



Pall Corporation



# Sustainability Report

Fiscal Year 2014

*Better Lives. Better Planet.<sup>SM</sup>*

# About this Sustainability Report

Pall Corporation strives to improve continuously and be transparent in our reporting practices. This report reflects Pall's global operations and its subsidiaries for Fiscal Year 2014 (ended July 31, 2014) unless otherwise noted.

# Company Profile

Pall Corporation has become a global leader in the high-tech filtration, separation, and purification fields by meeting the diverse end market needs of customers across the broad spectrum of life sciences and industry.

The company has two segments:

## Pall Life Sciences

Pall Life Sciences provides cutting-edge products and services to meet the demanding needs of customers discovering, developing and producing biotech drugs, vaccines, cell therapies and classic pharmaceuticals. The company's membranes and membrane devices optimize detection and sample preparation in the drug research, clinical diagnostics, genomics, and proteomics markets. Pall is a leading provider of separation systems and single-use filtration and purification technologies to pharmaceutical and biotech companies for diverse operations from cell culture to final formulation and filling. Pall also offers advanced medical technologies, which are often a patient's last line of defense from dangerous pathogens. For foods and beverages, Pall's products provide critical protection from contaminants during various manufacturing steps.

## Pall Industrial

Pall Industrial serves an extremely diverse range of customers in fast-growing and established markets. The company is a key filtration technology solutions provider to the microelectronics, aerospace, fuels, petrochemical, chemical, automotive, and power generation process industries. Pall is a key supplier to the rapidly innovating and technically demanding semiconductor and consumer electronics industries, and has a long history of providing filtration products for use in critical applications on commercial and military aerospace vehicles. Pall products also are key to the reliability of industrial capital equipment. Pall engineered solutions help municipal and industrial customers economically address mounting water quality, scarcity and demand issues. And the company helps energy companies maximize production and develop commercially successful next generation fuels.

Headquartered in Port Washington, Long Island, New York, Pall has offices and plants throughout the world. Pall's shares are listed on the New York Stock Exchange (NYSE:PLL).

# Our Commitment to Sustainability

Pall Corporation provides customers with technologically superior products and engineered process solutions that strengthen their businesses while reducing their environmental impacts.

Pall's innovations purify and conserve water, consume less energy, help make alternative energy possible, advance medicine, and minimize emissions and waste. We are dedicated to helping customers minimize their carbon footprints, and ensure the most efficient utilization of water and other natural resources and raw materials.

Our approach to environmental stewardship is proactive and anchored in a culture of continuous improvement. We have integrated environmental sustainability metrics into our business by using globally accepted greenhouse gas assessment protocols to measure and manage greenhouse gas emissions.

Pall recognizes the need to balance proactive environmental stewardship with strong economic performance. The projects and activities undertaken in FY14 to achieve our energy, waste, and greenhouse gas reduction goals also contributed to cost savings for our operations.

**While we expand the company, we continue to reduce our carbon impact.**

# Goals for Fiscal Year 2017

Our sustainability goals for FY17 call for the reduction of waste generation, utilities use, and greenhouse gas emissions relative to our FY13 baseline<sup>(1)</sup> as follows:

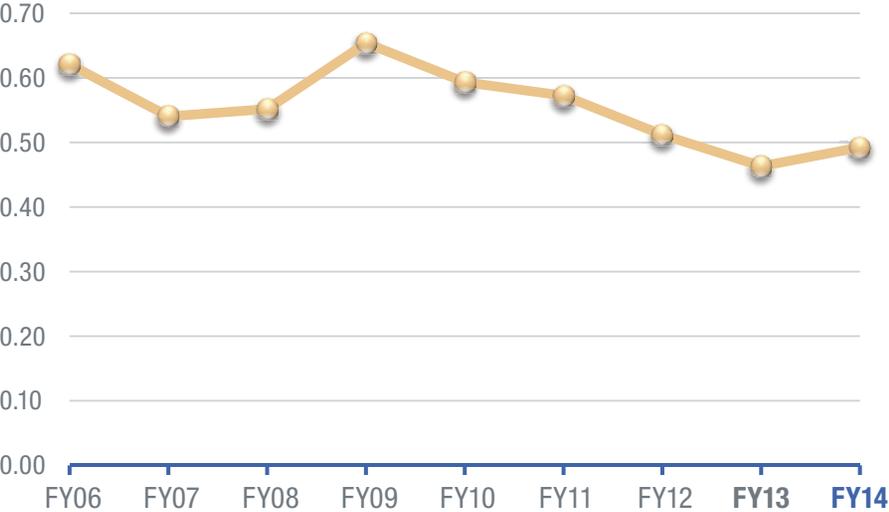
- Reduce Utilities Usage Intensity by 10%
- Reduce Waste Intensity by 10%
- Increase Reuse/Recycling Intensity by 15%
- Reduce Green House Gas (GHG) Intensity by 10%



*(1) Excludes any acquisition after FY 2013*

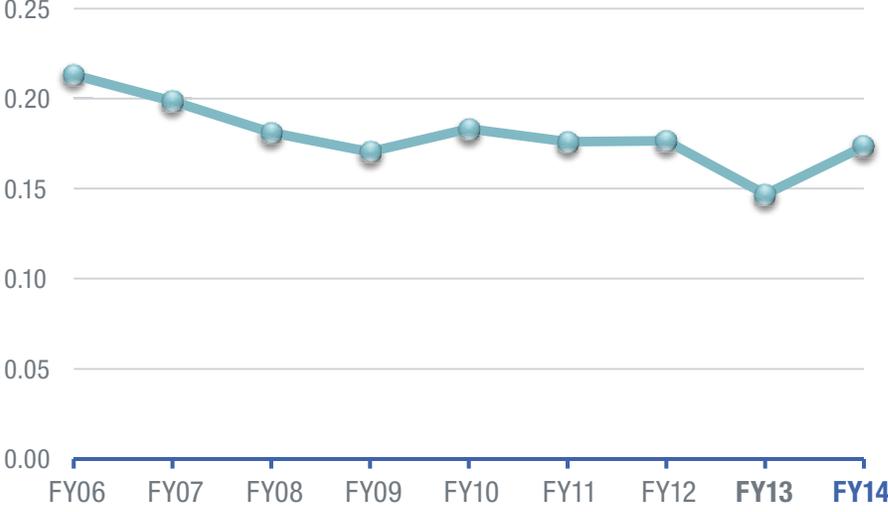
# Energy & Water Usage

Energy Intensity (MJ/\$ Net Sales)



|                                           | FY14      | Change FY13-14 |
|-------------------------------------------|-----------|----------------|
| <b>Energy Intensity</b> (MJ/\$ Net Sales) | 0.493     | <b>+6.22%</b>  |
| <b>Total Energy</b> (Gigajoules)          | 1,373,585 |                |

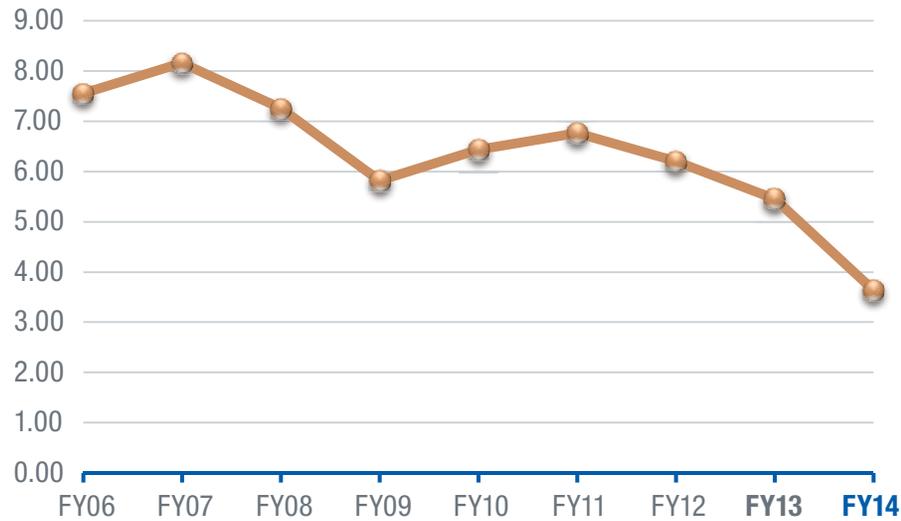
Water Intensity (Mgal/\$M Net Sales)



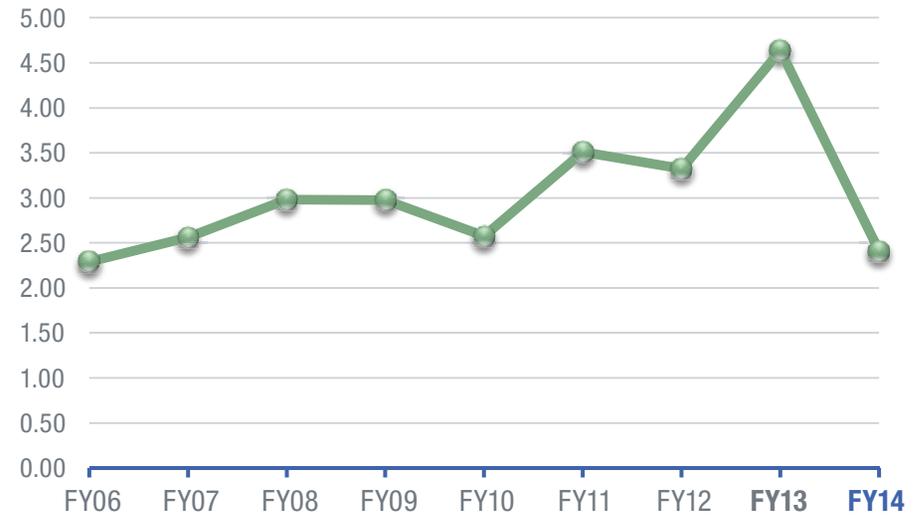
|                                             | FY14  | Change FY13-14 |
|---------------------------------------------|-------|----------------|
| <b>Water Intensity</b> (Mgal/\$M Net Sales) | 0.174 | <b>+18.23%</b> |
| <b>Total Water</b> (Millions Gallons)       | 484   |                |

# Waste Generation & Recycling

Waste Intensity (Tons/\$M Net Sales)



Recycling Intensity (Tons/\$M Net Sales)

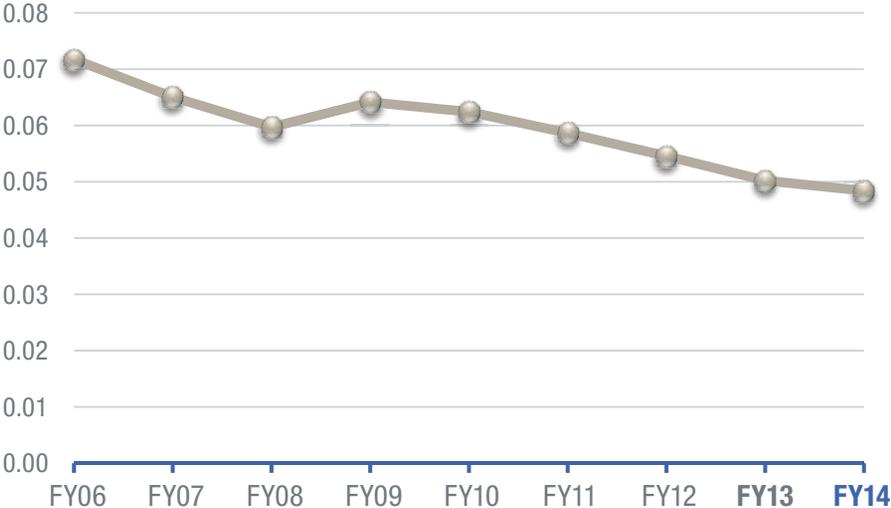


|                                             | FY14   | Change FY13-14 |
|---------------------------------------------|--------|----------------|
| <b>Waste Intensity</b> (Tons/\$M Net Sales) | 3.64   | <b>-33.37%</b> |
| <b>Total Waste</b> (Tons)                   | 10,140 |                |

|                                                 | FY14  | Change FY13-14 |
|-------------------------------------------------|-------|----------------|
| <b>Recycling Intensity</b> (Tons/\$M Net Sales) | 2.406 | <b>-48.12%</b> |
| <b>Total Recycling</b> (Tons)                   | 6,711 |                |

# Greenhouse Gas Generation

**GHG Intensity** (Kg CO<sub>2</sub>e/\$ Net Sales)



|                                                                 | FY14    | Change FY13-14 |
|-----------------------------------------------------------------|---------|----------------|
| <b>GHG Intensity</b> (Kg CO <sub>2</sub> e/\$ Net Sales)        | 0.048   | <b>-3.53%</b>  |
| <b>Total GHG</b> (Metric Tonnes CO <sub>2</sub> e/\$ Net Sales) | 134,935 |                |

## Meeting International Environmental Standards

ISO 14001 is the international standard for environmental management systems. In FY13, 100% of Pall’s manufacturing operations worldwide had achieved ISO 14001 certification. Pall Corporation's manufacturing footprint grew in FY 2014, adding newly acquired facilities which were not ISO 14001 certified. Pall will continue to work to bring all newly acquired facilities worldwide into ISO 14001 certification. The program has helped Pall minimize environmental impact, improve compliance, and reduce both risk and costs.

Pall’s manufacturing operations comprise about 64% of the company’s total square footage of leased or owned properties.

## Reducing Our Carbon Footprint

Pall is a participant the in the UK Carbon Reduction Commitment (CRC)<sup>(1)</sup> and is proud to have participated in the Carbon Disclosure Project since 2008. In that year, Pall joined with many other companies in this global initiative to inventory GHG emissions and evaluate the risks and opportunities from climate change on business operations. Our annual GHG inventory provides important baseline information that is used to make informed and effective policy decisions to reduce Pall’s carbon footprint.

*(1) The UK CRC is a program by the UK Government requiring all companies with carbon emissions to participate in carbon emission reduction programs and develop and report carbon inventories.*

# Leadership Recognition

## Environmental Recognition



### ISO 14001 Certification

ISO 14001 is the international standard for environmental management systems. In FY 2013 all of Pall's plants worldwide had achieved ISO 14001 certification. Certified companies must provide assurance about their ability to satisfy quality requirements and to enhance customer satisfaction in supplier-customer relationships.

<http://www.iso.org>

### NEWSWEEK

### Green Rankings

(June 2014) The Green Rankings comprehensively assess the environmental performance of the largest publicly traded companies in America and around the world. These companies are ranked based on their actual environmental footprint, management of that footprint, and sustainability communications. The rankings provide a reliable, cross-industry framework for comparing the environmental commitment and performance of major companies.

<http://www.newsweek.com/green>

### CARBON DISCLOSURE PROJECT

### Carbon Disclosure Project

Since 2008 Pall has participated in the Carbon Disclosure Project (CDP), a global initiative to inventory greenhouse gas (GHG) emissions and evaluate the risks and opportunities from climate change on business operations. Companies use their annual GHG inventory to make informed and effective policy decisions to reduce their carbon footprint.

<https://www.cdp.net>

### ENVIRONMENT AGENCY

### Carbon Reduction Commitment (CRC) Ranking

Pall Manufacturing UK Limited ranked in the top 5 percent of the Environment Agency's first annual CRC Performance League Table (PLT) in 2011 and has been a participant each year since. The PLT ranks the relative performance of organizations participating in the CRC energy efficiency program.

<https://www.gov.uk>

### CLEANTECH INDEX

### Cleantech Index

Since 2006 Pall has been included in the Cleantech Index – the first stock market index intended to reflect the surging demand for clean technology products and services. The index is comprised of companies that are global leaders in Cleantech across a broad range of industry sectors, from alternative energy and energy efficiency to advanced materials and air & water purification.

<http://www.cleantech.com>



### FTSE4Good

Since 2001 Pall has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards.

<http://www.ftse.com>

## Technology Recognition



### Engineering Materials Achievement Award

(2010) Pall Corporation won the prestigious Engineering Materials Achievement Award (EMAA) for 2011 for its porous iron aluminide technology. Recognizing outstanding achievements in materials science, the award is given annually to one company by ASM International, a society dedicated to the development and commercialization of materials that advance production techniques and facilitate innovation. Previous winners include DuPont for aramid fiber, IBM for magnetic recording media, and AT&T Bell Labs for transoceanic optical fiber systems. <http://www.asminternational.org>



### National Inventors Hall of Fame

(2008) Dr. David B. Pall, founder of Pall Corporation, was inducted into the National Inventors Hall of Fame. Dr. Pall's body of work in the field of filtration science earned him a place among legendary innovators including Alexander Graham Bell, Walt Disney, Thomas Edison and Henry Ford. <http://www.invent.org>



### National Medal of Technology

(1990) On behalf of Pall Corporation, Dr. Pall received the National Medal of Technology, the highest technology honor in the United States. Other past winners include Microsoft, Applied Materials, Procter & Gamble and Johnson & Johnson. <http://www.uspto.gov>

## Business Recognition



### NYSE

Since 1991 Pall Corporation has been a publicly traded company listed on the New York Stock Exchange under the ticker PLL. Listed companies must continuously meet rigorous financial and governance requirements. <https://www.nyse.com>



### Fortune 1000

Since 1991 Pall has been included in the Fortune 1000, an annual list compiled and published by Fortune magazine that ranks the top 1000 U.S. closely held and public corporations by revenue. <http://fortune.com>



### S&P 500

Since 1987 Pall has been included in the S&P 500 index – one of the most commonly used benchmarks for the overall U.S. stock market. The S&P 500 is a capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States. <http://www.standardandpoors.com>

# Appendix: Environmental Summary

## Indexed Values

|                                                  | FY06    | FY07    | FY08    | FY09    | FY10    | FY11 <sup>(2)</sup>  | FY12    | FY13    | FY14           | Change<br>FY13-14 |
|--------------------------------------------------|---------|---------|---------|---------|---------|----------------------|---------|---------|----------------|-------------------|
| <b>Energy</b> (MJ/\$ Net Sales)                  | 0.621   | 0.541   | 0.552   | 0.654   | 0.593   | 0.573                | 0.512   | 0.464   | <b>0.493</b>   | <b>+6.22%</b>     |
| <b>Water</b> <sup>(1)</sup> (Mgal/\$M Net Sales) | 0.213   | 0.199   | 0.181   | 0.170   | 0.183   | 0.176                | 0.177   | 0.147   | <b>0.174</b>   | <b>+18.23%</b>    |
| <b>Recycling</b> (Tons/\$M Net Sales)            | 2.290   | 2.563   | 2.979   | 2.976   | 2.577   | 3.530 <sup>(3)</sup> | 3.326   | 4.638   | <b>2.406</b>   | <b>-48.12%</b>    |
| <b>Waste</b> (Tons/\$M Net Sales)                | 7.56    | 8.16    | 7.26    | 5.82    | 6.44    | 6.77                 | 6.21    | 5.46    | <b>3.64</b>    | <b>-33.37%</b>    |
| <b>GHG</b> (Kg CO <sub>2</sub> e/\$ Net Sales)   | 0.072   | 0.065   | 0.060   | 0.064   | 0.062   | 0.059                | 0.055   | 0.050   | <b>0.048</b>   | <b>-3.53%</b>     |
| <b>Net Sales</b> (In Millions)                   | \$2,017 | \$2,250 | \$2,572 | \$2,329 | \$2,402 | \$2,517              | \$2,672 | \$2,648 | <b>\$2,789</b> |                   |

All currency is stated in U.S. Dollars

(1) Indexed values are based on revised water used figures for FY06-FY10

(2) Restated FY11 Net Sales and associated Indexed Values

(3) The FY11 indexed value for recycling has been restated. This value was not updated with the other indexed values after the Net Sales for FY2011 were restated in the FY12 Corporate Sustainability Report.

## Absolute Values

|                                                   | FY06      | FY07      | FY08      | FY09      | FY10      | FY11      | FY12      | FY13      | FY14             |
|---------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| <b>Total Energy Consumed</b> (MJ)                 | 1,252,691 | 1,216,852 | 1,419,244 | 1,524,251 | 1,425,322 | 1,441,615 | 1,367,864 | 1,227,844 | <b>1,373,585</b> |
| <b>Total Water Consumed</b> <sup>(1)</sup> (Mgal) | 430       | 447       | 466       | 397       | 440       | 443       | 472       | 389       | <b>484</b>       |
| <b>Total Recycled Material</b> (Tons)             | 4,619     | 5,766     | 7,661     | 6,932     | 6,189     | 8,886     | 8,887     | 12,282    | <b>6,711</b>     |
| <b>Total Waste Generated</b> (Tons)               | 15,241    | 18,368    | 18,664    | 13,563    | 15,457    | 17,029    | 16,581    | 14,449    | <b>10,140</b>    |
| <b>Total GHG Generated</b> <sup>(2)</sup> (Kg)    | 144,672.6 | 146,325.0 | 153,415.3 | 149,415.9 | 149,949.6 | 147,675.5 | 145,648.6 | 132,813.0 | <b>134,935.0</b> |

(1) Restated water use figures for FY06-FY10

(2) Restated FY11 GHS figures from EMEA and America and associated Indexed Value

For information on Pall's ethics,  
compliance, and governance  
activities, visit  
[www.pall.com/governance](http://www.pall.com/governance) and  
[www.pall.com/policies](http://www.pall.com/policies)



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Pall Corporation has offices and  
plants throughout the world.



*Better Lives,  
Better Planet...*

To see how Pall is helping enable a greener, safer and more  
sustainable future, visit [www.pall.com/green](http://www.pall.com/green).

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