BE IT RESOLVED:

Shareholders request that Emerson Electric issue a sustainability report describing the company's environmental, social and governance (ESG) performance and goals, including greenhouse gas (GHG) reduction goals. The report should be available on the company website by September 1, 2015, prepared at reasonable cost, omitting proprietary information.

SUPPORTING STATEMENT:

We believe tracking and reporting ESG practices makes a company more responsive to a global business environment characterized by finite natural resources, changing legislation, and heightened public expectations for corporate accountability. Reporting also helps companies better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities, develop company-wide communications, recruit and retain employees, and receive feedback.

Support for and the practice of sustainability reporting continues to gain momentum:

- In 2013, KPMG found that of 4,100 global companies seventy-one percent had ESG reports.
- The United Nations Principles for Responsible Investment has more than 1,200 signatories with over $45 trillion of assets under management. These members seek ESG information from companies to be able to analyze fully the risks and opportunities associated with existing and potential investments.
- Carbon Disclosure Project (CDP), representing 767 institutional investors globally with approximately $92 trillion in assets, calls for company disclosure on Greenhouse Gas emissions and climate change management programs. Over two thirds of the S&P 500 now report to CDP.

Additionally, in 2014 the European Parliament adopted a directive requiring companies listed on any of the EU stock exchanges with over 500 employees to annually report "on [their] policies, risks and outcomes" on seven environmental and social topics. Emerson is affected by this regulation by being listed on the Frankfurt stock exchange.

While Emerson Electric responded privately to CDP in 2014 and has a corporate citizenship website that includes some short descriptions of programs and guiding principles, the company notably does not provide many evaluative metrics or publicly set goals by which to measure their performance "outcomes." To contrast, General Electric, a main competitor, reports more than 10 ESG goals (several of which are quantitative and time bound) and publishes multiyear data on the company's progress.

Data on occupational safety and health, vendor and labor standards, waste and water reduction targets and product-related environmental impacts are important business considerations. Not managing these properly could pose significant regulatory, legal, reputational and financial risks.

Climate change is one of the most financially significant environmental issues currently facing Emerson's investors and customers. While Emerson delivers products that reduce energy use, information on how Emerson meets goals to manage and reduce its environmental and climate impacts are not disclosed.

Last year 38% of shares (excluding abstentions) voted in favor of this resolution, a substantial level of support that management should not ignore.

We recommend that the report include a company-wide review of policies, practices and metrics related to ESG performance. The GRI index could be a helpful checklist for guidance.