qualify for LEED certification, is expected to open in July 2018.

Beyond these certifications, other Emerson facilities are making meaningful strides to reduce environmental impact, which in 2016 included the following:

- > Emerson’s facility in Chengdu, China, took action to save water by encouraging staff through signs and slogans, and improved maintenance practices, decreasing water consumption at the facility by 5 percent, saving 444,063 gallons per year.
- > Emerson’s Ridge Tool Europe business moved to a new office and warehouse location in Sint-Truiden, Belgium. They have incorporated LED lighting, storm water recovery, solar panels, automatic sun screens, and waste recycling and separation systems.

ENERGY CONSERVATION AND EFFICIENCY

Emerson has continually implemented energy efficiency measures at its facilities, conducted energy audits and sought out new opportunities to reduce the impact of its operations on the environment. In 2016 these conservation and efficiency activities included the following:

- > Emerson’s Rosemount facility in Slough, United Kingdom introduced a series of internal and external LED lighting upgrades to reduce energy use and improve the quality of lighting within the facility. This initiative resulted in energy savings of 249,011 kWh/year and \$32,088 in cost savings. The upgrades also reduced heat transfer from incandescent lights in production areas, which previously required additional cooling in the summer months.
- > In India, our Chennai facility has focused on multiple energy-saving projects, 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 6,400 kWh/month, from September 2016 to March 2017.

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

Emerson facilities with green building certifications



LEED Certified
Helix Center - 2016
 DAYTON, OHIO (USA)



LEED Silver
Emerson Scroll Machining Building - 2013
 AVA, MISSOURI (USA)

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

Emerson Campus - 2013
 SOROCABA (BRAZIL)

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



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

Emerson India Headquarters - 2013
 GURGAON (INDIA)

across our businesses. In fiscal 2016, our businesses used approximately 18,000 tons of copper and 251,000 tons of steel, not including copper and steel contained in finished components, of which approximately 72 percent and 47 percent, respectively, were recycled materials.

REGULAR ENVIRONMENTAL TRAINING

Emerson conducts regular environmental training programs for its plant environmental managers, business unit 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 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 local environmental laws.
- > Pollution prevention, waste minimization and energy conservation.
- > Specialty topics like hazardous material transportation, spills and incident response, and recycling technologies.

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 auditors conduct detailed inspections of the facility and its environmental records. The purpose of these audits is to evaluate environmental regulatory compliance, as well as the overall environmental management practices of each plant. The audit process also encourages plant environmental managers to look beyond basic compliance to explore ways to implement innovative and productive environmental management practices.

Prior to an on-site inspection by an outside environmental consultant, each plant is required to complete a detailed questionnaire provided by the Corporate Environmental Affairs Department. Once the formal audit is completed and the outside auditor submits a written report, 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.

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In 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 oversees this annual process.

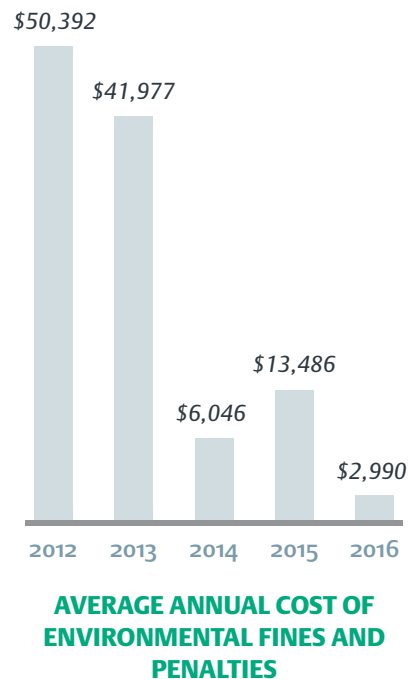
FINES AND SANCTIONS

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, penalties, or citations. When environmental fines or penalties have been imposed, the costs have been minimal in comparison to the size of our operations.

For example, in 2016 environmental regulators inspected our facilities or were notified of incidents on 37 different occasions worldwide (compared to 44 occasions in 2015). Of these occasions in 2016, only three resulted in monetary penalties totaling \$2,990 (compared to five in 2015). The average annual cost of environmental fines and penalties incurred globally by Emerson from 2012 through 2016 was approximately \$23,000.

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

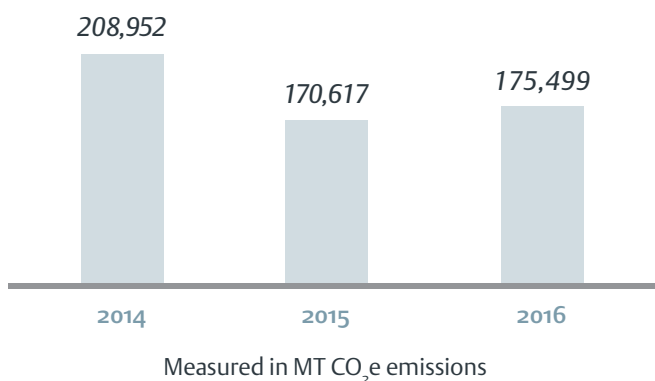
Compared to 2015, Emerson experienced a 2.8 percent increase in global CO₂ emissions, a 10.5 percent reduction in global water consumption, and a 1.9 percent increase in global energy use. We attribute these results to several factors, including an increase in the number of reporting manufacturing facilities, new production facilities going online across our businesses, and increases in production to meet the needs of our customers.

Greenhouse Gas (GHG) Emissions

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

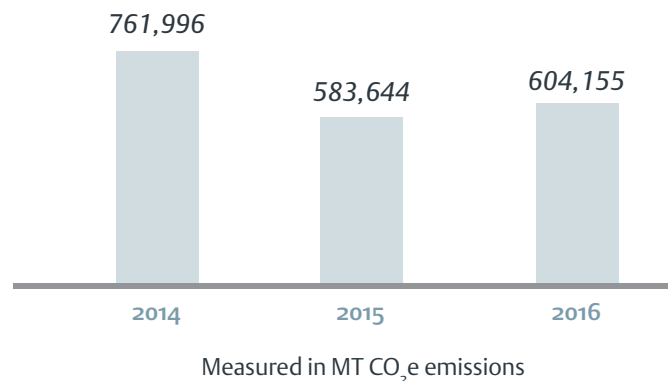
Scope 1 - Direct GHG Emissions

Includes the combustion of fossil fuels [e.g. natural gas, fuel oil, propane, etc.] for comfort heating or other industrial applications at Emerson manufacturing facilities.



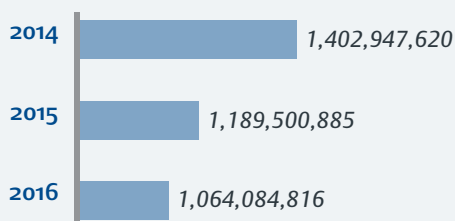
Scope 2 - Indirect GHG Emissions

Includes the consumption of purchased electricity, steam, or other sources of energy [e.g. chilled water] generated upstream from Emerson manufacturing facilities.



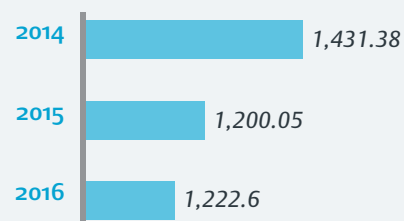
Water Consumption

Emerson's worldwide water usage (in gallons):



Energy Use

Emerson's worldwide electricity usage (in megawatt-hours):



Notes: All data is for the calendar year indicated and is based on the Emerson business portfolio during that year. During 2014, 2015 and most of 2016, the company was comprised of five business segments: Process Management, Industrial Automation, Network Power, Climate Technologies, and Commercial & Residential Solutions. Emerson completed the sales of the Network Power business in December 2016 and Leroy-Somer and Control Techniques of its Industrial Automation segment in January 2017. Global sales (including the discontinued businesses) were \$24.5 billion in fiscal 2014, \$22.3 billion in fiscal 2015, and \$20.2 billion in fiscal 2016.



Integrity & Ethics

Emerson works hard to maintain a culture of ethical conduct and legal compliance. Our Ethics and Compliance 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 company's 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 has 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.



A complete refresh and redesign of the Emerson ethics handbook for employees will debut in the fall of 2017. The new ethics handbook, like the prior version, will be translated to all relevant languages in addition to English.

The refreshed ethics handbook for employees is being released in parallel with the internal rollout of a new company-wide single set of values designed to help unify management around a common goal and provide a clear road map for all employees on how they are expected to act and behave. The company's seven core values are: Integrity, Safety and Quality, Support Our People, Customer Focus, Continuous Improvement, Collaboration, and Innovation.

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 to 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 and demonstrates Emerson's culture of compliance. We also 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.

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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 chairperson of the Audit Committee of the Board of Directors directly receives finance-related hotline reports from the independent hotline provider, and the Committee reviews serious ethics and compliance allegations, and receives a report on the resolution of any such allegations.

CONFLICT OF INTEREST EVALUATION AND REPORTING

Emerson conducts an annual reporting process to determine whether any potential conflicts of interest exist between the company and any of its Directors, officers or employees. Each year, a questionnaire is administered to all employees in a position to influence and/or receive personal gain at the company's expense. The questionnaires are available in 21 languages and approximately 39,000 Directors, officers and employees responded. All newly reported responses indicating a potential conflict of interest issue are reported to the Ethics Committee. All such responses are investigated and resolved. The Board of Directors' 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 CONTROLS

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

Reports to the hotline may be filed anonymously, and we tolerate no form of reprisal against employees for reporting concerns.



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 U.S. political process through our federal political action committee (PAC), the “Emerson PAC”, our “Missouri PAC”, the Emerson Missouri Responsible Government Fund, and occasionally and as permitted by law, direct Company contributions. Emerson and the Emerson political action committees (PAC) are non-partisan.

All contributions from either the PACs or from our Company are made solely on the basis of issues of importance to our company, our employees and our shareholders. Contributions are made to support pro-manufacturing, pro-business and pro-economic growth policies, and specifically include trade, taxes, energy, healthcare, environment and legal liability, to name but a few. In making contribution decisions, both the Company and the PAC boards consider the views, quality and effectiveness of the candidate, organization or cause, and whether the candidate or cause is likely to succeed. They also review organizations and individuals associated with proposed recipients to determine whether the positions taken by those organizations or individuals could be inconsistent with Emerson’s interests.

As part of its oversight role for Company political activities, 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 total annual contribution limit is \$1,000,000. The Committee receives a report annually on all of the Company’s political spending.

All Company political expenditures are initially reviewed by Emerson’s government affairs office in Washington, D.C. Proposed contributions are then reviewed by the office of the General Counsel to assure legal compliance. Final authorization is required from the Chief Executive Officer.

The Company provides no direct support to federal candidates, because U.S. law prohibits companies from contributing to candidates for federal office. However, in states where corporate contributions are permitted by law, Emerson may make contributions to state and local candidates, political organizations and ballot issues of importance to our company or may make such contributions from the Missouri PAC. Any contributions to candidates or ballot issues from the Company are subject to reporting by the recipient candidate or ballot issue committees, pursuant to the laws of the state or locality where the committee is formed. For fiscal 2016, Emerson contributed a total of \$99,000 to state and local political candidates, and federal, state, and local campaigns and ballot and bond issues, including \$89,000 contributed to the Missouri PAC. The recipients and amounts of those contributions are detailed in our Political Contributions Report.

PAC CONTRIBUTIONS

The Emerson PAC supports federal candidates and committees, as well as other candidates and party organizations where permitted by law, through voluntary, after-tax contributions by Emerson employees and retirees who choose to pool their resources in the Emerson PAC to support candidates who share the values and goals of the Company.

The Federal Election Commission (FEC) regulates activities of the Emerson PAC. All current and prior election cycle contributions to and from the Emerson PAC are reported to the FEC and are available on its website by searching for “Emerson”. Contributions to the Emerson PAC in calendar year 2016 totaled approximately \$240,000 and disbursements totaled approximately \$225,000. Emerson PAC expenditures are provided in our LD-203 reports described below.

The Missouri PAC is supported by Company contributions to support candidates in Missouri, as well as party organizations where permitted by law. In fiscal 2016, Emerson contributed \$89,000 to its Missouri PAC. A list of contributions by the Emerson Missouri Responsible Government Fund is available on the Missouri Ethics Commission website by entering “Emerson” for the committee name. The Missouri PAC made \$115,500 in total contributions during fiscal 2016.

Contributions by the Missouri PAC during fiscal 2016 in excess of \$5,000 were as follows:

- > Missouri Republican Party - \$25,000
- > Koster for Missouri - \$25,000
- > Greitens for Missouri - \$25,000
- > Friends of Todd Richardson - \$8,500

Further information about Emerson’s policies and procedures for political spending as well as Missouri Ethics Commission reports for the last 18 months can be found on the [Political Contributions page](#) of the Emerson website.

The Emerson Washington, DC office generates a list of candidates these PACs can support based on the PAC giving criteria, requests from third parties and suggestions from PAC members. Outside legal counsel then conducts a review of proposed disbursements. Separate boards made up of Emerson employees set overall contribution budgets and approve all contributions by each PAC. The PAC boards retain counsel to ensure compliance with applicable laws and regulations. Each PAC undergoes an independent annual audit and legal review.

Trade Associations and Lobbying

Emerson’s shareholders, employees, and customers are keenly affected by public policies at all levels of government. To protect shareholder value, Emerson maintains a small office in Washington, D.C. to engage with public officials at all levels of government to educate them on our company’s operations, emerging technologies and markets. This office also follows and, when necessary, seeks to influence public policy decisions that impact the company and its shareholders.

Emerson has established two PACs: a federal PAC called the Emerson PAC and a state PAC called the Emerson Missouri Responsible Government Fund.

These activities are governed and regulated by federal and state laws. With the help of knowledgeable employees throughout the company, Emerson's government affairs team identifies and follows issues of importance to Emerson's continued well-being. When those issues lend themselves to public policy solutions at the federal level, Emerson's government affairs team sometimes reaches out to policymakers on Capitol Hill and in the Executive Branch to raise awareness and educate them as to potential effects of policies under consideration. Under federal law, that process is considered "direct lobbying." Sometimes, rather than reaching out directly to policymakers, Emerson engages with policymakers on issues through one or more trade associations to which Emerson belongs and who share our concerns and interests. That is considered "indirect lobbying." Emerson engages in both direct and indirect lobbying. Emerson does not engage in "grassroots" lobbying. All decisions about which government policies Emerson seeks to shape are based upon what is in the best interests of our industry, our company, our employees and, most importantly, our shareholders.

Emerson's federal lobbying activity is reported in our Lobbying Disclosure Act filings, which are publicly available at two websites:

- > US House of Representatives
- > US Senate

Emerson's LD-2 and LD-203 Lobbying Reports for the last 18 months are available on the Trade Associations and Lobbying page of the Emerson website. During calendar year 2016, Emerson's LD-2 Lobbying Reports reported \$580,000 in expenses related to lobbying activities, which includes all lobbying-related expenses of our Washington D.C. office and personnel. Emerson's LD-203 Lobbying Contribution Reports for calendar year 2016 reported expenditures of approximately \$225,000, all made through the Emerson PAC.

Contributions in excess of \$5,000 to individual recipients were as follows:

- > Devin Nunes (CA22) \$10,000 – Ways and Means Committee
- > Donald Bacon (NE2) \$10,000 – pro-business challenger to incumbent
- > Erik Paulsen (MN-3) \$10,000 – Ways and Means Committee; significant Emerson operations in District
- > George Holding (NC2) \$10,000 – Ways and Means Committee
- > Jason Smith (MO8) \$25,000 – Ways and Means Committee; Emerson headquartered in Missouri
- > Kyrsten Sinema (AZ9) \$7,500 – Strong pro-business record
- > Patrick Tiberi (OH12) \$10,000 – Ways and Means Committee; Chairman Joint Economic Committee
- > Paul Ryan (WI1) \$10,000 – Speaker of the House; Emerson operations in Wisconsin
- > Thomas Emmer (R-MN6) \$10,000 – Emerson operations in Minnesota

A photograph of three business professionals (two men and one woman) sitting around a round table in a modern office setting, engaged in a meeting. A laptop is open on the table. The text 'Corporate Governance' is overlaid on the left side of the image.

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. We 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. We currently have two female Board members appointed in 2014 and 2017, respectively.
- > **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. 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.** Our Board chairman is CEO David N. Farr. The Board believes that it should have the flexibility to make the determination of whether the same person should serve as both the Chief Executive Officer and Chairman of the Board at any given point in time, or if the roles should be separate. The Board believes that its current leadership structure, with Mr. Farr serving as both Chief Executive Officer and as Chairman of the Board, as well as Chair of our Executive Committee, is appropriate given Mr. Farr's past success and extensive experience serving in these roles, the efficiencies of having the Chief Executive Officer also serve in the role of Chairman, the Company's strong corporate governance structure, including the newly adopted Lead Independent Director position, and the Company's financial performance under Mr. Farr's leadership.

The Board also has 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.

Recent Corporate Governance Actions

The Corporate Governance and Nominating Committee periodically reviews the Company's governance principles and practices in light of feedback from stockholders, industry trends, and the 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 has recently taken the following corporate governance actions:

- > Created a Lead Independent Director position in October 2016 and appointed Randall Stephenson as Lead Independent Director.
- > Adopted an amendment to the Company's Bylaws to provide stockholders with a proxy access right which, subject to certain limitations, permits a holder (or a group of not more than 20 holders) of at least 3 percent of the Company's outstanding common stock to nominate and include in the Company's proxy materials director nominees constituting up to the greater of two individuals or 20 percent of the Board, provided that the nominating holder(s) and the nominee(s) satisfy the requirements specified in the Bylaws.
- > Committed to submit to stockholders at the 2018 Annual Meeting of Stockholders a proposal to amend the Company's Articles of Incorporation to allow stockholders the right to amend the Company's Bylaws.
- > Committed to submit to shareholders at the 2018 Annual Meeting of Stockholders a non-binding advisory proposal to ratify the exclusive forum Bylaw adopted by the Board in August 2016.

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

Emerson's Board of Directors establishes guidelines for Board operations and 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.

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 Board has delegated to the Audit Committee responsibility for risk assessment and risk management, including major financial risk exposures and the steps management has taken to monitor, mitigate and control such exposures, as well as oversight of the Company's environmental

The Corporate Governance Committee is responsible for overseeing the Company's conflict of interest policies, codes of ethics, political activities, and compliance with laws and regulations, including oversight of the Company's political spending activities.

activities, audits, and expenditures. The Corporate Governance Committee is responsible for overseeing the Company's conflict of interest policies, codes of ethics, political activities, and compliance with laws and regulations, including oversight of the Company's political spending activities. The formal, annual risk assessment process includes surveys of all business unit Presidents and interviews with all business leaders, corporate functional leaders and members of the Office of the Chief Executive. For each risk, the magnitude and probability of the risk occurring are determined. In addition, the employee responsible for mitigating the risk and the mitigation plan and timeline are documented.

The full Board, or the appropriate Committee, receives this risk assessment information annually to enable it to understand and monitor 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. This could include potential issues such as ethics or human rights violations, environmental risks, etc.

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

At Emerson, the success of our company is fueled by the knowledge, skills, integrity, and engagement of our employees. As a company, we seek to create a culture and workplace environment to support our people so they can reach their greatest potential. Our core values – integrity, safety and quality, support our people, customer focus, continuous improvement, collaboration, and innovation – are fundamental to the way we conduct our business and achieve success.

Living our core values means Emerson expects nothing less than top performance from our employees, and employees expect a destination-of-choice workplace from Emerson. 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 continually look to break new ground in these areas to help Emerson maintain its status as an employer of choice, which in turn drives innovation and delivers excellence for our customers.

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.

DIVERSITY & INCLUSION

Emerson is committed to creating a global workplace that encourages diversity and embraces inclusion. We believe that bringing together bright, enthusiastic, and talented people from a variety of backgrounds and cultures promotes the birth of new ideas and an exciting energy level.

We are committed to increasing the diversity and inclusion of our workforce by seeking to attract, develop and retain more women and minorities as part of our overall workforce and at all levels of our management team. We are actively working to create an employer of choice environment within our industry in terms of promotions, transfers, compensation, benefits, career mentoring, company-sponsored training, tuition assistance, and social and recreational programs for our employees.

At the direction of Chairman and CEO David Farr, the company established the Emerson Diversity Council in 2013. This group, comprises senior leaders from Emerson corporate and our business platforms, helps set direction and provides oversight and guidance on diversity and inclusion initiatives. The Council's mission is to attract, develop, and retain the best talent around the world.

In 2016, the Emerson Diversity Council undertook several strategic initiatives to support the company's diversity and inclusion commitment, including:

- > Initiated research and sharing of best practices on diversity and inclusion. This included sharing best practices across Emerson businesses, as well as hosting an information-sharing session with human resource executives from a group of peer companies to hear about their best practices and key learnings.
- > Identified diversity training on unconscious bias as a priority. This led to engagement with an outside consultant to help the company develop an appropriate training curriculum. Roll-out of the training began in 2016, with over 200 Emerson leaders and employees from across the company participating. This training is being continued and greatly expanded in 2017.
- > Supported the Employee Resources Group (ERG) known as Emerson Women in STEM and conducted research and internal discussions on how the company should support ERGs in general.
- > Strengthened our commitment to outreach and recruitment of minority MBA degree recipients through Emerson lead sponsorship of the [Consortium for Graduate Study in Management's](#) 50th anniversary annual conference in St. Louis, our global headquarters city.

In 2017, Emerson Chairman and CEO David Farr pledged the company's support for the "[CEO Action for Diversity & Inclusion](#)" initiative to work with other U.S. companies, large and small, to advance diversity and inclusion within the workplace.

WOMEN

We offer networking and learning opportunities through Employee Resource Groups, such as our Women in STEM organization which is an outgrowth of the Emerson Diversity Council's support for the formation of an ERG devoted to this important issue in 2013. Emerson Women in STEM had more than 590 employee members globally and held 24 regional events in the United States in 2016. The group is focused on attracting, developing and retaining the best women engineers, scientists and technologists to enhance the diversity of ideas and approaches that drive business growth for Emerson.

Emerson's U.S. workforce (2016):

27.9%
WOMEN

23.5%
MINORITIES*

3.8%
PROTECTED VETERANS

3.8%
PEOPLE WITH DISABILITIES

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

Emerson's U.S. workforce ages (2016):

13%
UNDER AGE 30

44%
AGE 30-50

43%
OVER AGE 50

Emerson Women in STEM organizes and hosts networking opportunities, professional development sessions and recognition events for female employees, participates in the Society of Women Engineers, promotes awareness of women in STEM career opportunities at schools and youth groups, and participates in company recruiting activities. With Emerson’s support and encouragement, Emerson Women in STEM began to expand to our global organization in 2016, with activities initiated in Europe (UK, Germany and Romania), India, China and Costa Rica.

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 the United States. In addition, in 2016, Emerson participated in the first SWE conference to take place in India and hosted a SWE China roundtable discussion in our Shanghai offices with invitees from other companies.

In 2015, 2016, and 2017, Emerson was ranked by Woman Engineer magazine in the “Top 50 Employers” in the United States for which women engineers would most like to work or whom they believe would provide a positive working environment. In 2017, Emerson announced a partnership with Pink Petro, a global community and social enterprise aimed at ending the gender gap in the energy industry, to support women professionals in energy industry jobs.

MINORITIES

We actively seek to increase the diversity of our global workforce by participating in recruiting events at universities and business schools, and at job fairs during professional societies’ annual conferences, to find and engage qualified candidates for both entry- and executive-level positions.

For example, we recruit candidates for our MBA Leadership Program through our partnership with the [Consortium for Graduate Study in Management](#), the largest diversity network in the United States 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. In 2016, Emerson was the leading corporate sponsor for the Consortium’s annual conference in St. Louis. Emerson has been a supporter of their mission for more than 20 years as one of the first companies to become a Consortium corporate partner, and participation has become a cornerstone of the company’s MBA recruiting program.

U.S. MILITARY VETERANS

Emerson and its business units actively seek to recruit U.S. military veterans to explore job opportunities at our company as they transition to their post-military careers. We participate in a number of events and partnerships to that end. For example, our recruiting team from Emerson Automation Solutions in Texas participates in the Service Academy Career Conference, which allows us to connect with high potential candidates that have graduated from service academies. Our Rosemount Measurement business has a Veterans Outreach Committee committed to establishing veteran friendly practices for recruiting, onboarding and retention.



Emerson’s U.S. workforce trends (2011 to 2016):

+20.4%

WOMEN IN MANAGEMENT POSITIONS

-1.4%

WOMEN IN ALL POSITIONS

+36.5%

MINORITIES* IN MANAGEMENT POSITIONS

+19.8%

MINORITIES* IN ALL POSITIONS:

Workforce representation data is based on consolidated federal EEO-1 and VETS-4212 filing

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

Emerson Commercial & Residential Solutions currently participates in the Veterans and Employers Connection program managed by the Goodwill Easter Seals Miami Valley organization in Dayton, Ohio. This community alliance is dedicated to facilitating meaningful, long-term employment of veterans in Miami Valley with a goal of local companies hiring 5,000 veterans by 2020. In 2015, Emerson received an award for being one of the top employers for hiring veterans in the Miami Valley area of Ohio.

UNCONSCIOUS BIAS TRAINING

With the help of an outside consultant, Emerson has developed a training curriculum focused on unconscious bias. Roll-out of the training began in 2016, with over 200 Emerson leaders and employees from across the company participating. This training is being continued and greatly expanded in 2017. Unconscious bias training will become a part of the company's Executive Leadership Program curriculum and its e-learning modules for all supervisors.

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. Our safety efforts are led by our Corporate Safety Council which meets quarterly. The Council sets expectations, provides oversight, and tracks progress of our global safety program in order to drive continuous improvements, reinforce our safety culture, and reduce injuries in Emerson's operations. All of our locations with 50 or more employees have a health and safety committee operating at the local level, which includes representation from members of the work force, to work proactively in addressing health and safety concerns. We conduct safety training for all operational management and require each of these locations 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.

The safety and health of all our employees is a core value within our company.

- > **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 reductions in incidents between 2012 and 2016.

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 Emerson’s and local safety standards, whichever is higher. Based on audit results, we work with facility management to rate safety compliance, and provide step-by-step plans to address any issues that are discovered. In the vast majority of cases, audit issues are addressed within 90 days.

Labor Practices

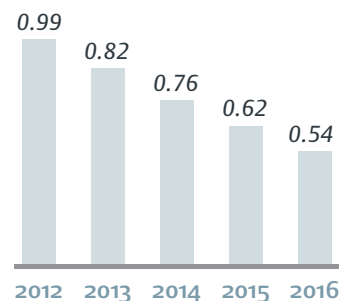
As part of our commitment to employees, we seek to uphold the highest standards in our labor practices, including conditions of employment and human rights. We do not employ child or slave labor and we respect our employees’ right to freedom of association in choosing labor organizations to represent them. Many of our employees are represented by unions or works councils and we strive to maintain positive relationships with those representatives. In the United States, 6 percent of our workforce is unionized and 29 percent of our worldwide employees are represented by an employee representative organization such as a union or works council.

WAGES AND BENEFITS

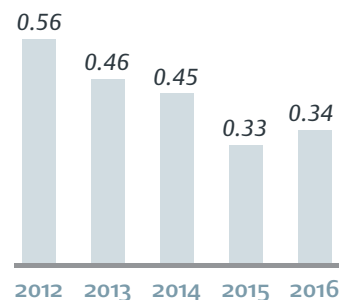
Our compensation practices comply with applicable wage laws and international standards, including those relating to minimum wages, overtime compensation and legally mandated benefits. In compliance with local laws, employees receive compensation for overtime at pay rates higher than regular hourly rates. The basis on which workers are paid is documented

AS A COMPANY GLOBALLY:

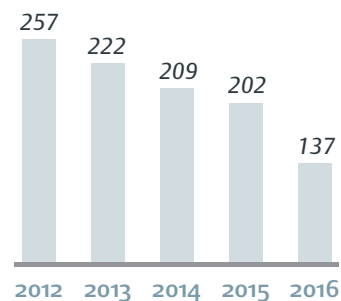
TOTAL RECORDABLE RATE OF INJURIES



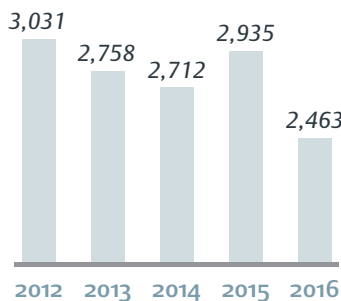
LOST WORKDAY CASES OR RESTRICTED WORKDAY CASES



RECORDABLE INJURIES*



FIRST-AID CASES



Emerson health and safety information does not include discontinued operations
 * Does not include restricted cases, lost work day cases or fatalities

in a timely manner via pay stub or similar written communication. It is Emerson's policy to recruit, hire, train and promote people in all job classifications without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability, veteran status, age, marital status, or genetic information. 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.

PAID FAMILY LEAVE

As a company that has grown by acquisition, Emerson has a wide variety of business units in the United States, in different industries and employment markets, and with different benefit structures. Paid leave is handled in a variety of ways at Emerson's U.S. business units, with some units offering designated paid maternal and/or paternal parental leave in addition to vacation and other types of time off; some providing paid time off for any purpose; and some providing unpaid family leave in addition to traditional paid vacation. Emerson is currently studying the leave policies of its various business units in order to identify possibilities for harmonization of U.S. time-off programs.

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

Human Rights

As we work around the world, Emerson lives its commitment to respect 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. Our policies are in compliance with important regulations like the UK Modern Slavery Act 2015. Emerson fully supports these and other efforts to eradicate human trafficking across the globe.

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

GRIEVANCE MECHANISMS & REPORTING

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.

The Board of Directors Audit Committee chair directly receives all accounting, audit, and internal control related hotline communications independent of management. In addition, the company's Ethics Committee reviews the investigation results of all significant allegations and approves any related remediation action. The Chief Compliance Officer and Vice President, Internal Audit provides regular reports to the Audit Committee regarding these matters, which would include any potential human rights issues.

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

At Emerson, our supply chain is essential to allow us to solve customer challenges and stay ahead of their needs. As our supply chain has expanded and broadened, we've focused our efforts on picking the right suppliers – those that share our values and principles – to help us deliver the right solutions in the right way.

We hold our suppliers to high standards, and expect them to align with our stances on social responsibility and ethics. To do so, we expect them to stay current with technology to deliver the best solutions to our customers in addition to acting with integrity and treating people and the environment with respect. These expectations help us maintain and build a supplier network that spans the globe, but always stays true to Emerson's core values.

Emerson is committed to helping our suppliers meet these requirements by investing in our network for continuous improvement. These investments have potential to strengthen our suppliers, accelerate progress and improve quality of life in the regions where they operate throughout the world.

Our supply chain approach enables us to move at the speed of our customers' needs, while always maintaining the highest levels of quality, backed by unwavering integrity and responsibility. And it ensures a strong and flexible supply chain that is positioned to sustain Emerson and its customers 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 supply chain managers in our businesses to make reasonable assessments of questionable activity and to ensure that all practices conform to Emerson

expectations. We encourage our businesses to conduct periodic reviews with large or preferred suppliers, which include 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 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, and we will continue to build this percentage over time.

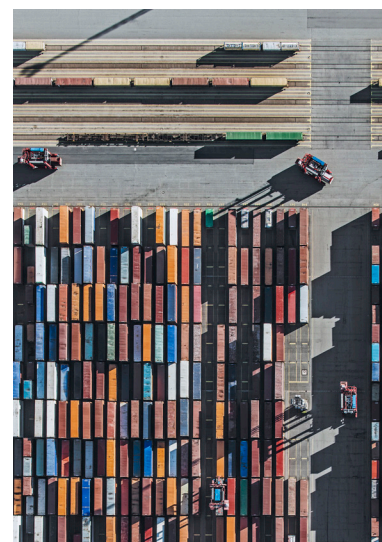
We expect suppliers to abide by our ethical behavior guidelines that forbid any Emerson employee or family member from accepting payment from outside parties in connection with supplier transactions. We also prohibit suppliers from offering gifts that could influence Emerson-related purchasing decisions.

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.

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

MATERIALS COMPLIANCE

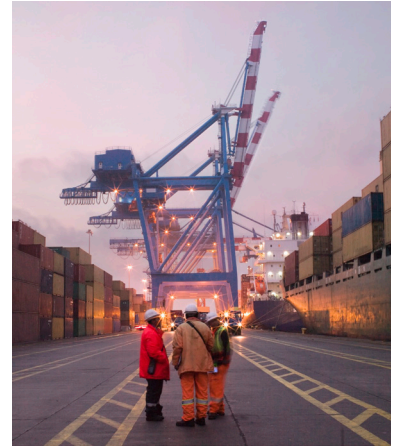
At Emerson, we strive for a best-in-class supply chain across our businesses and around the world. We are committed to working with suppliers who adhere to the Emerson Supplier Code of Conduct and actively manage and demonstrate materials compliance with pertinent governmental laws and regulations, including REACH, RoHS and Conflict Minerals. View Emerson's [Materials Compliance](#) practices.



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. Together with other major manufacturers, Emerson is a member of the Conflict Free Sourcing Initiative (CFSI) that is working to develop conflict-free supply chains.

To this end, Emerson expects its suppliers and their suppliers to acquire minerals only from responsible sources. View Emerson's [Conflict Minerals Statement](#) and our [Form SD filing: Conflict Minerals Report for the Year Ended December 31, 2016](#).





Community Involvement

Emerson is committed to supporting the communities where we operate. Through our corporate philanthropy and employee volunteerism, we seek to help make these communities better and more attractive places to live and work – not just for the benefit of our own employees and their families – but for all residents.

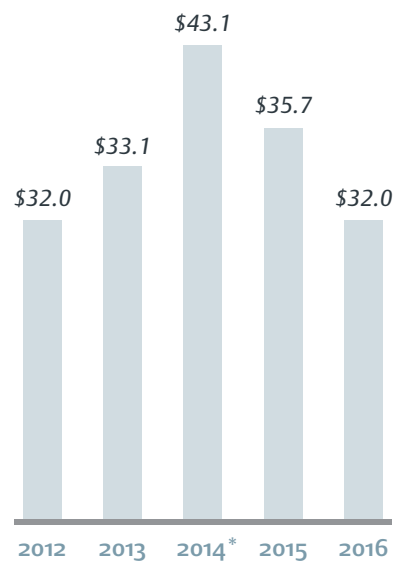
Our corporate giving is focused on four primary areas:

- > **Education** - Fostering learning through schools, universities, and 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

Emerson and the Emerson Charitable Trust provide financial assistance and other support to local organizations in the United States with the goal of improving and enriching lives, promoting volunteerism, sponsoring education, and providing services to those in need.

During fiscal year 2016, Emerson and the Emerson Charitable Trust made contributions of \$32 million to charities, nonprofit organizations, and individual educational scholarships across the United States, including the company’s matching of employee contributions. Funding was approved for a wide range of requests from educational institutions and nonprofit organizations, including for capital costs to fund construction, renovation, improvements, or expansion of facilities and other infrastructure, and for operating costs to maintain core programs, to expand programs, or to launch new initiatives to address community needs.



**EMERSON/CHARITABLE TRUST
U.S. CONTRIBUTIONS
(IN MILLIONS USD)**

*2014 includes one-time \$10 million gift to CityArchRiver Foundation in support of the redesign of Gateway Arch grounds in St. Louis, MO.

Examples of organizations and initiatives that received Emerson funding include:

- > **Missouri Botanical Garden** (St. Louis, MO) - in support of its capital campaign to renovate and enlarge its Ridgway Visitors Center. The Missouri Botanical Garden is considered one of the top botanical gardens in the world.
- > **Junior Achievement USA** (Colorado Springs, CO) - in support of development of a middle school readiness program focused on STEM fields. Junior Achievement's purpose is to inspire and prepare young people to succeed in a global economy.
- > **SME Education Foundation** (Dearborn, MI) - in support of launching its Partnership Response in Manufacturing Education (PRIME®) program in five high schools where Emerson has facilities to help grow and train the next generation workforce.
- > **City of Sidney** (OH) - in support of parks and recreation improvements and city beautification. Sidney is home to a major Emerson Commercial & Residential Solutions facility.

Emerson and many of its employees are active participants in United Way fundraising and volunteer activities in the U.S. communities where our employees live and work. In 2016, the Emerson Charitable Trust made contributions to more than 30 United Way organizations across the country, including those serving Austin (TX), Cincinnati (OH), Atlanta (GA), Cleveland (OH), Houston (TX), Kansas City (MO), Knoxville (TN), Lorain County (OH), Philadelphia & Southern New Jersey (PA), St. Louis (MO), Twin Cities (MN), Waterbury (CT), Central Ohio (OH), Delaware County (OH), Grayson County (TX), Guernsey and Noble Counties (TX), Marshalltown Area (IA), Northern New Jersey (NJ), Racine County (WI), and Richland County (OH).

RENEWAL OF FERGUSON AND NORTH ST. LOUIS COUNTY

St. Louis has been the home of Emerson's corporate headquarters since 1890, and our campus in the suburb of Ferguson in north St. Louis County has been a part of our company's operations since the 1940s. We have a deep, ongoing commitment to supporting organizations and initiatives that seek to improve quality of life for all who live in the St. Louis region.

In the wake of tragic events in Ferguson in August 2014, which sparked protests and civil unrest in the St. Louis area that gained national and international attention, Emerson reaffirmed its commitment to the region and took a leading corporate role in supporting initiatives to enhance social services, education and employment opportunities for economically-disadvantaged residents of Ferguson and north St. Louis County. Since 2014, Emerson has made donations and pledges, including a portion of its United Way contributions, totaling \$15.4 million (as of 2017) in support of initiatives specifically targeted to residents and youth of north St. Louis County.



JUNIOR ACHIEVEMENT
Emerson supports JA programs to prepare young people to succeed.

Among the approximately 80 organizations that received Emerson contributions in 2016 were:

- > [Ranken Technical College](#) - \$1.75 million over five years (2015-2019) to fund scholarships for students from north St. Louis County.
- > [St. Louis Community College](#) - \$1 million over six years (2016-2021) to fund scholarships to enable high school students from north St. Louis County to take STEM classes for college credit.
- > [Beyond Housing](#) - \$500,000 over four years (2016-2019) to support expansion of its services in north St. Louis County related to pre-kindergarten children and their families, health and wellness, and job training and job search services.
- > [STL Youth Jobs](#) - \$1.65 million over three years (2015-2017) to provide at-risk youth ages 16-24 with individualized career assessment, financial literacy and job readiness training, and meaningful employment experience opportunities.

CHINA CHARITABLE PROGRAM

In China, Emerson fulfills its commitment to being a good corporate citizen through its China Charitable Program. Launched in 2009, this initiative leverages our core capabilities of engineering and infrastructure development, and focuses on the key areas of education, civic support, and health and human services.

The Emerson China Charitable Program is working with the New Great Wall Program to support more than 100 students through monetary donations, and our employees participate in volunteer teaching opportunities. Additionally, Emerson has provided scholarships for students attending the Quingquan primary school in An County, Mianyang in Sichuan province since 2012.

Emerson is a long-time 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. Over the years, 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. Our employees from Shenzhen, Shanghai, Suzhou, Shenyang, Xian, Tianjin, Beijing, Lanzhou, Kunming, Hong Kong, and Chengdu have volunteered their time to visit the villages and help assess effectiveness and impact of the program.

INDIA CHARITABLE PROGRAM

Emerson's charitable program in India, in accordance with India regulations, seeks to support initiatives with impactful and enduring results. The primary focus of our India program is promoting continuity in education for disadvantaged youth.

In 2016, we provided funding to the following nongovernment organizations (NGOs):

- > [Masoom](#) - in support of its skill development courses for more than 250 students.
- > [Purkal Youth Development Society](#) - in support of its classes and to furnish a girls hostel.
- > **Agastya International Foundation** - in support of its innovative science education program for economically disadvantaged youth attending government schools in the cities of Pune and Pilani.
- > [SOS Children's Villages of India](#) - in support of its programs that help 1,400 youth across 32 villages grow up in a nurturing environment.
- > **Lend-A-Hand India** - in support of its mission to make a difference in the lives of the poor through self-help.



SOS CHILDREN'S VILLAGES OF INDIA

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

STEM Education and Careers

Emerson has embraced and supported a wide range of initiatives to promote Science, Technology, Engineering and Math (STEM) education and awareness in the communities where it operates. The company has made a multimillion dollar commitment to support STEM and robotics-related programs through 2020 with a number of organizations and schools including Girls Scouts of Eastern Missouri; STEMpact; Harris-Stowe University; and University of Missouri-St. Louis. Additionally, Emerson employees have volunteered with STEM-related organizations, such as Girl Start in Austin, Texas; Air Camp in Dayton, Ohio; and Edina Public Schools, in Minnesota.

In 2016, Emerson announced a \$1 million commitment over six years to the St. Louis Community College Foundation to establish the Emerson STEM Academy at the college's Florissant Valley campus. The Emerson STEM Academy allows students at targeted north St. Louis County high schools, particularly low-income and minority students, to enroll in college-level classes, with an emphasis on STEM degree pathways, to earn college credit.

In 2016, we continued our ["We Love STEM"](#) awareness campaign on social media with YouTube star Hank Green to inspire and empower the next generation of engineers by connecting science to technological advances and modern conveniences. Additionally, Emerson locations throughout the United States have hosted "I Love STEM" days for children and students to visit Emerson facilities and learn more about STEM careers.

In Asia Pacific, Emerson employees have participated in a number of STEM activities, such as a Society of Women Engineers (SWE) roundtable in Shanghai; IEEE Women in Engineering networking and mentoring events in Hong Kong; sponsorship and participation in the first Society of Women Engineers event in India, including a facility visit to our Innovation Center in Pune.



"I LOVE STEM" DAYS

Children and students visit Emerson facilities and learn more about STEM careers.

2016
REFERENCED GRI
STANDARDS INDEX

GRI Standard Number	GRI Standard Title	Disclosure Title	Location
General Disclosures			
GRI 102-1	General Disclosures	Name of the organization	Emerson Electric Company
GRI 102-2	General Disclosures	Activities, brands, products, and services	Emerson 2016 CSR Report: Company Profile, p. 4 Emerson 2016 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 United States
GRI 102-4	General Disclosures	Location of operations	Emerson.com: Contact Us Emerson 2016 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 2016 Form 10-K: Item 1 - Business
GRI 102-7	General Disclosures	Scale of the organization	Emerson 2016 Form 10-K Emerson.com: Investor Fact Sheet
GRI 102-8	General Disclosures	Information on employees and other workers	Partially reported: Emerson 2016 CSR Report: People & Workplace, p. 26-28
GRI 102-10	General Disclosures	Significant changes to the organization and its supply chain	Emerson 2016 Form 10-K: Item 1 - Business Emerson 2016 Annual Report: Letter to Shareholders
GRI 102-11	General Disclosures	Precautionary Principle or approach	Emerson 2016 CSR Report: Governance (Risk Management and Oversight), p. 23-24 Emerson 2016 Form 10-K: Item 1A – Risk Factors
GRI 102-12	General Disclosures	External initiatives	Emerson 2016 CSR Report: Environmental Stewardship (Minimizing Environmental Impact Through Facility Design and Operating Procedures), p. 11 Member of Conflict-Free Sourcing Initiative
GRI 102-13	General Disclosures	Membership of associations	Emerson 2016 CSR Report: Company Profile (Memberships), p. 4
GRI 102-14	General Disclosures	Statement from senior decision-maker	Emerson 2016 CSR Report: Letter from David Farr, p. 3
GRI 102-15	General Disclosures	Key impacts, risks, and opportunities	Emerson 2016 CSR Report: Governance (Risk Management and Oversight), p. 23-24 Emerson 2016 Form 10-K: Item 1A – Risk Factors
GRI 102-16	General Disclosures	Values, principles, standards, and norms of behavior	Emerson 2016 CSR Report: Integrity & Ethics, p. 15-17 Emerson.com: Corporate Governance (Business Ethics)

GRI Standard Number	GRI Standard Title	Disclosure Title	Location
GRI 102-17	General Disclosures	Mechanisms for advice and concerns about ethics	Emerson.com: Corporate Governance (Ethics and Compliance) Emerson 2016 CSR Report: Integrity & Ethics – (Ethics Program Handbook for Employees), p. 15-16 – (Ethics Hotline and Communication), p. 17 Emerson 2016 CSR Report: Environmental Stewardship (Grievance Mechanisms), p. 13
GRI 102-18	General Disclosures	Governance structure	Emerson 2016 CSR Report: Corporate Governance , p. 21-24 Emerson.com: Corporate Governance (Principles and Practices)
GRI 102-19	General Disclosures	Delegating authority	Emerson.com: Corporate Governance (Principles and Practices – Board Oversight of Management) Emerson 2016 CSR Report: – Corporate Governance , p. 21-24 – Environmental Stewardship (Environmental Principles) , p. 10
GRI 102-22	General Disclosures	Composition of the highest governance body and its committees	Emerson.com: Corporate Governance Emerson 2016 CSR Report: Governance (Board of Directors Policies) , p. 21-22 Emerson 2017 Annual Meeting Proxy Statement , p. 11
GRI 102-23	General Disclosures	Chair of the highest governance body	Emerson.com: Corporate Governance (Principles and Practices) Emerson 2016 CSR Report: Governance (Board of Directors Policies) , p. 21-22 Emerson 2017 Annual Meeting Proxy Statement , p. 45-48
GRI 102-24	General Disclosures	Nominating and selecting the highest governance body	Emerson.com: Corporate Governance (Principles and Practices) Emerson 2017 Annual Meeting Proxy Statement , p. 11-12
GRI 102-25	General Disclosures	Conflicts of interest	Emerson 2016 CSR Report: Integrity & Ethics (Conflict of Interest Evaluation and Reporting) , p. 17 Emerson.com: Integrity and Ethics
GRI 102-26	General Disclosures	Role of highest governance body in setting purpose, values, and strategy	Emerson.com: Corporate Governance (Principles and Practices) Emerson.com: Corporate Governance (Committee Charters) Emerson 2017 Annual Meeting Proxy Statement , p. 46-48
GRI 102-29	General Disclosures	Identifying and managing economic, environmental, and social impacts	Emerson.com: Audit Committee Charter Emerson 2016 CSR Report: Corporate Governance (Risk Management and Oversight) , p. 23-24
GRI 102-30	General Disclosures	Effectiveness of risk management processes	Emerson 2016 CSR Report: Corporate Governance (Risk Management and Oversight) , p. 23-24
GRI 102-31	General Disclosures	Review of economic, environmental, and social topics	Emerson 2016 CSR Report: Corporate Governance (Risk Management and Oversight) , p. 23-24 Emerson.com: Audit Committee Charter

GRI Standard Number	GRI Standard Title	Disclosure Title	Location
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 2017 Annual Meeting Proxy Statement
GRI 102-34	General Disclosures	Nature and total number of critical concerns	Partially reported: Emerson 2016 CSR Report: Integrity & Ethics (Ethics Hotline and Communication), p. 17
GRI 102-35	General Disclosures	Remuneration policies	Emerson 2017 Annual Meeting Proxy Statement: Executive Compensation
GRI 102-36	General Disclosures	Process for determining remuneration	Emerson 2017 Annual Meeting Proxy Statement: Executive Compensation Emerson 2016 Form 10-K: Part III
GRI 102-40	General Disclosures	List of stakeholder groups	Emerson 2016 CSR Report: Company Profile (Memberships), p. 4 ; and other organizations listed throughout the report
GRI 102-41	General Disclosures	Collective bargaining agreements	Emerson 2016 CSR Report: People & Workplace (Labor Practices), p. 29
GRI 102-45	General Disclosures	Entities included in the consolidated financial statements	Emerson 2016 Form 10-K: Subsidiaries and Affiliates of Emerson Electric Co., September 30, 2016
GRI 102-50	General Disclosures	Reporting period	Emerson 2016 CSR Report: About This Report, p. 45
GRI 102-51	General Disclosures	Date of most recent report	Emerson 2016 CSR Report: About This Report, p. 45
GRI 102-52	General Disclosures	Reporting cycle	Emerson 2016 CSR Report: About This Report, p. 45
GRI 102-53	General Disclosures	Contact point for questions regarding the report	Emerson 2016 CSR Report: About This Report, p. 45
GRI 102-54	General Disclosures	Claims of reporting in accordance with the GRI Standards	Emerson 2016 CSR Report: About This Report, p. 45
GRI 102-55	General Disclosures	GRI content index	Emerson 2016 CSR Report: Referenced GRI Standards Index, p. 39-44

Topic-Specific Disclosures

GRI 201-1	Economic Performance	Direct economic value generated and distributed	Emerson 2016 Form 10-K
GRI 201-3	Economic Performance	Defined benefit plan obligations and other retirement plans	Emerson 2016 Form 10-K

GRI Standard Number	GRI Standard Title	Disclosure Title	Location
GRI 203-1	Indirect Economic Impacts	Infrastructure investments and services supported	Partially reported: Emerson 2016 CSR Report: Community Involvement (Corporate Giving), p. 35-38
GRI 205-2	Anti-corruption	Communication and training about anti-corruption policies and procedures	Partially reported: Emerson 2016 CSR Report: Integrity & Ethics (Anti-Corruption Training), p. 17
GRI 206-1	Anti-competitive behavior	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Emerson 2016 Form 10-K: Legal Proceedings
GRI 301-2	Materials	Recycled input materials used	Emerson 2016 CSR Report: Environmental Stewardship (Materials Usage), p. 11-12
GRI 302-1	Energy	Energy consumption within the organization	Emerson 2016 CSR Report: Environmental Stewardship (Greenhouse Gas, Water and Energy Use), p. 14
GRI 302-4	Energy	Reduction of energy consumption	Emerson 2016 CSR Report: Environmental Stewardship (Greenhouse Gas, Water and Energy Use), p. 14
GRI 302-5	Energy	Reductions in energy requirements of products and services	Emerson 2016 CSR Report: Environmental Stewardship, p. 5-9
GRI 303-1	Water	Water withdrawal by source	Partially reported: Emerson 2016 CSR Report: Environmental Stewardship (Greenhouse Gas, Water and Energy Use), p. 14
GRI 305-1	Emissions	Direct (Scope 1) GHG emissions	Emerson 2016 CSR Report: Environmental Stewardship (Greenhouse Gas, Water and Energy Use), p. 14
GRI 305-2	Emissions	Energy indirect (Scope 2) GHG emissions	Emerson 2016 CSR Report: Environmental Stewardship (Greenhouse Gas, Water and Energy Use), p. 14
GRI 307-1	Environmental Compliance	Non-compliance with environmental laws and regulations	Emerson 2016 CSR Report: Environmental Stewardship (Fines and Sanctions), p. 13
GRI 403-2	Occupational Health and Safety	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Partially Reported: Emerson 2016 CSR Report: People & Workplace (Measuring Success), p. 29
GRI 404-2	Training and Education	Programs for upgrading employee skills and transition assistance programs	Emerson.com: Careers (Learning & Development)

GRI Standard Number	GRI Standard Title	Disclosure Title	Location
GRI 405-1	Diversity and Equal Opportunity	Diversity of governance bodies and employees	Partially Reported: Emerson 2016 CSR Report: People and Workplace (Emerson's U.S. Workforce), p. 26 Emerson 2016 CSR Report: Corporate Governance (Board of Directors Policies), p. 22
GRI 412-3	Human Rights Assessment	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Partially Reported: Supply Chain (Affirming Supplier Responsibility) , p. 33
GRI 415-1	Public Policy	Political contributions	Emerson 2016 CSR Report: Integrity & Ethics (Political Contributions,)p. 18-20 Emerson.com: Corporate Governance (Political Contributions)

About This Report

The Emerson 2016 Corporate Social Responsibility Report presents information focused primarily on data collected and activities that occurred during calendar 2016 or Emerson's fiscal 2016 (October 1, 2015 – September 30, 2016), except where indicated otherwise. There were two major divestitures in process during this timeframe and, where appropriate, we have indicated whether the data we present here includes those discontinued businesses or not. Also, as this report was published in October 2017, there are some references to Company structure and actions since 2016 and we have attempted to be clear on the timeframe.

Please note this year's report presents information that references selected Global Reporting Initiative (GRI) Standards 2016. Please see the Referenced GRI Standards Index beginning on page 39 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 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 U.S. Securities & Exchange Commission.

*Any questions or comments regarding this report can be directed to the
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