

**CORPORATE
RESPONSIBILITY**
REPORT

20
17

DR. CHAUCEY CHANDLER
ENGINEER, LEAN SIX SIGMA BLACK BELT AND MANAGER
20 Year Employee of Rockwell Automation

**Rockwell
Automation**

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SOCIAL RESPONSIBILITY AND SUSTAINABILITY

KEY PRINCIPLES

WE RESPECT and support the dignity of all workers and our company policies and practices are designed to uphold worker human rights.

WE EMBRACE equal employment opportunities, reject illegal employment discrimination in any form and strive to treat all employees with fairness and dignity.

WE ARE COMMITTED to demonstrating the highest standards of health and safety for our employees and customers.

WE STRIVE to continually improve our environmental performance including resource conservation and pollution prevention.

WE ARE COMMITTED to making a positive impact on the communities in which we live and work.

WE ADHERE to a Code of Conduct based on principles and laws that guide the decisions and actions of our employees and suppliers.

You'll find our complete Global Social Responsibility and Sustainability Policy on our website www.rockwellautomation.com



**Rockwell
Automation**



FROM **BLAKE MORET**

CHAIRMAN AND CEO

As I reflect on my first year as CEO, and assume additional responsibility as Chairman of the Board, I'm incredibly proud of our successes. We've delivered value to customers and shareowners, and to our communities.

One honor that was particularly meaningful was receiving the prestigious Catalyst Award for promoting workplace diversity, especially the advancement of women. This highly sought-after award recognizes our commitment to have the broadest possible pool of talent and to create a culture where everybody can and wants to do their best work.

We were again named as one of The World's Most Ethical Companies and listed as a member of the Dow Jones Sustainability North American Index. These and other achievements reflect our hard work, but we don't do it for the accolades. We do it because our mission is to improve the quality of life by making the world more productive and sustainable. We do it because it's the right thing to do – acting with integrity, ethics, and respect for each other and the environment. Corporate responsibility and sustainability are imperatives to grow our company the right way, and to not sacrifice long-term value for short-term returns.

The Industrial Internet of Things is changing how we live, work, and make things. Harnessing this power, we're bringing The Connected Enterprise to life, integrating control and information across the enterprise to help industrial companies and their people be more productive.

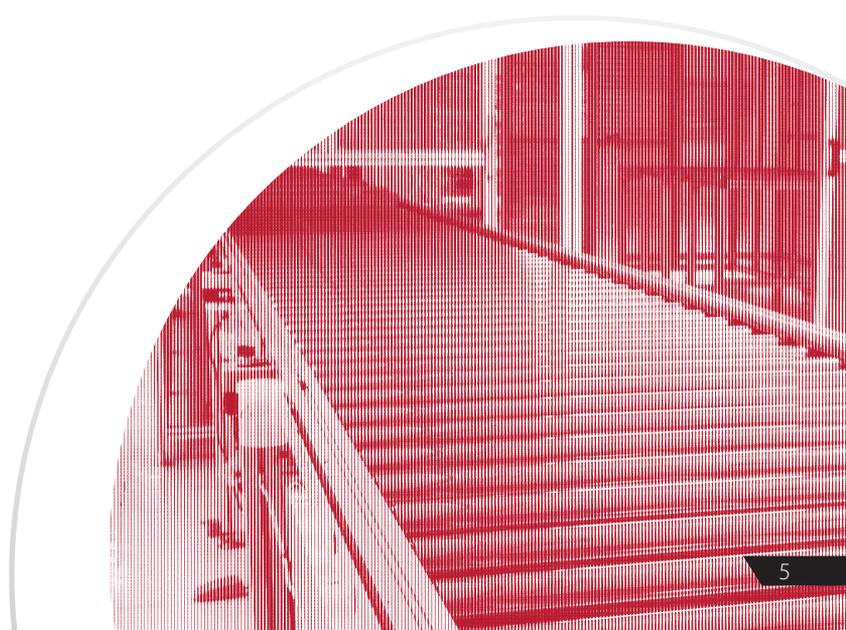
Even though we're an automation company, people remain our most important asset. We partner with the best companies, educational institutions, and nonprofits to build a skilled workforce that shares our passion for lifelong learning and is ready to work in today's modern manufacturing industry. Together with the ManpowerGroup, we celebrated the first class of U.S. military veterans to graduate from our joint Academy of Advanced Manufacturing program. We didn't just teach these veterans new skills. We secured them new jobs.

For more than 100 years, Rockwell Automation has been synonymous with quality, community, and reliability. Our customers know they can trust us, and our employees are proud to work for us. We are a great company with a proud history. We believe when we combine the potential of automation with the imagination of people, good things happen.

Sincerely,



Blake D. Moret



FINANCIAL

\$6.3 BILLION IN SALES

ADJUSTED EPS
OF **\$6.76**

EMPLOYEES

22K MORE THAN HALF
OUTSIDE THE U.S.

CATALYST
2017 AWARD WINNER



One of only three companies to
win this prestigious honor

Ranked one of the Top 100 Most Attractive Employers in China



Earned a perfect score of 100% on the
Human Rights Campaign's Corporate
Equality Index for the sixth consecutive year

SUSTAINABILITY

- Energy intensity down 27%, from our 2008 baseline, progressing toward 30% reduction goal
- Met goal of using less water in the current year than the year before
- Number of locations certified to ISO 14001 environmental management system: 23
- Listed among the 30 top companies in the U.S. in *Newsweek* Green Rankings

**Dow Jones
Sustainability Indices**

Named to Dow Jones Sustainability North American
Index for the seventh time



FTSE4Good

Listed on FTSE4Good Index of Companies
for more than a decade

CORPORATE RESPONSIBILITY

2
1

DEFERRED
84%
OF WASTE FROM
LANDFILLS



PHILANTHROPY

\$11
MILLION

Rockwell Automation contributed \$11 million in cash and in-kind donations globally to education, human services, arts and culture, and civic organizations in 2017

- 69% **EDUCATION**
- 18% **HEALTH AND HUMAN SERVICES**
- 7% **CIVIC**
- 6% **ARTS & CULTURE**

0
7
AT A GLANCE

LOCATED IN
80+ COUNTRIES
WORLDWIDE

SERVING
CUSTOMERS FOR
114 YEARS

SAFETY

0.35 Global safety performance, as measured by Recordable Case Rate (0.35), remained best in class in 2017, when compared to the average private industry rate and the average rate for electronic manufacturing peers

15 Number of locations certified OHSAS 18001 occupational health and safety standard

SUPPLIER DIVERSITY

Spent \$250 million with more than 750 U.S. businesses owned by women, ethnic and racial minorities, LGBTQ, and veterans or disabled veterans, as well as designated SBA enterprises

INTEGRITY



Named to Ethisphere Institute "World's Most Ethical Companies" list for the ninth time

SUSTAINABLE CUSTOMERS

WE ARE THE WORLD'S LARGEST COMPANY dedicated to industrial automation and information. Our 22,000 employees serve customers in more than 80 countries guided by our mission to make the world more productive and sustainable.

THE CONNECTED ENTERPRISE UNLOCKS OPPORTUNITIES

We are passionate about helping our customers and their employees be more productive by integrating control and information across their enterprises. We're working together with a growing number of industrial producers that have started on a digital transformation journey to make better business decisions with better information. Through our innovation, industry experience, and applications expertise, we're helping companies use the Industrial Internet of Things (IIoT) to realize the vision and benefits of The Connected Enterprise.

Across industries, applications, and geographies, real-time information and analysis is unlocking opportunities for continuous improvement that deliver tangible business value and smarter, safer, and more sustainable manufacturing. In the food and beverage industry, for example, connectivity and digitized processes have provided our customers access to actionable information to optimize operations, better use resources, and improve quality.

Minnesota-based Milk Specialties processes raw milk and whey into a broad portfolio of ingredients. To drive production process improvement, this rapidly-growing company implemented manufacturing intelligence technology from Rockwell Automation at three facilities, including one in Visalia, California. Analytics from the system used to monitor water quality helped Milk Specialties meet a state-mandated 30 percent water reduction.



In Colorado, one of the America's fastest growing yoghurt companies reduced waste from lost batches by 95 percent after it built a new production facility and automated operations with a Rockwell Automation plant-wide control system. Noosa Finest Yoghurt also improved quality assurance and FDA regulatory reporting capabilities with real-time data available 24/7, not only throughout the operating plant, but also remotely. Overall, Noosa increased production capacity by 300 percent.

The Kraft Heinz Company increased production capacity by 10 percent at its Ore-Ida brand potato production plant without adding to its footprint. By modernizing its control architecture and incorporating predictive modeling technologies from Rockwell Automation, the Oregon facility more than doubled its project production goal. The new system detects and addresses variability issues as it continuously makes micro adjustments to optimize production and produce consistent foods.

The facility's process engineer noted, "We always want to maximize production, but our main priority is providing high-quality fries and tater tots to our customers."

OUR PRODUCTS & SERVICES CONTRIBUTE TO SUSTAINABLE OPERATIONS

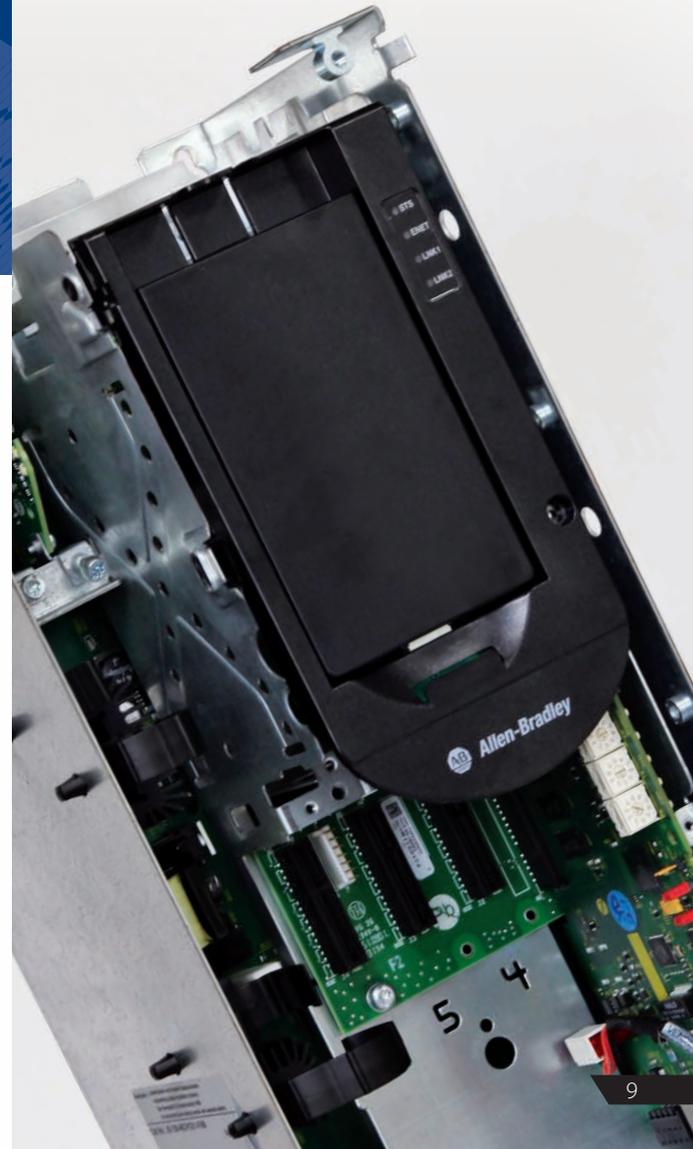
- Reduced waste
- Increased energy efficiency
- Reduced emissions
- Regulatory and environmental compliance
- Safety of personnel, equipment, and process



WATER • AIR • GAS • ELECTRICITY • STEAM

NEW SUITE OF DRIVES INCLUDES ADVANCED ENERGY SAVING SOLUTIONS

Manufacturing operations around the world have deployed thousands of Rockwell Automation variable speed drives to save energy and increase productivity. Our new PowerFlex® 755T series introduces TotalFORCE® technology for superior electric motor control. The portfolio's energy-saving features include a built-in regeneration capability that delivers energy from motors back to the incoming supply. Line regeneration reduces the need for braking resistors and associated cooling equipment and helps avoid wasteful energy dissipation. These drives also feature safety options that help protect people and equipment.



ABBOTT NUTRITION WINS PLANT OF THE YEAR

Food Engineering awarded Rockwell Automation customer Abbott Nutrition the publication's Plant of the Year award for Abbott's use of high-tech equipment and automation for safe, quality, and efficient operations. The life sciences industry leader is the company behind well-known nutrition brands Similac and Ensure. In response to increased demand, Abbott built a new Ohio facility featuring Rockwell Automation technology. From raw material receipt to finished product, the plant's goal is to optimize operational efficiency and use the latest technology and processes to ensure food safety.

SAFETY IN THE CONNECTED ENTERPRISE

The safety of people, machines, and processes is a key element of any sustainable business. The vast amount of production data available in The Connected Enterprise provides companies with numerous opportunities to improve productivity, quality, and efficiency. Similar opportunities exist to access safety system data and convert it into meaningful information. This evolution represents a turning point with enormous potential to transform how EHS (Environmental, Health & Safety) professionals monitor and manage safety.

Studies repeatedly find the safest industrial companies also are the most productive. They have fewer accidents, less downtime, and higher OEE (Overall Equipment Effectiveness). They view safety as a productivity driver. Colleagues stay safe. Equipment and machines keep running.

As the world's number one provider of industrial safety automation with the most complete product and service offering, we work with many of the world's safest companies.

But the opportunities for further improvement are immense. According to LNS Research, 53 percent of manufacturing and industrial operations lack real-time visibility into EHS performance data.

Smarter safety begins with contemporary safety technologies that combine machinery and safety control into one platform. These technologies provide data access to better understand risks and safety system use, enhance worker and environmental safety, and reduce safety-related downtime. Better visibility into system performance and stoppages can help determine root causes of shutdowns. Safety and production data also can be combined to understand the frequency, duration, time, and location of safety-related shutdowns.

Advanced safety solutions integrated with machine controls can detect behaviors and prescribe solutions before incidents happen, prevent improper operation, and alert management to problems and near-misses. With data visibility, professionals can see how colleagues interact with equipment. For example, are E-stop buttons misused or guard doors opened and closed more than scheduled per shift? Similar visibility exists for other safety functions including light curtains, safety mats, and lockout/tagout procedures. Improper use may not only indicate a safety issue but can also lead to increased scrap and longer machine start-up times.

Further, smart and self-aware equipment can monitor its own performance – such as vibration, energy consumption or failure parameters – and signal maintenance staff before safety, compliance or equipment problems arise. This is smart safety.

HONORS FOR SAFETY LEADERS

Each year we celebrate the world's safest companies and plants with our annual Manufacturing Safety Excellence Awards. The awards honor organizations with a strong safety culture, well-executed compliance procedures, and effective use of safeguarding and automation technology. In 2017 we recognized A.M.P Rose, a U.K.-based equipment builder, with an enterprise-level award. The company, which specializes in packaging and flow-wrap machinery for candy and other sweets, proactively adds contemporary safety solutions to meet growing customer demand for safer machines that better protect employees. We also presented Honda of Canada Manufacturing with a division-level award for its outstanding safety program at its Alliston, Ontario facility.



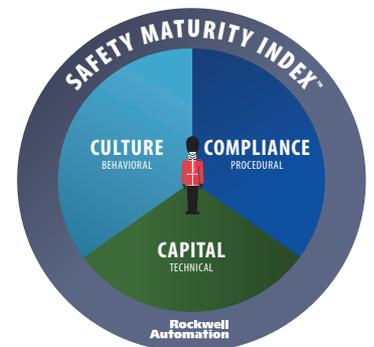
UPGRADE DESIGNED TO MEET ZERO ACCIDENTS GOAL

To help achieve a zero accidents goal in all areas of its global operations, oil and gas company Repsol implemented a new internal safety standard at its exploration and production sites. As the company upgraded facilities to bring them into compliance, Repsol selected Rockwell Automation control-based safety instrumented systems (SIS) at two Ecuadorian production facilities. The new SIS with real-time data visibility not only exceed Repsol's corporate safety requirements but have also created new opportunities for Repsol to improve reliability and productivity at both sites.



EXPANDED PORTFOLIO OF FREE SAFETY TOOLS

We offer a number of free e-safety tools, including our Safety Maturity Index™ (SMI) first introduced in 2013. Hundreds of manufacturers have used this self-guided assessment tool to audit their safety culture, processes and procedures, and use of technology. In 2017, we introduced the SMI for Machine Builders tool. Machine builders can embed best-in-class safety in their machine designs to reduce operational risks and costs, improve machine OEE, and strengthen brand and customer appeal. However, machine builders first have to embrace safety in their own operations. Using the best safety practices also helps machine builders meet the compliance needs of multinational customers that face the most stringent global safety standards.



PRODUCT COMPLIANCE AND DISCLOSURE

Our customers expect products and solutions that comply with industry standards and regional regulations for energy efficiency, safety, hazardous substances, and product stewardship. For example, all of our products that fall within the scope of the European Union RoHS Directive meet the EU RoHS material restrictions, and the majority came into compliance well ahead of the July 2017 deadline. We're also ensuring compliance with other global RoHS laws including those in China, Taiwan, and the United Arab Emirates. Additionally, we continue to meet the Conflict Minerals reporting requirements of the U.S. Dodd-Frank Act through strong supplier relationships and our membership in the Responsible Minerals Initiative.

SUSTAINABLE COMPANY

SUSTAINABILITY IS OUR BUSINESS, explicitly stated in our mission to make the world more productive and sustainable. It's about doing things the right way, every day, with care and respect for each other and the world around us. In 2017, The Dow Jones Sustainability North American Index listed us as a member for the seventh time. The Index measures the performance of sustainability leaders based on a comprehensive assessment of environmental, social, and governance criteria. Additionally, for more than a decade, we've been listed on the FTSE4Good Index, which measures the performance of companies demonstrating strong environmental, social, and governance practices.

ENVIRONMENTAL PERFORMANCE

We prioritize our environmental conservation strategies on using resources efficiently to reduce energy, waste, and water. Since we use most of our energy for electricity to light, heat, and cool our buildings, the majority of our CO₂ emissions are indirect and generated at electrical utilities, not our locations. These are known as Scope 2 emissions, while direct emissions from activities we control within our operational boundaries are known as Scope 1. We measure and report energy use and carbon emissions for more than 300 locations, of which 20 are core manufacturing and warehouse facilities. Energy is a minor percentage of the total operational costs at these locations.

In 2017, we continued to make progress toward our 2022 goal to reduce greenhouse gas emissions normalized to sales by 30 percent, compared to our 2008 baseline. Since 2008, we've reduced energy intensity by 27 percent. Year over year, we reduced CO₂ emission intensity in 2017 (see charts page 14). Our progress comes from holding emissions steady, despite significant increases in production and revenue.

From one of Wisconsin's largest green roofs atop our LEED-certified corporate headquarters to a solar energy field in Mequon, Wisconsin, to geothermal heating and cooling in

Aarau, Switzerland, we continuously look for opportunities to adopt best practices in environmental stewardship as we update processes, systems, and locations. In 2017, the *Newsweek* Green Rankings, one of the most recognized environmental performance assessments of the world's largest publicly traded companies, ranked us among the 30 top green companies in the U.S. Additionally, the Swiss Private Sector Energy Agency recognized our Aarau facility for its continued efforts to reduce CO₂ emissions and increase energy efficiency, and for its voluntary adherence to the Swiss Private Sector Energy Agency program.

We held our water use steady and achieved our annual zero increase goal. We use water mostly to drink, for plumbing and sanitary needs, and for cooling and cleaning during manufacturing. For waste, we exceeded our annual goal to reclaim or recycle 80 percent of the solid waste we generated.

All of our global locations must comply with stringent company policies and procedures as well as local environmental and safety regulations. We also conduct comprehensive performance assessments each year at a number of manufacturing, warehouse, and solutions center locations. In 2017, we conducted 53 internal audits.



BICYCLE COMMUTING FOR HEALTHY LIVING AND ENVIRONMENT

Since 2016, our Mequon, Wisconsin colleagues have commuted about 24,000 miles by bike, saving more than 1,100 gallons of auto fuel. Employees have clocked more than 1,100 bike commuting days, promoting both a healthy lifestyle and a healthy environment.

EARTH DAY

A majority of our locations celebrated Earth Day, taking part in the largest civic-focused day of action in the world. Employees met with their local leadership, planted trees, and cleaned up their towns, roads, and beaches. For the entire month of April, our Shanghai facility held a "Putting a Green Life into Practice for an Ecologically-Balanced Home" education campaign. Colleagues in Katowice, Poland visited kindergarten students to talk about several topics, including how proper waste sorting helps protect people and the environment. Our East Setauket, New York facility addressed the declining bee population by planting wildflower seeds. In Milwaukee, we distributed 750 tree saplings, collected nearly 11,000 pounds of electronics for recycling, and combined Earth Day with Take Your Child to Workday events that included a tour of our green roof.



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CERTIFICATIONS

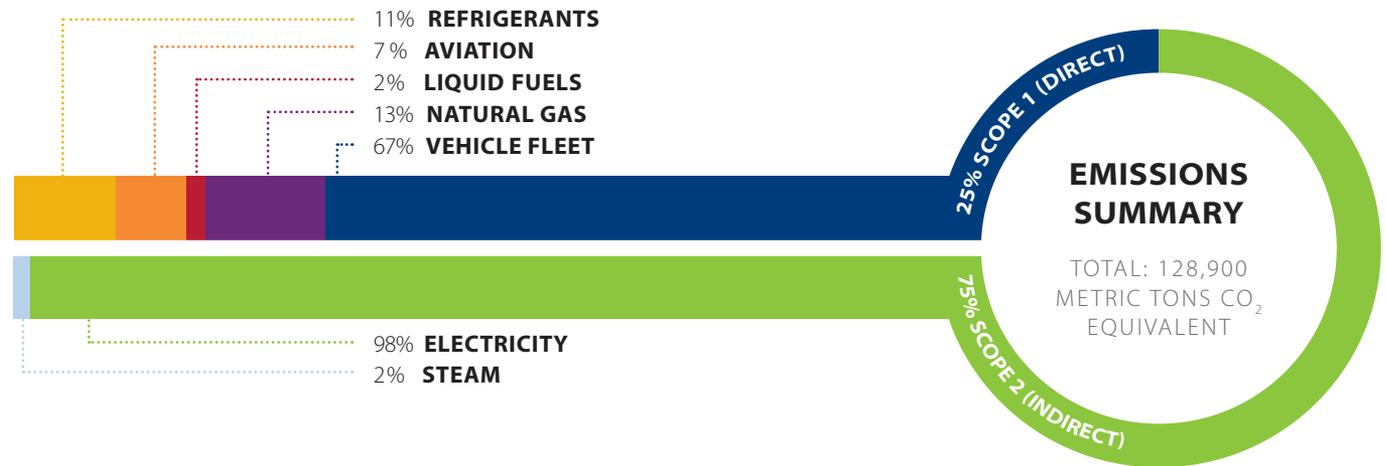
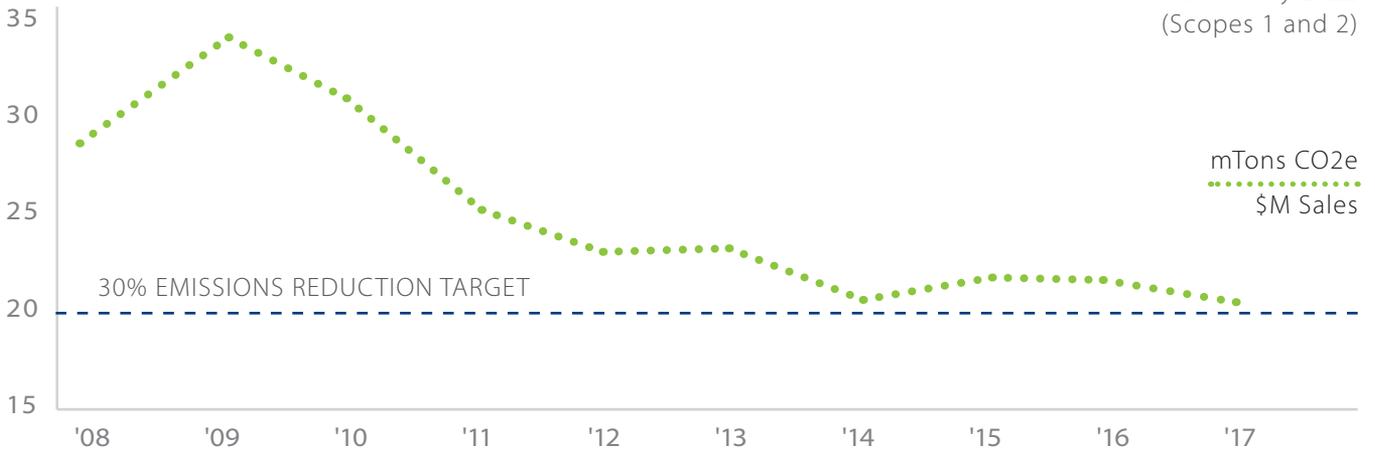
Twenty-three of Rockwell Automation's largest manufacturing locations certified to ISO 14001 environmental management system, including our Harbin, China site, which was certified in 2017.

SUSTAINABLE COMPANY PERFORMANCE

ENVIRONMENTAL

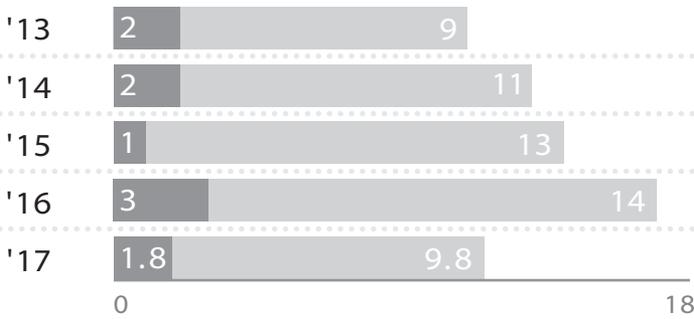
NORMALIZED EMISSIONS TREND

GOAL: 30% emissions reduction by 2022 (Scopes 1 and 2)



WASTE GENERATION (1,000 tons)

● LANDFILL ● RECYCLED/REUSED



GOAL MET: Deferred 84%, better than our 80% goal

WATER USE (Million gallons)



GOAL MET: Zero increase in water consumption from previous year



HONORS

- *Canadian Occupational Safety* magazine presented our Cambridge, Ontario location with a special 2017 Publishers Award as part of its annual Canada's Safest Employers competition. The facility joined Gold and Silver award winners in 10 industry-specific categories.
- For the seventh consecutive year, the Ministry of Manpower and Workplace Safety and Health Council of Singapore honored our Asia Pacific Business Center (APBC) with an Excellence Award for Health and Safety. This is the tenth time the APBC was recognized for its safety performance.
- The Wisconsin Safety Council and the Wisconsin Department of Workforce Development recognized our Ladysmith, Mequon and Richland Center locations with Achievement Awards for Excellence.
- The Ohio Bureau Workers Compensation and the Greater Cleveland Safety Council presented our Mayfield Heights and Twinsburg facilities with multiple safety awards.



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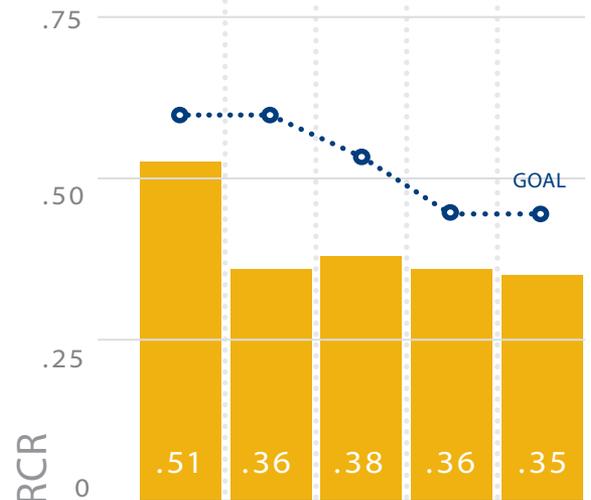
CERTIFICATIONS

Fifteen Rockwell Automation locations certified to OHSAS 18001 Occupational Health and Safety Standard. In 2017, our Ladysmith, Wisconsin; Gdansk, Poland; and Harbin, China facilities were certified for the first time.

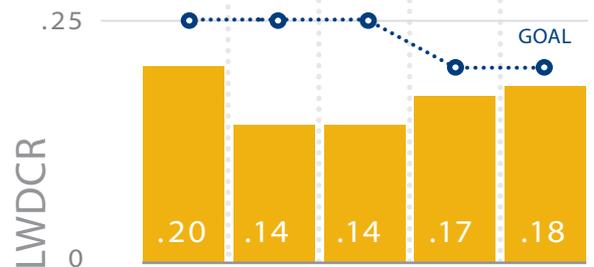
SAFETY

'13 '14 '15 '16 '17

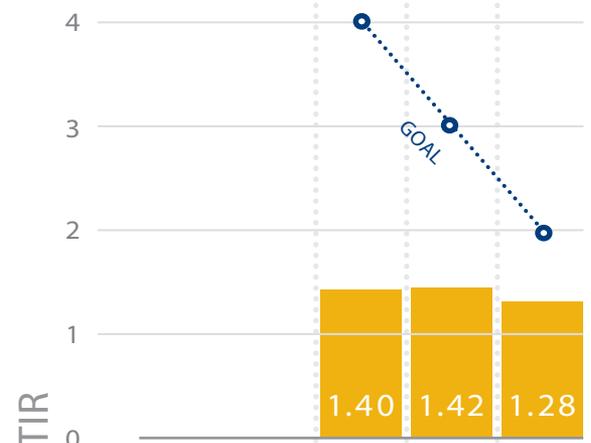
RECORDABLE CASES PER 100 EMPLOYEES



LOST WORK DAY CASES PER 100 EMPLOYEES



TOTAL INCIDENT CASES PER 100 EMPLOYEES



SAFE WALKING CHALLENGE

Our Ladysmith, Wisconsin employees navigated a “safe walking challenge” course practicing a variety of skills including carrying a box up a ladder, maintaining three points of contact, maneuvering around pallets and skids, and balancing on uneven surfaces. The challenge was part of a learning exercise to address slips, trips, and falls by reinforcing focus on balance, eyes on task, and trip hazard mitigation.



BEST-IN-CLASS SAFETY PERFORMANCE

Our employees continued to work significantly safer than our industry peers in 2017, and we once again outperformed our three corporate safety goals (see chart on page 15). Year after year, our safety performance, as measured by our global Recordable Case Rate (incidents requiring more than First Aid), remained best-in-class when compared to the average rates of U.S. private industry and electronic manufacturing companies.

While we reduced our Total Incident Case Rate (recordable plus First Aid cases), overall our safety performance remained steady. We continue to establish more stringent safety goals as we work toward a vision of zero safety-related illnesses and injuries. With a smarter, data-driven approach to incident management and a “safety is everybody’s responsibility” mindset, our employees focus on identifying and prioritizing risks.

We introduced new technology that provides our EHS professionals with real-time data visibility and trend analysis on incident types, causal factors, and corrective actions by location and companywide. As a result of this improved data access, we identified ergonomic material handling and hand safety as two areas where we have had the highest number of incidents. We have prioritized these areas to further reduce risk.

For example, a cross-functional team from our Ladysmith, Wisconsin plant conducted a detailed ergonomics analysis of the safety mat area by task and lift. They documented the business case for capital funding and then implemented a material handling solution with custom fixtures and assist technology. As a result, the team eliminated lifts over 35 pounds while improving work flow and employee morale.

At our Shanghai plant, safety professionals held a Hand Safety Day. Employees completed a production-specific hand risks survey, participated in safety glove performance tests, and attended educational programming provided by industry experts.

To help create a safe work environment for our field employees as they support customer needs onsite at their locations, we completed the three-year roll out of our SafeStart Advanced Awareness training. More than 600 field employees in our Latin America and Asia Pacific regions learned to be aware of how their personal states of mind, such as rushing, frustration, and fatigue, impact decisions and cause errors that increase risk. Since first introducing this behavior-based safety program in 2015, we’ve trained more than 2,400 field personnel worldwide.

Communication and leadership support are also core elements of our field safety efforts. During the past year, 35 of our business leaders hosted more than 500 field employees at regional Safety Straight Talk sessions. These meetings provided field-based colleagues with opportunities to ask questions and share concerns directly with their business leadership.

INCLUSION AND ENGAGEMENT FUEL INNOVATION

Each of us at Rockwell Automation shares a joint responsibility to build a workplace where we all want to come, stay, and do our best work each day. Engaged employees united in a shared purpose to serve our customers and committed to a culture of inclusion are foundational to how we differentiate ourselves. It ensures we have a diverse pool of thinkers and teams that, quite simply, make better decisions. Inclusion fuels innovation. And, as with everything we do, we want to be the industry leader.

Catalyst, a leading global nonprofit organization accelerating progress for women through workplace inclusion, recognized our leadership with a 2017 Catalyst Award. We were one of three global companies to win this prestigious award honoring innovative organizational approaches that address the recruitment, development, and advancement of women and show proven, measurable results.

Since 2008 in the U.S., we increased the number of women and people of color, at all levels. With our U.S. voluntary turnover rates well below the Corporate Leadership Council's benchmark average for women and people of color, our efforts have not only helped us attract diverse talent, but also retain them.

Ten years ago, despite efforts to recruit and hire more women and people of color, we were not as successful in retaining them. To make sustainable change, we determined we needed to fully engage white men, the dominant group at our company. We made them aware of the impact of their privilege and we involved them as meaningful partners with women and underrepresented groups to address systemic barriers on our culture that were preventing full inclusion. Since then, more than 1,000 leaders – including our Board of Directors – and 4,000 employees have completed White Men as Full Diversity Partners training.

Today, more than 250 employees globally participate in Inclusion Change Teams in every business and function of our organization to address barriers and operationalize inclusion in all we do. White male business leaders comprise the majority of these teams. To mitigate the impact of bias in interactions and decision-making, more than 1,350 global leaders have attended Conscious

and Inclusive Leadership Training, a program we introduced in 2015. Four thousand colleagues are members of our 13 Employee Resource Groups (ERGs). With 44 chapters in 11 countries, our ERGs further cultivate a diverse and engaged workplace. Our employee engagement research has found our ERG members are among our most engaged population of employees. Our newest ERG, Cultures Connected, provides a network for racial and ethnic minorities in field positions.

We work with other corporate leaders to advance inclusion as a business imperative. In 2017, our CEO joined as a founding partner the Catalyst CEO Champions For Change (Catalyst Champion) initiative, a collective of more than 50 high-profile CEOs committed to visibly supporting and driving diversity, inclusion, and gender equality. We also joined the CEO Action for Diversity & Inclusion™, a coalition dedicated to advancing diversity and inclusion in the workplace. In late 2017, we shared our best practices with our customers and industry partners that attended our Automation Fair® event industry forum on Diversity & Inclusion.

Inclusion for us is a journey, an evolutionary process. Through constant learning, courageous conversations, and organizational feedback and self-reflection, our work to make transformational culture change is ongoing.

CATALYST
2017 AWARD WINNER



EMPLOYEES '17

13,500
NON-US EMPLOYEES

22,000
GLOBAL EMPLOYEES

31% GLOBAL WOMEN
69% GLOBAL MEN

8,500
US EMPLOYEES

30%
US WOMEN

22% US
PEOPLE OF COLOR

26% **PEOPLE MANAGERS**

14% **ENGINEERS**

32% **PROFESSIONALS**

47% **OTHER**

17% **PEOPLE MANAGERS**

21% **ENGINEERS**

17% **PROFESSIONALS**

22% **OTHER**



CULTURE OF INCLUSION STARTS AT THE TOP

Having directors with a diverse range of skills, experiences, perspectives, and expertise best positions our board to provide sound guidance to the management team and to fulfill its responsibilities to our shareowners. Our board serves as a role model for diverse representation at all levels in our organization and for our industry. J. Phillip Holloman, an African American and president and COO, Cintas Corporation, joined the Rockwell Automation Board of Directors in 2013, bringing significant leadership and operational excellence skills. In 2017, Patricia Watson (center), senior executive vice president and chief information officer, Total System Services, was elected to our board. Patricia joined two other female executives on the board - Betty Alewine (right), retired president and CEO of COMSAT Inc., who joined our board in 2000, and Lisa Payne (left), former chairman of the board at Soave Enterprises and president of Soave Real Estate Group, who joined our board in 2015.

With 25 percent of our board comprised of female directors, we are among a select group of global companies according to Catalyst. The nonprofit organization's "Quick Take: Women on Corporate Boards Globally" notes only one in five companies globally has at least three women on their corporate boards. Catalyst has also found that board diversity leads to stronger financial performance. Companies with more women on their boards post higher returns on sales, higher returns on equity, and higher returns on invested capital.

MEASURABLE RESULTS: BUILDING OUR PIPELINE

Since 2008, we've had significant gains in U.S. representation:

- WOMEN
- PEOPLE OF COLOR

EXECUTIVES BY:



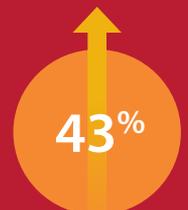
DIRECTORS BY:



MID-LEVEL MANAGERS BY:



ENGINEERS BY:



GLOBAL HONORS

Several publications and organizations recognized our colleagues, regions, and contributions this past year.

- *The Wall Street Journal* ranked us 66th on its 2017 Management Top 250 list. Compiled by the Drucker Institute, the inaugural ranking analyzes and compares the performance of major U.S. companies on customer satisfaction, employee engagement and development, innovation, social responsibility, and financial strength.
- For the fifth time Universum, a global research and consulting firm, named us to its 2017 list of China's Top 100 Most Attractive Employers. The list is based on a survey of nearly 80,000 university students about their career preferences.
- We received a perfect score of 100 percent on the Human Rights Campaign Foundation's 2018 Corporate Equality Index. This national benchmarking survey and report evaluates workplace policies and practices related to lesbian, gay, bisexual, transgender, and queer (LGBTQ) employees.
- The Manufacturing Institute honored Rachael Conrad, who at the time was our regional commercial marketing director for Latin America, and is now the Regional V.P. of Sales for North America Central, with a 2017 Women in Manufacturing STEP Ahead Award. The award highlights the achievements of women in manufacturing.
- Online publication *Madison 365* named Gary Ballesteros one of the 29 Most Powerful Latinos in Wisconsin. Gary is our commercial law VP and company Ombudsman. He previously served as our Latin American region general counsel.



INTEGRITY EVERY DAY

Employees rank our culture of integrity among our strongest drivers of engagement. Our ratings are substantially higher than the normative scores at other companies. It's a culture, and a company value, built on the choices our people make every day to do the right thing.

In 2017, The Ethisphere Institute named us for the ninth time to its distinguished list of World's Most Ethical Companies. "Companies honored as the World's Most Ethical invest in their local communities around the world, embrace strategies of diversity and inclusion, and focus on long term-ism as a sustainable business advantage," explained Ethisphere CEO Timothy Erblich.

Our reputation for integrity is well-deserved, and we know we must never take it for granted. Ethics is a never-ending conversation among our leaders, managers, and colleagues. For Donny Maharaj, our Global Integrity Champion, ethics and integrity is his job. He didn't just make one courageous decision. Donny makes them every day as Regional Controller for Europe, Middle East, and Africa. He's helped our company successfully navigate the complex regulatory environment in that region, and he is responsible for the review and approval of a large volume of company documents. Not one is signed without him first checking all internal controls and asking the tough questions when something doesn't feel right.

We encourage all our employees to do the same – follow their instincts and share concerns – either with their manager or through our Ombudsman program. This program is one of the pillars of our culture of ethics and compliance. It provides opportunities for all employees and members of the public to report allegations of misconduct and provides safeguards against any retaliation. In 1985, we were one of the very first corporations in the U.S. to implement an Ombudsman program. It's a stable and well-ingrained institution that our employees have come to know and trust, and we focus our efforts on ensuring it stays that way.

This past year, the Ombudsman received 452 contacts, up from 429 the prior year. Reports that involve potential Code of Conduct violations are thoroughly investigated by the Ombudsman. The number of Code of Conduct investigations we conducted in 2017 (126) exceeded the total for the year before (110). As a result of these investigations, 22 employees were terminated. The increase in the number of reports to the Ombudsman demonstrates our employees are actively engaged in ensuring our vigilance to maintaining the highest standards of ethical behavior. From answering questions to full investigations, our employees realize the Ombudsman program is a resource to help.

SUPPLIER RELATIONSHIPS

We hold our suppliers to the same environmental, safety, and ethical standards to which we hold ourselves. We actively pursue a diverse base of suppliers that are sector leaders and provide us access to the best and broadest range of expertise and talent.

Globally, we invest the majority of our supplier spend with businesses located in the regions closest to our customers and manufacturing sites. This allows us to respond to customer needs faster, contribute to local economies, and reduce shipping distances, a benefit for the environment.

We have a long-standing reputation for building a supplier base that reflects the diversity of our employees and customers. In 2017, we spent more than \$250 million with more than 750 U.S. businesses owned by women, ethnic and racial minorities, LGBTQ, and veterans or disabled veterans, as well as designated Small Business Administration enterprises.

We joined the Technology Industry Group (TIG). Its members include Apple, Facebook, and Intel. A forum focused on diversity in the high-tech supply chain, TIG brings the foremost industry experts from high-tech companies together in a setting where connections are made, best practices are shared, and relationships are built. We also joined the National Gay and Lesbian Chamber of Commerce as a Corporate Partner to further grow our relationships with LGBTQ and allied businesses.

We seek to do business with world-class quality, performance and technology leaders who can help us deliver the right goods and services where and when our customers need them.



"Companies honored as the World's Most Ethical are transformative, not just out of need but because they recognize that integrity is the key to their advancement."

Timothy Erblich, Ethisphere CEO

SUSTAINABLE COMMUNITY

WE PARTNER WITH NONPROFIT ORGANIZATIONS, educational institutions and businesses that share our commitment to improving the quality of life in our communities and creating a diverse talent pipeline for our company and industry. In 2017, we contributed \$11 million in cash and in-kind donations globally to education, human services, arts and culture, and civic organizations.



DISASTER RELIEF AND RECOVERY

After natural disasters hit nearly every continent in 2017, our immediate priority was to ensure our affected colleagues were safe and had the help they needed. We moved with the same sense of urgency to support our customers and communities. In Beaumont, Texas, the river overflowed following Hurricane Harvey's record floods and submerged the electric motor drives that pumped the community's drinking water. Within 24 hours, we delivered the new drives necessary to restore water service.

We partnered with established community organizations that had the infrastructure in place to provide immediate assistance and support to communities in need. In total, we donated \$200,000 to the American Red Cross for hurricane recovery and relief efforts in Texas, Florida, and Puerto Rico.

In November, we returned to Houston, Texas to host 10,000 industry professionals at our annual Automation Fair® education event. While the Houston site was chosen years earlier, we took advantage of the opportunity to support the city and surrounding communities as they continued to rebuild and recover. We partnered with the United Way and donated \$250,000 to purchase 40 tons of non-perishable food. Throughout the two-day event, thousands of attendees joined us as we packaged 8,000 Thanksgiving meals that were distributed to 35,000 families and seniors.

STEM EDUCATION

As technology moves our company and industry forward, a global skills shortage and changing workplace demographics threaten to hold us back. Our future depends on ensuring that today's diverse students have the skills and ability to fill millions of smart manufacturing jobs.

For more than a decade, we've directed the majority of our corporate charitable support toward STEM (Science, Technology, Engineering and Math) education, with an emphasis on engaging young women and underrepresented groups. Together with our key STEM partners *FIRST*® (For Inspiration and Recognition of Science and Technology), Project Lead the Way, and ST Math, our goal is to prepare and inspire young minds for STEM careers while building a passion for lifelong learning. These three organizations are experts in their fields of in- and after-school programming.

"In a world unwinding, it's critical to develop more kids with the toolset, the vision, and the ability to work together to deal with difficult problems," says *FIRST* Founder Dean Kamen. "At *FIRST*, we inspire enthusiastic young people to learn, work hard and – one day – change the world."

We're in the second year of a four-year, \$12 million commitment to *FIRST*, our after-school program of choice to reach K-12 students. The pledge builds on the \$15 million we invested with *FIRST* over the previous 10 years. During *FIRST*'s 2016-2017 season we sponsored 192 teams across all four *FIRST* programs. All of these teams were mentored by one of our employees. We continued as a global sponsor of *FIRST*® LEGO® League (FLL), sole sponsor of the *FIRST*® Robotics Innovation in Control Award, and a *FIRST*® Robotics Crown Supplier of products.

"While our financial and product contributions help make *FIRST* possible, the mentoring and support that our employees provide students is what makes it life changing," explains Jay Flores, our global STEM ambassador.

Nearly 300 employees worldwide volunteered with *FIRST* as mentors, coaches, judges, and referees. Our Melbourne office sponsored a *FIRST* Australia FLL team formed by employees and their children. The team was mentored by *FIRST* veterans including Devon Boyd, a field service engineer, who initially learned about our company as part of his *FIRST* involvement.

"*FIRST* is a fabulous opportunity for local teams to spend time getting to know Rockwell Automation," says Chris Turnbull, team lead operations, Rockwell Automation Australia. "This is sometimes our first and best introduction of our company to future STEM talent who will one day work for us or our customers."

PHILANTHROPY



● 69% **EDUCATION**

● 18% **HEALTH AND HUMAN SERVICES**

● 7% **CIVIC**

● 6% **ARTS & CULTURE**



IN GOOD COMPANY: COMPANIES CHANGING THE WORLD

CEO Magazine cited our STEM commitment as why it named us as one of seven "Companies Changing the World We Live In." We were part of a of who's who list in corporate citizenship, including Ikea, Nike, Coca-Cola, GlaxoSmithKline, H&M, and Patagonia.

The magazine noted, "Rockwell Automation relies on its industrial automation expertise, and innovation to make organizations, industries and communities more efficient, productive, and sustainable. So, it's only natural that the company is working hard to foster the next generation of innovators."



STMath. FAMILY NIGHTS

As part of our partnership with ST Math®, we hosted Family Math Nights at our Milwaukee partner schools, Vieau School and Rogers Street Academy. More than 600 employee volunteers, students, and parents came together for a fun and interactive evening of math conversation, games, and problem solving. We sent all families home with Family Math Night Kits, available in English and Spanish, so parents and children can continue to learn together outside of school.

MIND
Research Institute

A neuroscience and education
social benefit organization

STEM ROLE MODELS

We provide needed support, including transportation and supplies, to make STEM opportunities even more accessible for urban students. Because these young people have less access to mentors and subject matter experts, let alone engineers who look like they do, we engage our Employee Resource Groups (ERGs). From near-peer young professionals to our racially and ethnically diverse colleagues, ERG members share their experiences and perspectives.



"I am showing young people, boys and girls, that engineers come in all shapes and sizes and colors," says Annisha Russell, field sales. "I love going into a room and dispelling the preconceived notion of what an engineer looks like. I was lucky; I had engineering role models. For those who don't, I can be that person."

Amanda Eason, commercial engineer, adds, "Many girls move away from STEM because of fear that it's something they can't do or they lack role models and mentors to encourage them. I want to help eliminate that fear and be that role model. I hope to encourage more young women and people of color to see their potential and prepare them for a future and career in STEM."



GREENLIGHT FOR GIRLS IN BRUSSELS

Greenlight for Girls is a Belgium-based international nonprofit dedicated to inspiring girls of all ages and backgrounds to pursue STEM subjects by introducing them to the world of science in fun and exciting ways. That included about 50 girls ages 10 to 15 donned in personalized lab coats spending an afternoon with employees at our EMEA headquarters in Brussels for hands-on electronics, coding, and programming workshops. Afterwards, our colleagues hosted a mini graduation ceremony to present each girl with "Future innovative thinker and problem-solver" certificate.



HIGHER EDUCATION PARTNERSHIPS

Today's rapidly changing manufacturing industry requires engineers with a different, more diverse, and multidisciplinary skill set. To build a talent pipeline ready to work in a connected, modern manufacturing environment, we work closely with industry partners and higher education institutions to develop lifelong integrated learning experiences for students and professionals. We equip automation teaching laboratories, co-develop curriculum, and host a number of hands-on experiences with the newest technologies.

In the U.S., we partnered with FANUC, LAB Midwest, and other industry leaders to design and develop Chippewa Valley Technical College's new Industry 4.0 Learning System at its Eau Claire, Wisconsin campus. We also announced a \$1.7 million gift and became a founding sponsor of a new Connected Systems Institute at University of Wisconsin-Milwaukee (UWM) to provide undergraduate, graduate, professional, and executive education and research. The institute, the first of its kind in the state, will house state-of-the-art IoT simulation, emulation, and testing facilities.

As part of its development, we funded a UWM study that researched leading IoT institutes and centers in Germany, China, Taiwan, Singapore, and the U.S. According to Adel Nasiri, associate dean for research and a professor in UWM's College of Engineering & Applied Science, "There's currently a gap between industry on the one hand and research and education on the other. The Connected Systems Institute will serve as a central point where industry representatives and scholars can collaborate on Industrial IoT technologies."

In China, 19 universities launched a Smart Manufacturing certification program we jointly developed with partners FANUC, Endress+Hauser, and Cisco. The program is endorsed by the China Ministry of Education as part of the China 2025 policy to advance the country's manufacturing industry. We also opened two The Connected Enterprise labs at Shanghai Jiaotong University and Nanjing Institute of Technology in Nanjing. In total, we have more than 72 automation labs in China universities and more than 100 worldwide. Each year, 30,000 students use these labs to connect theory to real-world practice.

From youngsters and college students to new hires and experienced professionals, we believe a cross-generational approach to lifelong learning will ensure a skilled workforce for our company, our customers, and the automation industry as a whole.



PARTNERSHIP TRAINS MILITARY VETS FOR ADVANCED MANUFACTURING ROLES

Together with the ManpowerGroup, we celebrated the first cohort of U.S. military veterans to graduate from our Academy of Advanced Manufacturing partnership and secure jobs in the rapidly-evolving manufacturing industry.

The 12-week program, launched this past summer, combines classroom learning with hands-on laboratory experience. We trained veterans at our state-of-the-art Mayfield, Ohio facility for in-demand advanced manufacturing jobs. All of the initial graduates have job offers, and more than half have multiple job offers that significantly increase their previous salaries.

Between 2003 and 2019, it's estimated that 4.3 million veterans will leave the service and 65 percent of them need help finding jobs outside the military. Meanwhile, the U.S. manufacturing sector is estimated to create up to 3.5 million new jobs over the next decade, but with an aging workforce and ongoing skill shortages, up to 2 million of those jobs could go unfilled. Military veterans possess a unique combination of technical savvy and core work skills that makes them well-positioned for careers in advanced manufacturing environments.

By partnering with ManpowerGroup, a world leader in workforce solutions, we've been able to develop a truly groundbreaking program that will help solve a challenge critical to fueling the future growth of the manufacturing sector. Over the next few years, we hope to train and add several thousand veterans to a pool of certified talent for today's much needed high-tech manufacturing roles.

EMPLOYEE VOLUNTEER AWARDS

Each year we honor colleagues who selflessly donate their time to needs important to them in their communities or in other parts of the world. To recognize their service, we donate to their charities of choice.

● ENGINEERING OUR FUTURE™ AWARDS

Awards celebrate dedication and commitment to STEM education and building a pipeline of talented and skilled employees.



Global: Hugo Bernardino Da Silva

Jundiai, Brazil

Volunteer Organization: Amparo Dos Pequenos serves underprivileged mothers, children and teenagers, with a focus on STEM education to encourage an interest in engineering and technology.



United States: Kevin Fonner

Mayfield Heights, Ohio

Volunteer Organization: FIRST inspires youth to become science and technology leaders and innovators by engaging in mentor-guided programs.

● HOMETOWN HERO AWARD

Award recognizes volunteer efforts in employee's immediate community.



Amy Carlsen

Troy, Michigan

Volunteer Organization: Teen Reach Adventure Camp helps teens build relationships with peers in similar living situations, learn from mentors, and build confidence.

● AT- LARGE AWARD

Winner selected from entire base of nominees.



Kelly J. Passineau

Milwaukee, Wisconsin

Volunteer Organization: Guest House provides shelter, housing, education and services to Milwaukee's homeless who seek to transform their lives with dignity and purpose.



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