



# 2017

CORPORATE RESPONSIBILITY REPORT





## LETTER FROM

<b>John L. Stauch</b> .....	<b>3</b>
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## SECTION 1

**A Winning Company**

Our Values .....	<b>5</b>
Our Company .....	<b>6</b>
Overview of Business .....	<b>7</b>
Our Footprint .....	<b>8</b>
2017 Industry Awards .....	<b>9</b>
Our Approach to Corporate Responsibility .....	<b>10</b>

## SECTION 2

**Winning Solutions**

Delivering Solutions Today for Opportunities Tomorrow .....	<b>12</b>
Our Three-Step Innovation Process .....	<b>13</b>
Water Solutions .....	<b>14</b>
Energy Efficiency Solutions .....	<b>16</b>
Energy Recovery Solutions .....	<b>17</b>
Case Study: Maui Brewing Co. ....	<b>18</b>
Case Study: Everpure/TerraCycle .....	<b>19</b>
Award Spotlight: 2017 ENERGY STAR® Partner of the Year .....	<b>20</b>
Food and Agricultural Solutions .....	<b>21</b>
Solutions for Resilience .....	<b>22</b>

## SECTION 3

**Winning Operations**

Delivering Customer Solutions Responsibly and Sustainably .....	<b>24</b>
Our Approach .....	<b>25</b>
Annual Environmental Treasure Hunt .....	<b>26</b>
Case Study: Conroe, Texas .....	<b>27</b>
Managing Our Water Use .....	<b>28</b>
Our Water Performance .....	<b>29</b>
Driving Energy Efficiency .....	<b>31</b>
Investing in Renewals .....	<b>31</b>
Energy Consumption and Emissions Performance .....	<b>32</b>
Waste Reduction and Materials Use Performance .....	<b>36</b>

## SECTION 4

**Winning Workplace**

Pursuit of a Common Goal .....	<b>38</b>
Employee Engagement and Development .....	<b>39</b>
Training and Development .....	<b>40</b>
India Team Honored with HR Recognition .....	<b>41</b>
Team Pentair .....	<b>42</b>
Spotlight: Hurricane Harvey Relief .....	<b>42</b>
Volunteering Spotlight: Matching Gift Program .....	<b>43</b>
Diversity and Inclusion .....	<b>44</b>
Safer Workplace .....	<b>45</b>
EHS Highlights .....	<b>46</b>
Compensation and Benefits .....	<b>47</b>

## SECTION 5

**Winning Communities**

Taking Steps to Make a Positive Impact .....	<b>49</b>
Delivering Clean Water .....	<b>50</b>
Providing Sustainable Access to Clean, Safe Water .....	<b>51</b>
Case Study: SHOFCO/Kibera .....	<b>52</b>
Sustainable Food Production .....	<b>53</b>
Increasing Opportunities Through Education .....	<b>54</b>
Pratham Spotlight: Knowledge is Power .....	<b>55</b>

## SECTION 6

**Governance**

Principles and Practices .....	<b>57</b>
Governance Structures .....	<b>58</b>
Code of Conduct .....	<b>58</b>
Speak Up Resources .....	<b>59</b>
Supplier Relationships .....	<b>59</b>
Privacy and Data Security .....	<b>60</b>
Political Contributions .....	<b>60</b>

## SECTION 7

**2017 GRI Content Index**

GRI 102: General Disclosures 2016 .....	<b>62</b>
GRI 200-400: Topic-Standard Disclosures 2016 .....	<b>64</b>

<b>About this Report</b> .....	<b>66</b>
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Dear Stakeholders,

Welcome to our 2017 Corporate Responsibility Report. We're excited to share highlights of our corporate and community citizenship efforts as we continue our commitment to ongoing sustainability initiatives and our mission of delivering smart, sustainable solutions that empower our customers to make the most of life's essential resources.

As you read this report, it's important to understand that it reflects Pentair's 2017 initiatives, and as such encompasses the company's two reporting segments that were in existence in 2017 – Water and Electrical. Next year's Corporate Responsibility Report will significantly evolve as on April 30, 2018, Pentair announced that it completed the separation of its Electrical business, which is now held by nVent Electric plc ("nVent"), a new independent, publicly-traded company. Pentair remains focused on Water solutions and is committed to lead as a global, responsible corporate citizen who is helping to solve some of the most pressing global issues at hand, including reliable access to clean water.

The new Pentair is also continuing the Win Right values that are foundational to our mission. The achievements highlighted in this report are reflective of the progress Pentair has made in our journey to create a company that is a better performer, a better place to work and more relevant in our communities around the world.

A key to our success is acknowledging the importance of our employees and the positive impact we make together. Every day, our talented employees from around the globe come to work to deliver on Pentair's commitment to help build a safer, more sustainable world while being mindful of our natural resources. From creating best-in-class products that are annually recognized with ENERGY STAR® designations, to employee volunteers

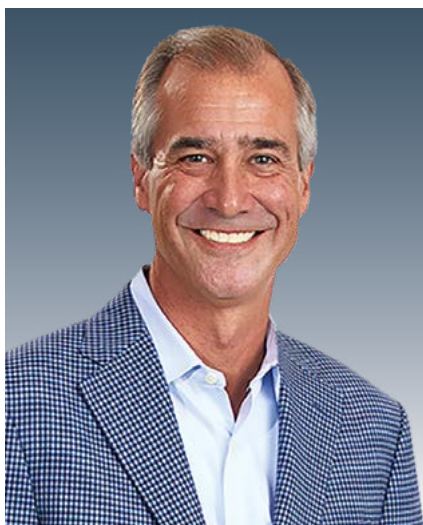
supporting Hurricane Harvey relief efforts, to reducing our environmental footprint through efficient operations, Pentair continues to lead with purpose and to conduct our business operations with sustainability in mind.

We propel our business philosophy into action through the Pentair Integrated Management System (PIMS), a proprietary approach to responsible business that provides the process, methods and tools for continuous improvement. Our operating principles and Win Right Values continue to be critical to our growth and success. This foundation, established more than 50 years ago, underscores our confidence in the future. Our goal is to demonstrate leadership as a responsible corporate citizen in every country and community where we conduct business. This means, for example:

- Delivering a safe drinking water system for students of the Kibera School for Girls in Kenya (page 52), as well as 156,000 people in the surrounding community daily;
- Partnering with TerraCycle to create a zero-waste, recyclable water filter cartridge (page 19); and
- Achieving five million hours without a Lost Time Incident among our Houston, Texas team (page 46), a reflection of the importance we place on Environmental, Health and Safety.

I am grateful for what we have achieved, and I am excited about the opportunities ahead for Pentair. With your trust, we will continue to create and support a more sustainable future for all.

**John L. Stauch**  
President and CEO  
Pentair





A dynamic splash of water is captured in mid-air, creating a series of droplets and a crown-like shape. The water is a deep blue, and the background is a lighter blue gradient. A diagonal line divides the image, with the water splash appearing to cross it. A large green number '1' is positioned in the upper right corner.

1

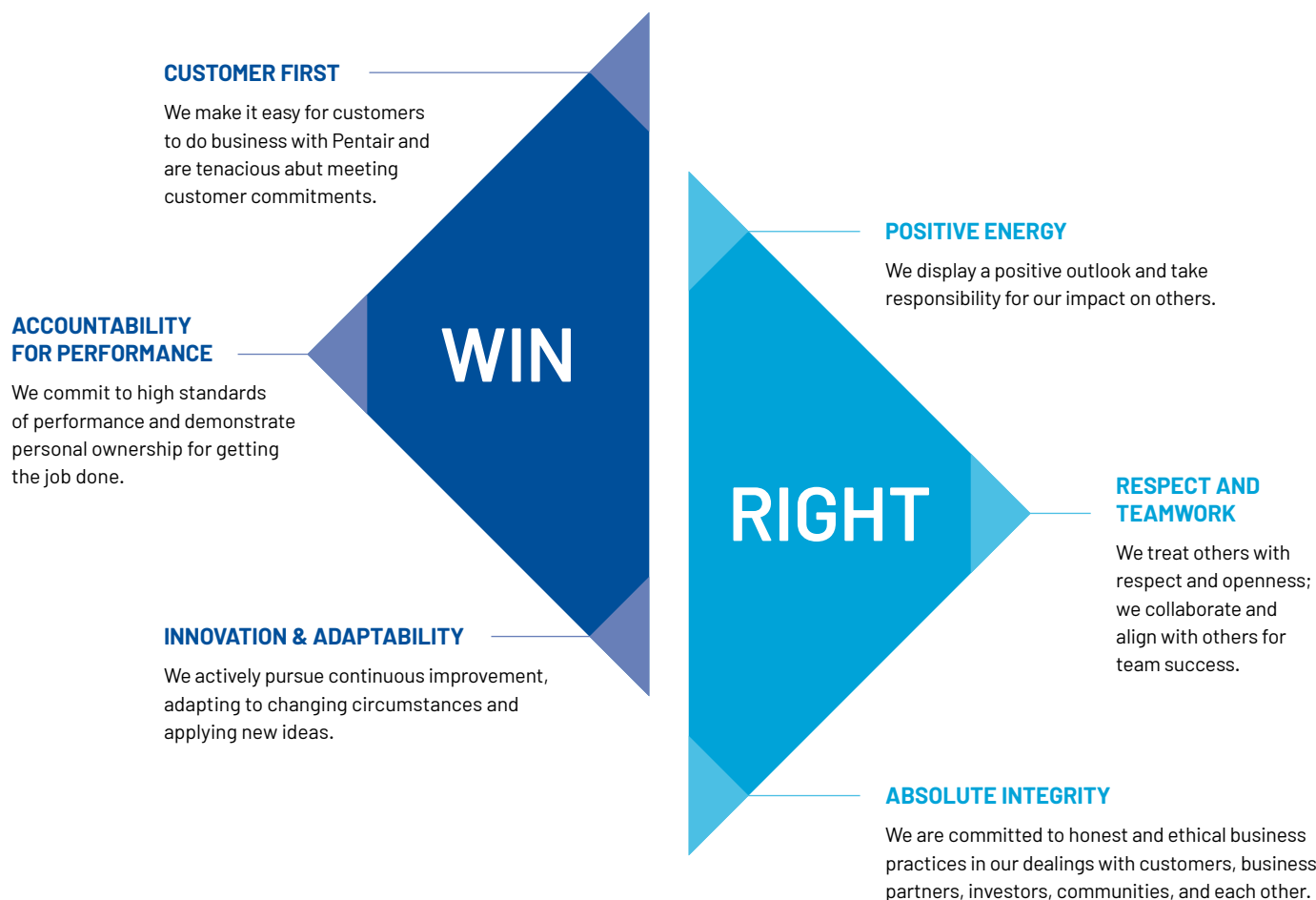
# A WINNING COMPANY



At Pentair, commercial success alone is not enough. Our Win Right values are the heartbeat of our company. We win by delivering on our values of customer first, accountability for performance, and innovation and adaptability. And we do it the right way through positive energy, respect and teamwork, and absolute integrity.

## We Win Right through OUR VALUES

Our work is driven by our passion and purpose of building a safer, more sustainable world. A deep-rooted culture energizes our employees to make a difference within and beyond the workplace. They do so by delivering innovative technologies and solutions to our customers, pursuing continuous improvement across our operations, supporting their teams and communities and contributing to our philanthropic work and corporate responsibility initiatives. Our Win Right values and guiding behaviors are the foundation of our company and shape how we do business and treat one another.





## Delivering leading solutions through **OUR COMPANY**

Pentair delivers industry leading products, services and solutions that help people make the best use of the resources they rely on most. Collaborating with industry partners, governments, non-governmental organizations (NGOs), and other companies, in 2017 we served a wide variety of customers in residential and commercial, industrial, municipal, infrastructure, energy, and agriculture.

In 2017, Pentair reported the performance of its business in two segments, Water and Electrical:

### **WATER**

The water segment designs, manufactures, markets, and services innovative solutions for filtration, separation, flow and water management challenges in agriculture, food service, food and beverage processing, swimming pools, water supply and disposal, and a variety of industrial applications.

### **ELECTRICAL**

The electrical segment designs, manufactures, markets, installs and services high performance products and solutions that connect and protect some of the world's most sensitive electrical and electronic equipment and critical processes.

In May 2017, Pentair announced that its Board of Directors unanimously approved a plan to separate into two independent, publicly-traded companies: the Water company which retained the Pentair name, and the Electrical company which is now called nVent. Both benefit from leading positions in their respective industries, well-recognized brands, attractive margin profiles, strong free cash flow generation and compelling growth opportunities. The transaction was completed on April 30, 2018.



## OVERVIEW OF BUSINESS\*



### WATER



### ELECTRICAL



\* As of December 31, 2017



# Our Footprint

As of December 31, 2017

FACILITIES	FY2015	FY2016	FY2017
Office	83	86	99
Assembly Engineering	5	5	1
Manufacturing	61	59	63
Service Center	15	14	14
Warehouse	53	45	52
<b>TOTAL</b>	<b>217</b>	<b>209</b>	<b>229</b>

SQUARE FOOTAGE	FY2015	FY2016	FY2017
Office	747,308	806,235	880,679
Assembly Engineering	119,849	116,834	13,994
Manufacturing	9,701,114	9,491,872	9,739,043
Service Center	172,264	168,685	159,541
Warehouse	1,733,524	1,759,597	1,912,218
<b>TOTAL</b>	<b>12,474,059</b>	<b>12,343,223</b>	<b>12,705,474</b>

SALES (by Segment)	FY2015	FY2016	FY2017
Water	\$ 2,808.3	\$ 2,777.7	\$ 2,844.4
Electrical	1,809.3	2,116.0	2,097.9
Other	(1.2)	(3.7)	(5.8)
<b>TOTAL (in Millions)</b>	<b>\$ 4,616.4</b>	<b>\$4,890.0</b>	<b>\$ 4,937.0</b>

For detailed information on sales by business and region, see our [Annual Report](#).



## 2017 Industry Awards



Pentair Aquatic Systems

**2017 ENERGY STAR® Partner of the Year**

Sustained Excellence Award, U.S. Environmental Protection Agency



Pentair Hoffman (now nVent HOFFMAN)

**"Showstopper" Award for Innovation**

The National Electrical Contractors Association (NECA2)



Pentair Aquatic Systems

**Best New Product**

International Pool Spa and Patio Expo



Pentair Fairbanks Nijhuis

**Aquatech Finalist**

Bi-Directional Tidal Turbine



Pentair Caddy (now nVent CADDY)

**Platinum Product of the Year Award, Retrofit Telescoping Strut Replacement**

Electrical Construction & Maintenance Magazine



Pentair Everpure

**HORECA EXPO 2017 Innovation Award**

Conserv 75



Our approach to

## CORPORATE RESPONSIBILITY

In an increasingly developed and resource-hungry world, there are intense pressures on water, energy, and food requiring solutions that promote efficiency and sustainable consumption. These pressing global challenges inform not only Pentair's business strategy, but our corporate responsibility (CR) approach as well.

### Winning Solutions, Operations, Workplace, and Communities

#### WINNING SOLUTIONS

Our focus, every day, is on developing solutions that help our customers better manage water resources, so they can secure more food, energy, and efficiencies from each drop, while protecting people and the environment. With some of the world's largest companies among our customers, our product innovations, described in [Winning Solutions](#), can deliver wide-reaching CR impacts that further a sustainable world.

#### WINNING OPERATIONS

We apply the same sustainability-focused innovation from our products to our own operations, continuously pursuing improvement in our water use, energy use, waste production, and emissions. We manage our global operations with care for the health, safety, and well-being of our employees, customers, communities, and the environment.

#### WINNING WORKPLACE

Pentair's Win Right values, including our commitment to absolute integrity, guide how we conduct business every day. We cultivate a positive culture, embrace diversity, and foster innovation and curiosity through employee learning and development.

#### WINNING COMMUNITIES

Through our philanthropic programs, we work to strengthen communities around the world, increasing access to quality education and providing sustainable access to safe, clean water to people in need.

#### ENGAGING WITH STAKEHOLDERS

Understanding the key concerns and priorities of our stakeholders enables Pentair to refine its strategy and focus resources on improving performance in key areas. In 2016, we conducted a materiality analysis and stakeholder engagement initiative with internal stakeholders, investors, customers, and partners. Our goal was to better understand critical areas of business opportunity and risk, the broader context within which our company operates, and the priority actions that we should take to further refine our strategy and communications. We plan to reassess our company priorities again given the split of the company into Pentair and nVent.

#### ALIGNING WITH GLOBAL GOALS

Pentair believes we can do more together than we can alone. We view the United Nations Sustainable Development Goals (SDGs) as an important roadmap for addressing the world's toughest societal challenges. Through our business solutions and the innovation and commitment of our talented employees, we have an opportunity to make unique contributions to global efforts for greater sustainability, equality, and opportunity. Working with nonprofit partners, Pentair is working to measure and communicate the contribution our philanthropic corporate responsibility efforts make toward accomplishment of the SDGs.



A dynamic splash of water is captured in mid-air, creating a series of droplets and a crown-like shape. The water is a deep blue, and the background is a lighter blue. A diagonal line divides the image, with the water splash appearing to cross it. The number '2' is positioned in the upper right corner, partially overlapping the water splash and the background.

# 2

## WINNING SOLUTIONS

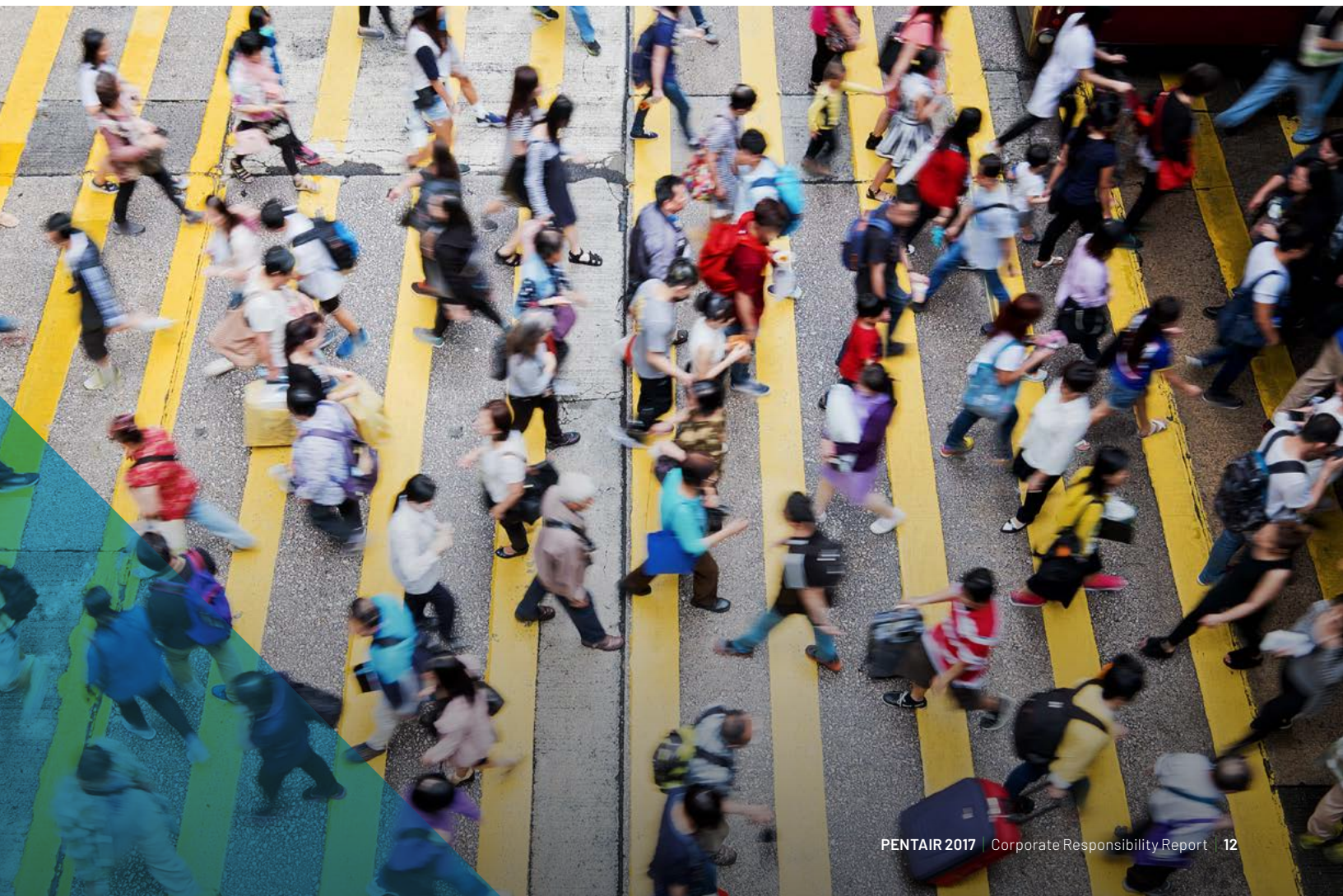


By 2050, we can expect a global population of 9.8 billion people, inhabiting an increasingly developed and resource-hungry world. Intense pressures on water, energy, and food will require solutions that promote efficiency and sustainable consumption.\*

## Delivering solutions today for **OPPORTUNITIES TOMORROW**

Combining Pentair's global perspective, deep expertise, and proven innovation processes, we deliver solutions that help our customers meet today's needs while preparing for tomorrow's opportunities. By building sustainable lifecycle designs into our products and solutions, we enable customers to anticipate the changes to their business and industry that result from increased resource costs, evolving regulations, and stakeholder demands.

\*Source: [UN DESA Report](#)



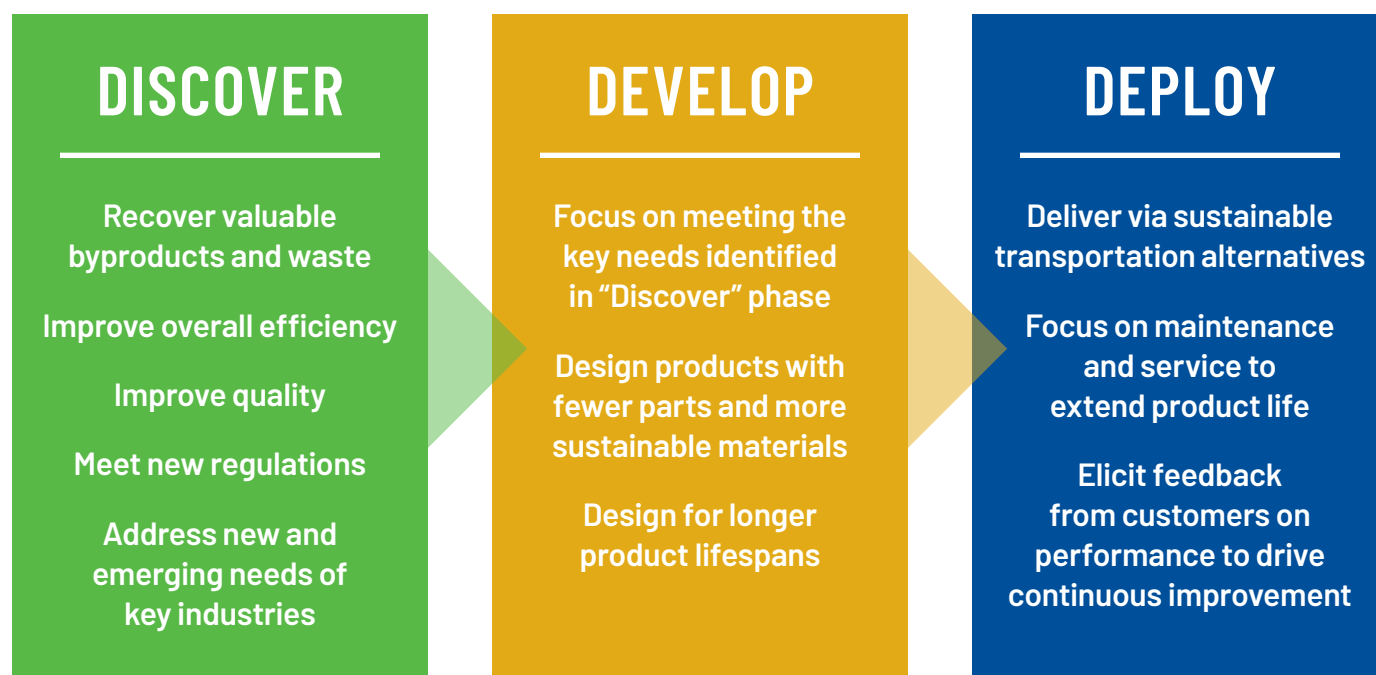


Our proven

## THREE-STEP INNOVATION PROCESS

Pentair's proven 3-D Innovation Process — Discover, Develop, Deploy — delivers technologies and solutions that solve critical challenges for our diverse customers while providing the opportunity for growth. In designing holistic solutions for each industry we serve, we focus on adaptability, creative problem solving, and continuous improvement. At each stage, our designers and engineers look for opportunities to reduce the environmental impact of our products and solutions.

### Sustainability Check Points in our Innovation Process



PATENTS (FY2017)	U.S. GRANTED	FOREIGN GRANTED	TOTAL GRANTED
Electrical Segment	207	359	566
Water Segment	430	1,112	1,542
<b>COMBINED TOTAL</b>	<b>637</b>	<b>1,471</b>	<b>2,108</b>

R&D INVESTMENTS (FY2017)
\$115.8 million invested in 2017
2 segment teams dedicated to R&D
750 engineers dedicated to R&D



## The impact of our **WATER SOLUTIONS**

Population growth, urbanization, and increased consumption of goods will all increase global pressure on water resources. Tackling these critical challenges provides opportunities for Pentair to drive business results while delivering real value to society.

Pentair offers innovative solutions across the industry spectrum, from filtering drinking water to treating wastewater for reuse or safe return to the environment, and helping to manage bodies of water.

Our water filtration and reuse solutions support both communities around the world that need access to potable water, and industries seeking technologies that improve water efficiency and reduce costs. As water resources become more scarce, they will need to be transported longer distances from source to end-user. Our energy-efficient pumping solutions help reduce the cost and improve the efficiency of transporting water from source to treatment facility, and ultimately to the user.



## THE IMPACT OF OUR SOLUTIONS

Making every drop count:

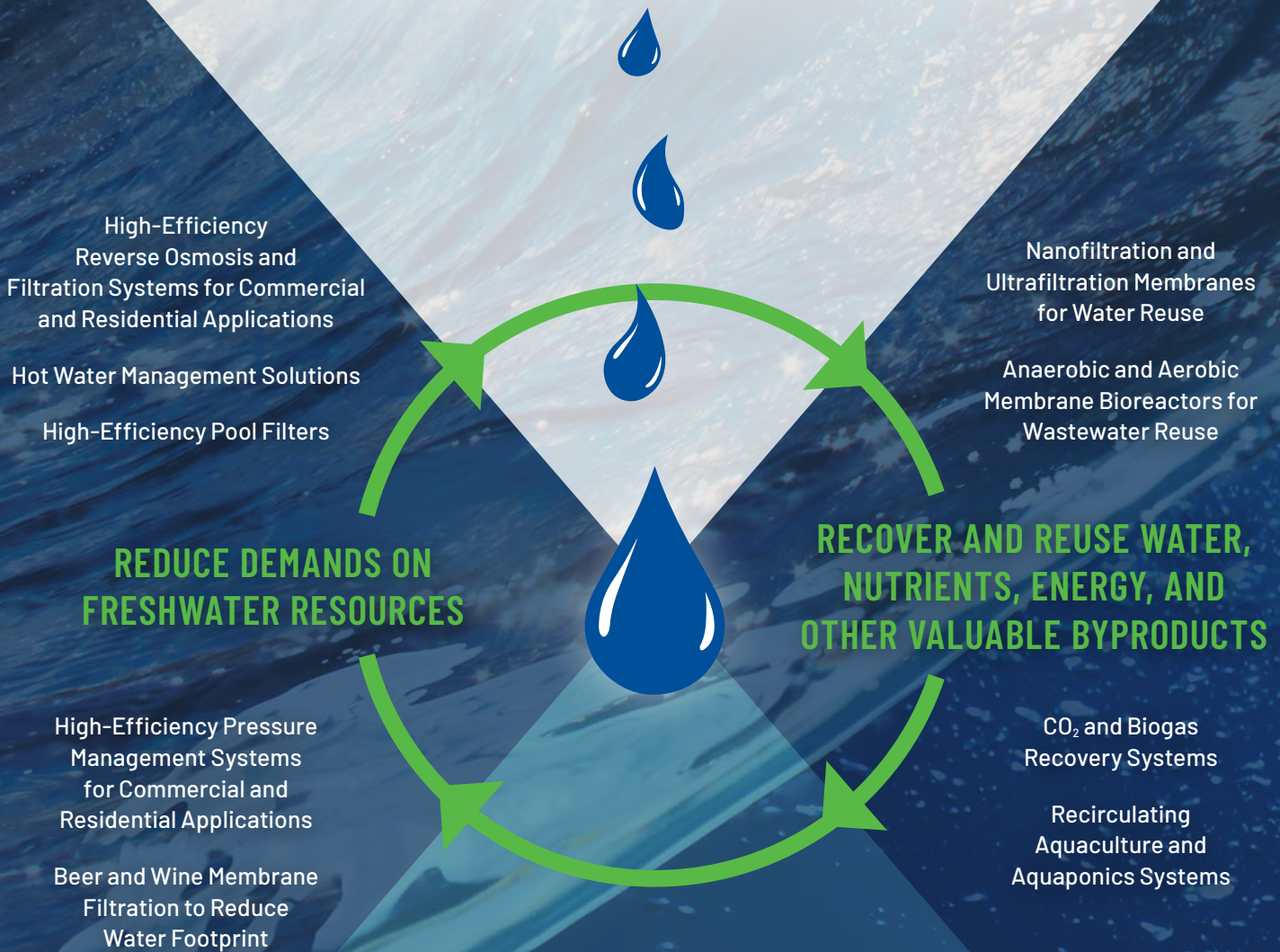
**66%** of solutions from our Water segment support water efficiency, helping to reduce, reuse or recover water, directly or indirectly.\*

**64%** of solutions from our Water segment help improve water quality, delivering clean, safe water as well as purifying water for reuse in manufacturing and industrial applications, or its safe return to the environment.\*

\*Based on Pentair's top brands as a percentage of total revenue.



## Our Water Solutions: **REDUCE, REUSE, RECOVER**





Innovating to deliver

## ENERGY EFFICIENCY SOLUTIONS

As demand for energy increases, industry, consumers, homeowners, and communities across the globe are striving to reduce energy consumption and waste. Pentair helps reduce costs for customers through innovative technologies that require less energy to operate, or recover energy to offset the energy required for operations. Pentair applies a Lean Enterprise mentality to solution design, emphasizing continuous improvement in product energy efficiency. We work hard to design each new generation of solutions with reduced energy use demands.

### THE IMPACT OF OUR SOLUTIONS



75%

of Pentair solutions support energy efficiency, by requiring less energy to operate, or by aiding broader systems to operate more efficiently.\*

\*Based on Pentair's top brands as a percentage of total revenue.



## Energy Efficiency Solutions

Pentair has invested resources for research and innovation to make our products more efficient, helping to reduce the energy footprint of many of our industrial, residential, commercial, and municipal pumping technologies. Examples of these solutions and their benefits include:

### ENERGY STAR® Pool Pumps

Pentair produces one of the most energy efficient pool pumps in the world. From 2005–2017, our Eco-Select pool pumps saved U.S. consumers approximately \$1.5 billion in energy costs.

### Energy Efficient + Cold Weather Protection

The energy-efficient Raychem XL-Trace Low Smoke Zero Halogen Solution guards against pipe freeze and fire protection. When combined with the brand's wide range of pipe anti-freeze controls, an additional energy savings of 75 percent can be achieved.

### 2017's Duo Pool Products

Pentair launched two sustainable pool products in 2017, including the IntelliFlo VSF Pool Pump and the ETi 400 High Efficiency Pool Heater. The company's line of variable speed and flow pool pumps feature flow management technology that provide up to 90 percent energy-efficiency when compared to conventional single- or two-speed pumps. The Pentair ETi 400 High Efficiency Heater delivers 96 percent energy efficiency helping to allocate heat more quickly into pool water.

### Smarter, Streamlined Building Operations

Pentair's 2017 launch of the Aurora IntelliBoost 3.0 offers advancements in booster controls, which provide commercial customers the ability to maintain steady water pressure or flow across operations and also features an auto-commissioned start-up button, reducing start-up time by up to 95 percent. The controls send preventative maintenance alerts and communications while only using the energy required for top performance. Customers have the ability to reduce their carbon footprint by monitoring kilowatt consumption in real-time, reducing a building's energy usage and providing up to 100 percent return on investment within two years or less. Additionally, the product's "no flow" indication reduces on/off cycling thereby increasing product life expectancy up to 200 percent because the pump operates only when needed, and adjusts to the required speed necessary to meet demand.

## Energy Recovery Solutions

Our solutions enable customers to get more value from the resources they use. We look for opportunities at every stage of the manufacturing process to extract greater value from waste. For example, in industries such as distilleries, dairies, and bio ethanol production, wastewater streams contain high levels of liquid and solid organic matter such as carbohydrates, alcohols, and bio solids.

Using our anaerobic membrane bioreactor technologies, customers can convert wastewater into three valuable resources: water that can be recycled for non-food contact applications within the manufacturing facility; methane that can be used as an energy source; and carbon dioxide that can be reused within the carbonation process.



## CASE STUDY

# Innovation is Brewing

We salute our customer, Maui Brewing Co., for the company's ongoing commitment to innovative operations and a more sustainable future.

As the brewing industry thrives around the world, breweries of all sizes are embracing smart, sustainable practices in crafting their signature brews.

Nestled in the heart of paradise on the island of Maui, Hawaii, independent Maui Brewing Co. is on a mission to make locally-crafted ales and lagers in a sustainable way. In 2017, Maui Brewing Co. put into action its strong focus on environmental stewardship and innovative business practices when it became the first customer to install Pentair Union Engineering's new plug-and-play CO<sub>2</sub>mpactBrew System.

The smaller-scale CO<sub>2</sub>mpactBrew designed for craft and mid-sized brewers offers several winning solutions. Maui Brewing Co. can reuse their own carbon dioxide (CO<sub>2</sub>), a natural byproduct of the fermentation process, and efficiently recover and reuse the gas for their beer operations. This step minimizes the amount of CO<sub>2</sub> vented to the atmosphere and decreases the company's carbon footprint from a transportation standpoint. Maui Brewing's team can also more effectively manage CO<sub>2</sub> quality, delivery and pricing.

"Previously, the CO<sub>2</sub> we sourced from Oahu was trucked to port, barged by boat to Maui and transported to our facility," explained Garrett W. Marrero, founder and owner for Maui Brewing Co. "The compact brew minimizes our footprint and will allow us to continue to be Hawaii's most sustainable brewery by capturing and reusing CO<sub>2</sub> on-site in brewing operations. We're excited to partner with Pentair to bring us closer to our goal of continuously reducing the environmental footprint of our locally-produced craft beer."





## CASE STUDY

# Quenching Our Thirst for Sustainability

Pentair Everpure partners with TerraCycle on water filter recycling initiative.

Rather than adding more waste to America's landfills, Pentair Everpure has partnered with TerraCycle, an innovative company specializing in transforming hard-to-recycle materials, to offer a free recycling program for Everpure water filtration cartridges.

The "Sip, Save, Recycle" campaign was jointly launched by TerraCycle and Everpure in March 2016 and is designed to make the water filter recycling process as easy as possible. Eco-minded consumers can register, download a pre-paid shipping label and mail their used cartridge to [TerraCycle](https://www.terracycle.com). The company then separates the filter material by composition and shreds it to make new recycled products. Learn more on our [website](https://www.terracycle.com).

To date, participants from 36 states have recycled more than 1,100 Everpure filters, diverting these cartridges from landfills across the country. The initiative reveals a second layer of impact when you crunch the numbers. One Everpure cartridge has the capacity to filter the equivalent of 7,500 water bottles, which when multiplied by the total number of recycled filters, equals a potential savings of 8.7 million water bottles from reaching the environment.

"Through the TerraCycle program, Pentair Everpure cartridges are 100 percent recyclable, and are transformed into new products such as picnic tables, benches, frisbees, and much more," said TerraCycle CEO Tom Szaky. "It's great to see Pentair's leadership in the industry and their commitment to the environment, and together, we'll encourage even more consumers to send us their nationally-recyclable Everpure cartridges to keep them out of landfills."



"The TerraCycle partnership has been well-received, which underscores the importance of our zero-waste water filtration solutions for customers," explained Shelly Johnson, marketing channel manager, Pentair Everpure. "We're dedicated to water filtration solutions that our customers can trust. We want customers to feel good about the Everpure system they have in their home. Adding the full-circle, recyclable benefit with TerraCycle just makes everyone feel that much better when they fill up their water glass."

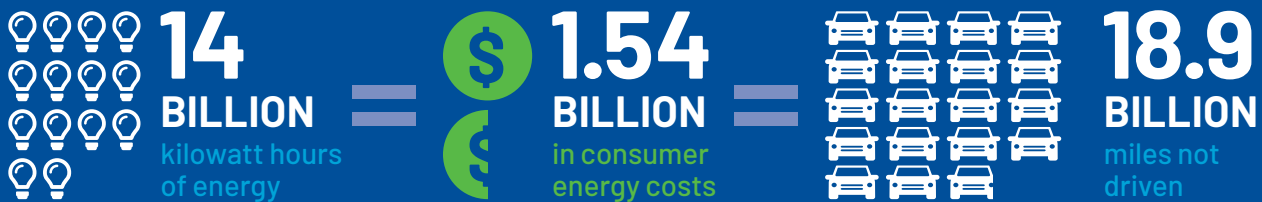


Award Spotlight

# 2017 ENERGY STAR® PARTNER OF THE YEAR



From 2005 to 2017, Pentair's energy-efficient pool pumps saved...



For more information, visit [bit.ly/intelliflo](http://bit.ly/intelliflo)

## MAKING WAVES AGAIN

### Pentair Honored for Energy-Saving Pool Technology

For the fourth consecutive year, the U.S. Environmental Protection Agency (EPA) named Pentair an ENERGY STAR® Partner of the Year — Sustained Excellence Award winner for continued leadership in protecting our environment through superior energy efficiency achievements.

Pentair was recognized for its leadership in manufacturing pool pumps that earn the ENERGY STAR, the government-backed symbol of energy efficiency. In order for pool pumps to earn the ENERGY STAR certification, the pumps must be at least 30–72 percent more energy efficient than typical pumps.

In 2005, Pentair sparked a pool industry-wide revolution when the company was the first to market with variable speed technology. Since then, Pentair energy-efficient pool pumps have helped conserve 14 billion kilowatt hours of energy, preventing the release of 18.2 million pounds of carbon dioxide, which is the equivalent of about 18.9 billion car miles not being driven.



Our sustainable

## FOOD AND AGRICULTURE SOLUTIONS

As the global population grows, food demand is expected to increase up to 98 percent by 2050. Industry must work collaboratively with governments to take a lead in finding ways to deliver more food, using fewer resources, to meet demand. Innovative products and services from Pentair help to support sustainable food production by using less water and energy, reducing potentially harmful runoffs, and improving resource efficiency.

### Precise Application of Resources

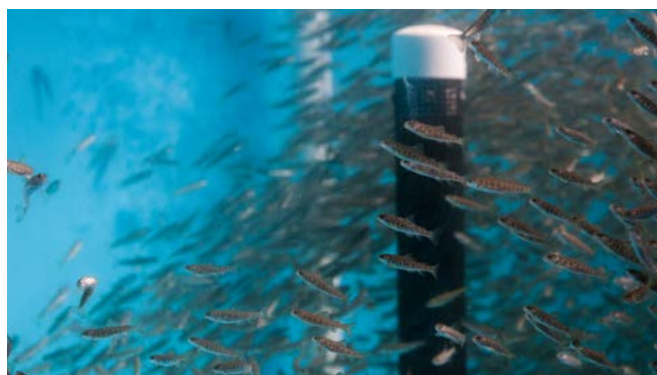
Approximately 70 percent of the fresh water used around the world each year is used for agriculture. Pentair's pumps, spray tips, controls, and accessories support the precise application of water and agricultural chemicals to reduce waste and runoff, and support productivity. Our centrifugal pumps, submersible motors, and other irrigation products ensure that water resources are used only where they are needed. Our precision spray solutions include smart nozzles, precision nozzles, and smart pumps that help protect crops through accurate chemical applications, improving coverage and uniformity. Farmers reduce costs and protect the environment by using significantly less chemical spray, thereby reducing potential runoff to nearby surface water.



**AWARD SPOTLIGHT:** Pentair earned three Sterling Standard Awards at the 2017 Canada Farm Progress Show for innovative HYPRO and SHURFLO products including the Duo-React, 3D Nozzle and Forcefield Pumps. The three winning product lines utilize Pentair's customer-focused 3D Process to drive significant value to the end-user while also helping reduce input costs, drive productivity and improve crop yields.

### Reimagining Farming

With oceans under unprecedented stress and global resources strained as never before, aquaculture is quickly becoming a new food frontier. Aquaponics blends aquaculture and hydroponics to create a sustainable solution for private or industrial farming. Pentair's aquaculture and aquaponics solutions are expanding farming techniques, including in urban areas, and supporting greater access to protein worldwide. Our end-to-end systems for filtration, circulation, treatment, and operation make ecologically-conscious urban fish culture management more cost-efficient. In addition, our aquaculture and aquaponics technologies can move the farm closer to the market. By finding more efficient uses for urban land and resources, aquaponics farms can deliver fresh food with fewer transportation impacts.



**AWARD SPOTLIGHT:** Pentair and aquaponics farming innovator, Urban Organics, were awarded the "2017 Agriculture Project of the Year" by the WaterReuse Association at its annual WaterReuse Awards for the recently opened 87,000-square-foot indoor aquaponics farm in Saint Paul, Minnesota.



## Protecting people, processes, and the environment with our **SOLUTIONS FOR RESILIENCE**

Extreme weather, flooding, and harsh conditions threaten the security of essential infrastructure management systems. From enclosures that protect sensitive equipment to fire and leak detection technologies and flood control systems, our products maintain and protect customers' critical processes and equipment, keeping people, communities, and the environment safe.

### Protecting Sensitive Equipment

Solutions from Pentair Electrical (now nVent) help keep data networking and telecommunications systems up and running, staying in step with data storage growth and anticipating future IT infrastructure requirements. Standards-based and custom-built enclosures help to protect critical systems from dust, dirt, oil, water, corrosion, and other contaminants to maximize service life, while Cooling technologies for electrical and electronic components increase performance reliability, extend component life, and reduce overheating and maintenance.



### Flood Control Systems

Pentair manufactures highly engineered systems, including vertical turbine, axial, and mixed-flow propeller pumps capable of moving up to one million gallons of floodwater per minute and averting widespread damage. Our installations are built to keep urban spaces dry, from small municipalities to the world's largest pumping station in the city of New Orleans.



A dynamic splash of water is captured in mid-air, creating a series of droplets and a curved path. The splash is set against a background that is split diagonally from the top-left to the bottom-right. The upper-left portion is a solid dark blue, while the lower-right portion is white. The water splash itself is rendered in various shades of blue and white, emphasizing its movement and texture.

3

# WINNING OPERATIONS

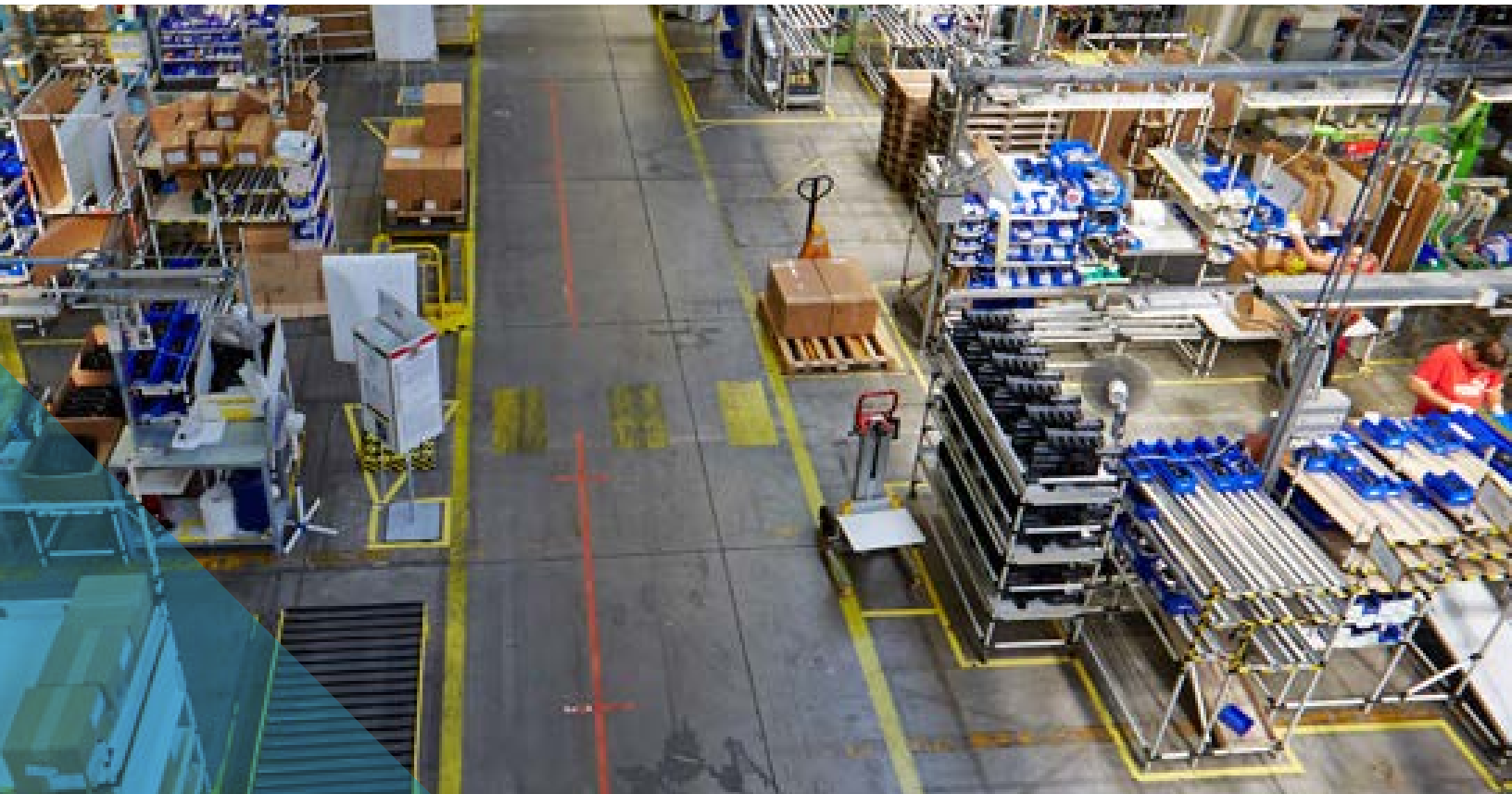


Delivering customer solutions

## RESPONSIBLY AND SUSTAINABLY

As a large manufacturing company, Pentair has an obligation to deliver customer solutions responsibly and sustainably. We strive to implement responsible business practices and to eliminate harmful environmental impacts from our operations by minimizing emissions, waste, and water usage.

Our focus on continuous improvement is driven by our Lean Enterprise management approach, promoting innovation and creative problem solving. This winning approach results in cost efficiencies for both our customers and our business while supporting the health of our communities and planet.



Pentair's manufacturing facility in Pisa, Italy.



Our approach to

## DRIVING OPERATIONAL EFFICIENCIES

By applying the same innovation and teamwork that we bring to developing product solutions, we strive to implement operational efficiencies that help reduce our environmental impact. We learn from our successes and failures, looking to spot challenges early and deliver impactful solutions at every opportunity. Our [Environmental, Health & Safety \(EHS\) policy](#) outlines our commitment to developing, manufacturing, and delivering our products safely and sustainably.



The Pentair Integrated Management System (PIMS) is the primary mechanism by which we measure and manage our global operational impacts. PIMS methodology drives continuous progress towards reducing water and energy use and waste diversion from manufacturing facilities. In parallel, by practicing Lean Enterprise management, we uncover ways to produce more while using less energy and fewer resources. In addition, we are committing to evaluating and implementing new metrics to better monitor and manage our success. Pentair is developing an overall, five year sustainability plan that specifically outlines goals and targets that will be incorporated into future CSR measurement and accountability reports.



In order to set a performance baseline and improvement targets, we reviewed our global water, waste and energy consumption over the last three years (2015, 2016, & 2017). We will continue to improve on tracking through continued system upgrades and operational scorecard presence from a sustainability perspective. We look toward the future as a pivotal step in holding ourselves accountable to our shareholders, our employees, our customers and to the environment we all share.



Further, we will report impacts due to material changes to our business, such as acquisition or divestiture, and make adjustments to these goals as appropriate. In 2017, Pentair consolidated multiple manufacturing plants in both Water and Electrical segments. Overall electricity consumption (mWH) and intensity (mWH/Earned Hr.) are both down slightly in 2017 compared to 2016. Natural Gas consumption was up while overall intensity was flat year over year. Waste generation rates increased by approximately 20,000 tons and waste diversion rates increased by approximately 24,000 tons respectively in 2017 vs. 2016. Water usage rates were down by approximately five (5) million gallons in 2017 vs. 2016 and water intensity remained flat. In 2018, Pentair will continue to drive improvement through continued utilization of PIMS and our Lean EHS Processes.



## Annual Environmental TREASURE HUNT

Diligent and creative teams at Pentair sites conduct annual Environmental Treasure Hunts to reduce energy and utility consumption, thereby lessening their environmental impact while saving on operating costs. The process is a testament to collaborative exercise in ingenuity and inventiveness which leads to more efficient operations in energy and water use as well as a concerted effort to reduce waste emissions.

Every year, we fund and implement promising solutions, resulting in financial and resource savings. In 2017, we implemented 37 employee solutions, generating \$525,000 in resource efficiency savings.

IMPLEMENTED ENERGY TREASURE HUNT PROJECTS	FY2015	FY2016	FY2017
TOTAL SAVINGS	\$526,000	\$714,000	\$525,000

### 2017 Environmental Treasure Hunt Highlights:

- Efficiencies at the Solon, Ohio manufacturing site helped improve the facility's Environmental Protection Agency (EPA) rank from a large-quantity generator (LQG) of hazardous waste to the level of a small-quantity generator (SQG). A focus on decreasing waste-to-landfill contributions using key drivers such as elimination, reuse and recycling efforts resulted in a 25 percent reduction totaling 18 tons.
- As Pentair continues to improve our waste diversion processes, we've redefined our target as ZeroWaste to better align with industry leaders. The new Zero Waste definition is more stringent than 'Landfill Free' in that it incorporates recent developments in global agreements on waste diversion that focus on reuse and recycling and discounts incineration, which increases Greenhouse Gas Emissions.
  - Pentair sites in Kansas City, Kansas and Delavan, Wisconsin reported an approximate 20 percent improvement in zero waste while Hanover Park, Illinois improved by 73 percent, diverting 8,000 pounds per month from landfill disposal.
  - Notable progress from the manufacturing team in Enschede, the Netherlands reported a 350 percent improvement in ZeroWaste year-over-year. Employees previously identified a significant water savings opportunity that had a dual result of landfill diversion of evaporated solids from their wastewater recycling process.
  - At Pentair's Withcott, Australia facility, the team realized a 16.6 percent year over year reduction in energy use in 2017, which equates to \$20,000 in savings. Proactive steps to update the building to LED lighting, several key equipment upgrades and efficient air compressor utilization led to the savings of close to 50,000 kW.



## CASE STUDY

## Big Wins Add Up in Conroe, Texas

Over the years, Pentair has built a strong, cross-functional approach to sustainability through programs like the Environmental Treasure Hunt (see page 26) and annual environmental metric trends. The Pentair team in Conroe, Texas put their ingenuity to the test, raising the bar through continual improvements and operational refinements while using their comprehensive and strategic Treasure Hunt plan as a roadmap to success.

This collaborative initiative requires a year-round commitment by members of Conroe's maintenance, Lean Enterprise and operations employees. Their strategic planning, focus and follow-through of their multi-year plan has resulted in a reduction of energy usage/intensity, a reduction of water usage/intensity, and an increase in waste diversion. Conroe employees' 2017 notable sustainability highlights include:

### 10 percent Reduction in Electricity Usage & 24 percent Reduction in Natural Gas Usage.

Conroe also reduced Electricity intensity by 15 percent (1,837,700 vs. 2,022,400 KWH). The team accomplished these metrics by deploying energy detection technology that identifies electric usage trends, reduction opportunities and manages usage when the plant is idle. The system operates on a timer that systematically shuts down compressors, HVAC and ancillary equipment using a "snooze" function. In addition, the facility installed LED lighting throughout campus.

### Reduced water usage by 66 percent (977,000 gal vs. 1,623,000 gal) and reduced intensity by 68 percent (7.2 vs. 12.1).

The team utilized logic controls and redesigned water mixing tanks, which reduced the number of motors and water pumps each by 50 percent. These steps increased efficiency, reduced electrical usage, and helped with the overall reduction of water usage.

### Waste Diversion rates increased by 16 percent (57 percent vs. 48 percent) with 247 tons of waste diverted in 2017 alone.

Stepping back one additional year, the facility between 2015 and 2017 increased landfill diversion by 86 percent resulting in over 200 tons of landfill diversion annually.





## Managing our **WATER USE**

Pentair has a deep understanding of water as a precious resource. We address the threat of water scarcity not only through our products and philanthropic work, but also by monitoring and managing our operational impacts.

Water consumption is closely measured and managed across our facilities by extracting data from utility bills monthly and tracking overall consumption through EHS scorecards. In many cases, we drill down our analysis to the manufacturing process level. For particularly water intensive processes, this allows us to closely track usage and drive targeted improvements. As a way to understand how efficiently we use resources, water intensity is calculated by U.S. Gallons/Earned Hour. We define Earned Hour as the number of products manufactured multiplied by the standard hours to manufacture.

Each Pentair site operations team is tasked with identifying, developing, and implementing water conservation measures, with assistance from the corporate EHS department. In 2017, we saw slight decreased water consumption and intensity. Improvements, although slight, were a result of plant consolidations and transferring equipment to support more efficient operations.





## Our Water Performance

In all, Pentair's Water segment reduced water usage by over 10 million gallons in 2017. The company's Asia Pacific region alone reduced water usage by 16 percent annually as compared to standard world-class reduction targets of 3–5 percent annually.

Two product manufacturing processes are the main drivers of water use across Pentair's operations:

### DRIVER

## Water Test Lab/Product Cycle Testing for Pumps and Filtration Products

**OUR APPROACH:** By reengineering this widely-used process and incorporating our own filtration products into the system, we have increased the reuse/reduced use of test water. For example, annual water use has been reduced at sites including Kansas City by 1.1 million gallons, and in Suzhou, China, by 2.9 million gallons. The resulting wastewater is treated and used for irrigation and other non-potable water needs at our sites, further reducing water intake.

### DRIVER

## Paint Process/Product Washing for Painted Products

**OUR APPROACH:** Pentair is reducing the evaporative loss of water used in the parts washing process of our products by lowering the water temperature during non-operational periods.

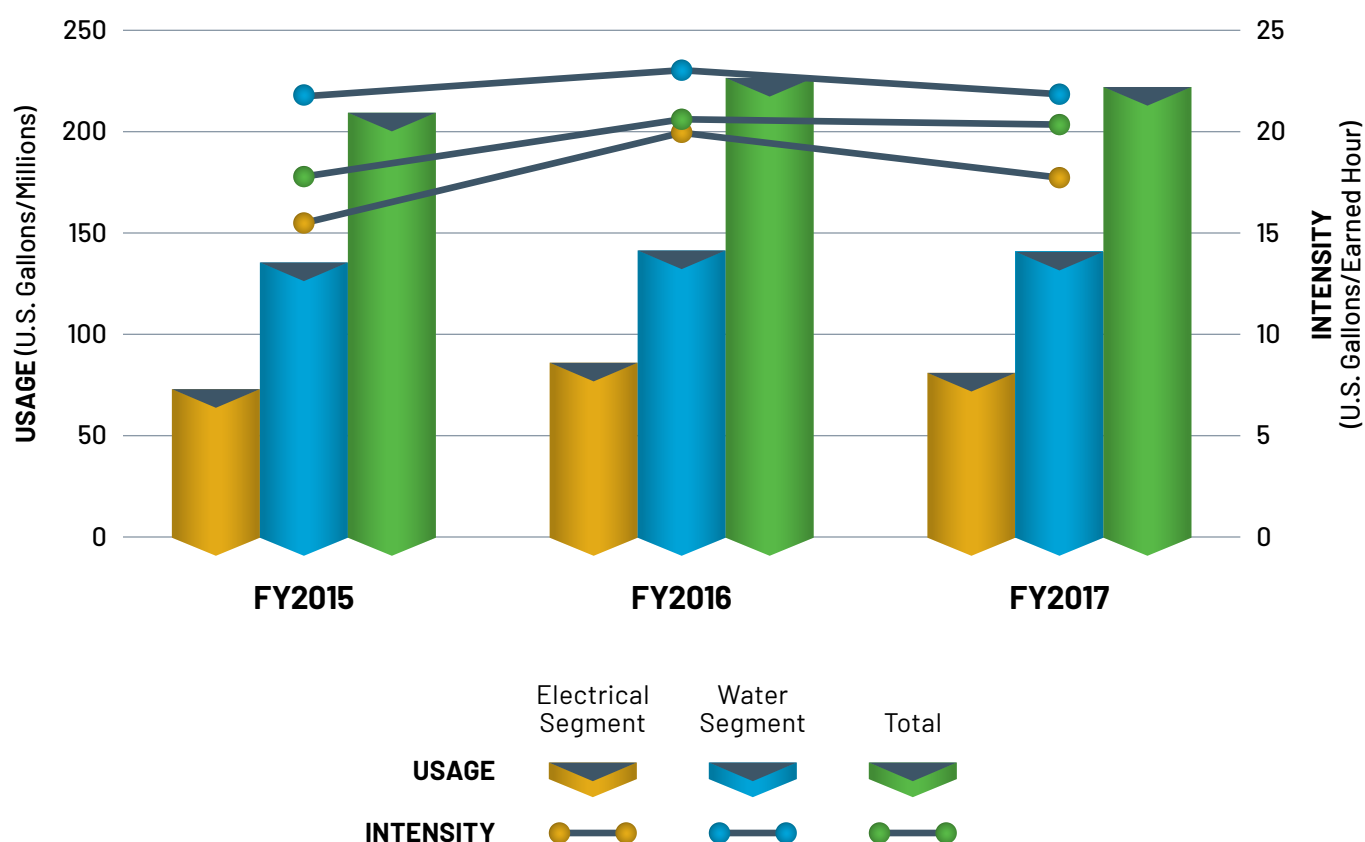
Investments in infrastructure upgrades over several years have also reduced our operational water use.

Highlights include:

- The White Bear Lake, Minnesota team proactively inspected its water processes to find opportunities for increasing efficiency and reducing overall water use. The site implemented a water reuse process resulting in a reduction of nearly 2.5 million gallons of water, accounting for a 35 percent reduction in water use across the site. This system filters and allows for reuse of process water throughout the facility. The site also implemented irrigation controls resulting in a 45 percent reduction of water use for lawn and garden applications.



## Municipal Water Usage



WATER USAGE BY REGION* (U.S. Gallons)	FY2015	FY2016	FY2017
APAC	28,811,951	25,327,721	23,081,744
EMEA	51,506,854	57,063,860	57,489,313
Americas	129,085,903	144,707,898	140,853,293
<b>TOTAL USAGE</b>	<b>209,404,708</b>	<b>227,099,479</b>	<b>222,144,350</b>
<b>TOTAL INTENSITY (U.S. Gallons/Earned Hour)</b>	<b>17.9</b>	<b>20.6</b>	<b>20.4</b>

\*Water withdrawals from municipal water supplies or other water utilities.



How Pentair is

## DRIVING ENERGY EFFICIENCY

As the need for access to fresh water and nutritious food increases, so will demands on our energy resources. We understand these interdependencies and work to address them in our operations as well as our products and solutions.

Our approach combines renewable energy solutions like solar and wind power with smart conservation measures to drive a consistent, year over year reduction in our operational energy use per earned hour. Our facilities gather energy use data from utility invoices and track performance on EHS scorecards monthly. As a way to understand how efficiently we use resources, energy consumption is calculated by mWH/Earned Hour for natural gas and electricity and Metric Tonnes/Earned Hour for CO<sub>2</sub>. We define Earned Hour as the number of products manufactured multiplied by the standard hours to manufacture.

With support from our annual Environmental Treasure Hunt process and the corporate EHS department, each site operations team is responsible for identifying, developing, and implementing energy use reduction programs.

We regularly communicate with site employees to improve awareness of, and support for, energy-saving initiatives and related process changes.

## INVESTING IN RENEWABLES

Generating clean, renewable on-site energy is a long-term approach we take to managing our impacts. Historically, Pentair has invested in solar power, wind turbines, and/or electricity co-generation equipment. We currently have equipment installed at four facilities to reduce GHG emissions: Pisa, Italy; Reynosa, Mexico; Herentals, Belgium; and Betschdorf, France.

At our Pisa location, for example, rooftop solar panels generate 100 percent of the site's electricity, and the excess electricity is sold back to the power grid, providing clean, renewable energy for the city. Pentair is actively searching for new renewable projects that reduce energy demand, and lower our carbon footprint.



# Energy Consumption and Emissions Performance

The main drivers of energy use across the company include manufacturing processes and facility heating and cooling.

## DRIVER

### Manufacturing Process

**OUR APPROACH:** We work to achieve energy savings through extensive Lean Enterprise manufacturing improvements implemented through the Pentair Integrated Management System (PIMS). These improvements enable us to manufacture more products with less energy.



## DRIVER

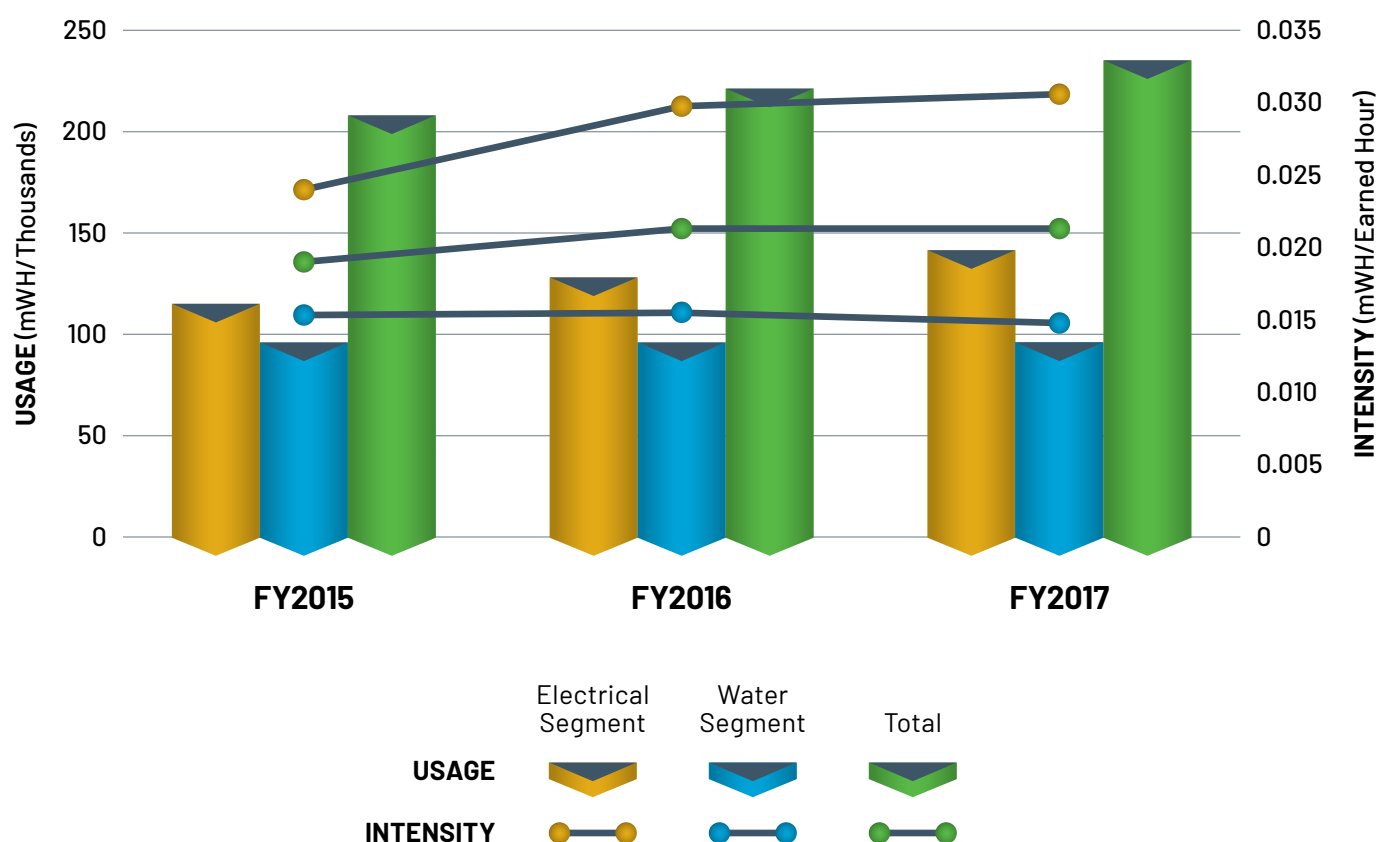
### Facility Heating and Cooling

**OUR APPROACH:** By consolidating facilities, we have reduced energy used to heat and cool excess or unused space. We have also realized energy savings by using heat generated from manufacturing processes to offset the need for additional facility heating during cold seasons. For example, at our Water plant in Reynosa, Mexico, we have installed sensors and auto controlled vents that compare the internal and external temperatures, and use the external cool air to reduce energy consumption.





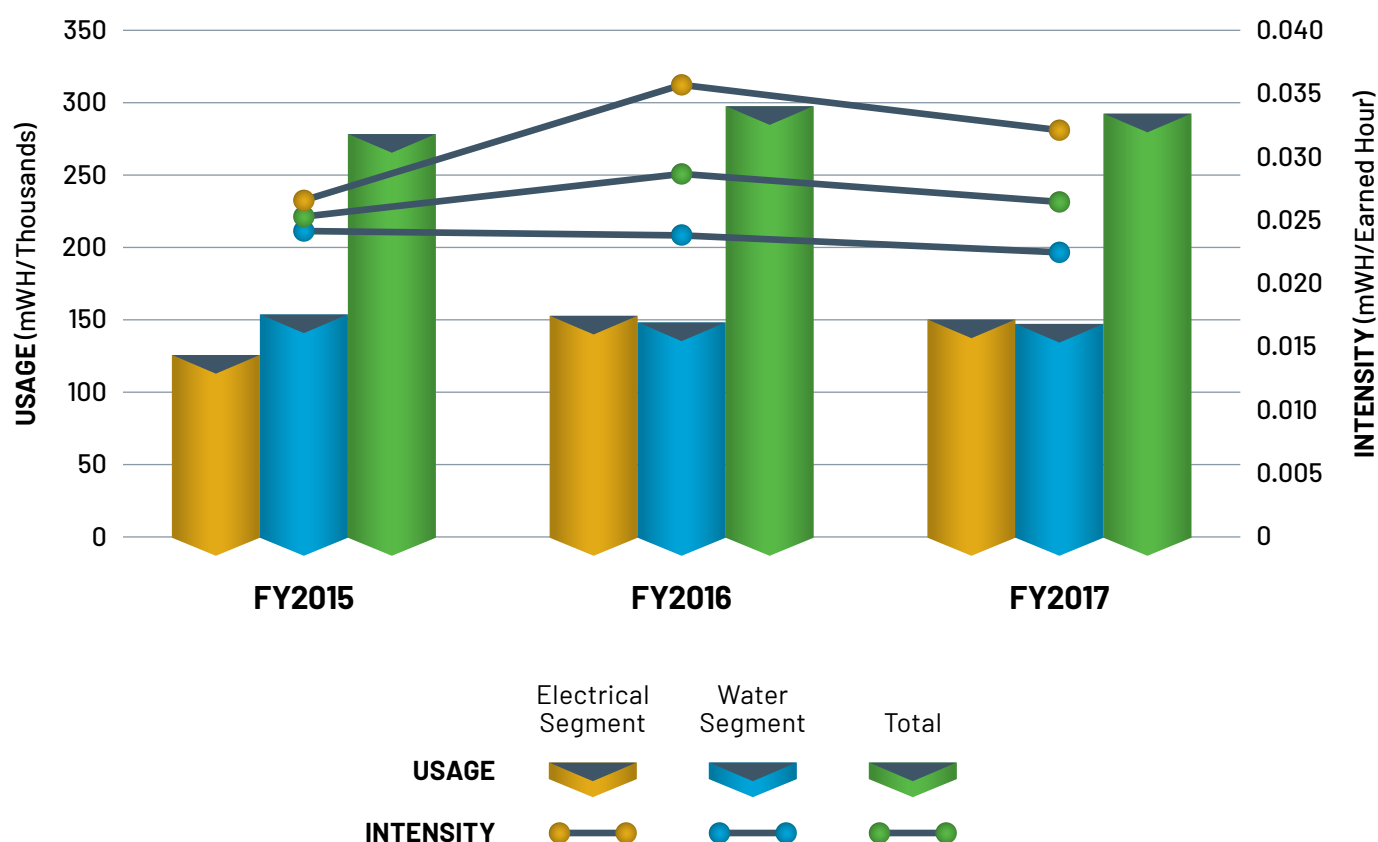
## Natural Gas Consumption



NATURAL GAS CONSUMPTION (mWH)	FY2015	FY2016	FY2017
Electrical Segment	114,352	126,987	140,121
Water Segment	95,077	94,590	94,900
<b>TOTAL USAGE</b>	<b>209,428</b>	<b>221,577</b>	<b>235,020</b>
<b>TOTAL INTENSITY (mWH/Earned Hour)</b>	<b>0.019</b>	<b>0.021</b>	<b>0.021</b>



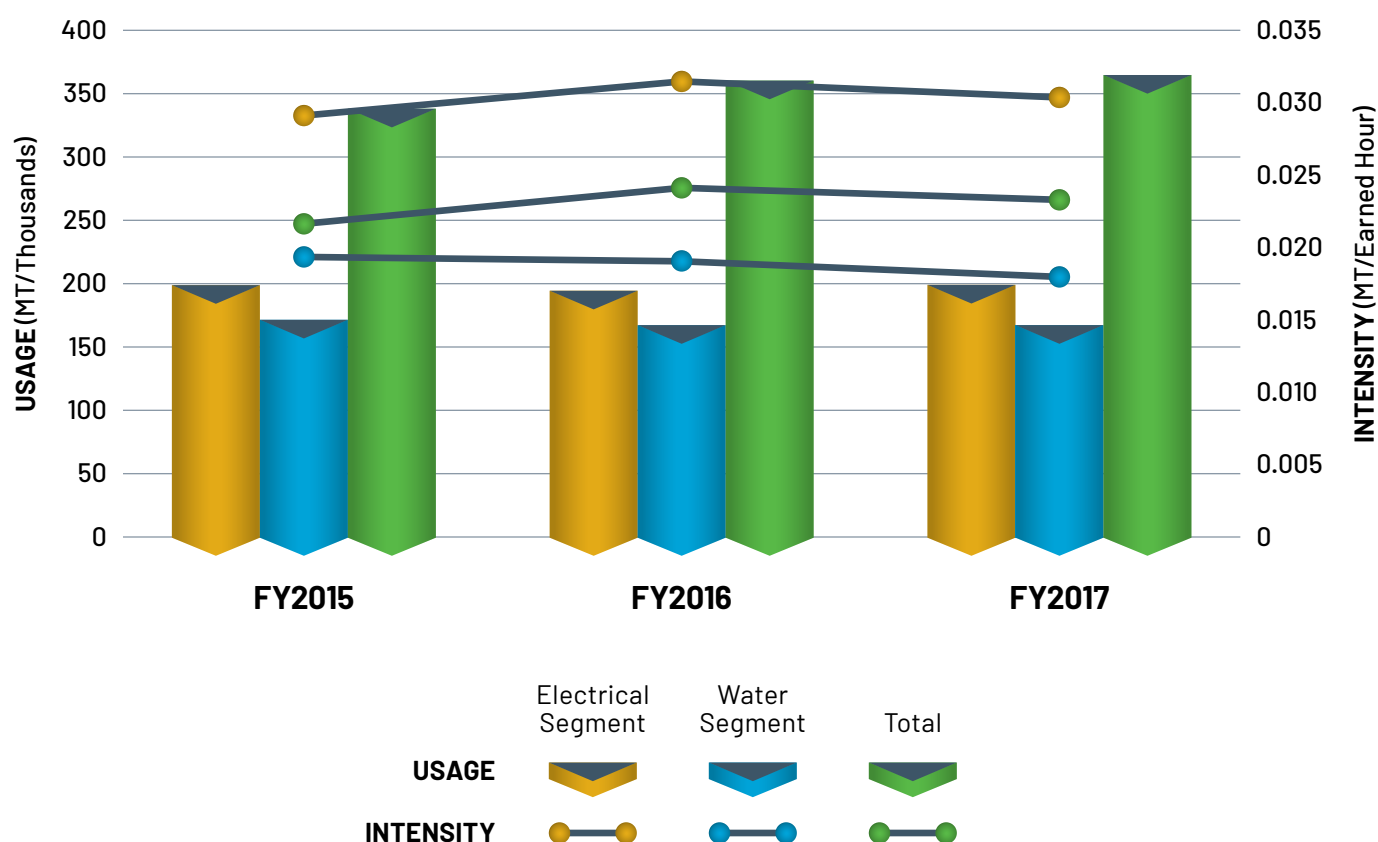
# Electricity Consumption



ELECTRICITY CONSUMPTION (mWH)	FY2015	FY2016	FY2017
Electrical Segment	126,487	152,158	147,089
Water Segment	150,775	145,731	145,669
<b>TOTAL USAGE</b>	<b>277,262</b>	<b>297,888</b>	<b>292,757</b>
<b>TOTAL INTENSITY (mWH/Earned Hour)</b>	<b>0.025</b>	<b>0.029</b>	<b>0.026</b>



# CO<sub>2</sub> Emissions



CO <sub>2</sub> EMISSIONS (MT)	FY2015	FY2016	FY2017
Electrical Segment	197,798	191,145	197,798
Water Segment	169,638	165,822	165,992
<b>TOTAL USAGE</b>	<b>335,230</b>	<b>356,966</b>	<b>363,790</b>
<b>TOTAL INTENSITY (MT/Earned Hour)</b>	<b>0.031</b>	<b>0.034</b>	<b>0.033</b>



## Waste reduction and materials use

**PERFORMANCE**

Through PIMS Lean Enterprise, our materials management process helps us reduce and eliminate waste and maximize the use of natural resources. All our manufacturing sites identify and track operational waste, and develop and deliver plans designated to reduce waste. Each site reports its results monthly and tracks progress via EHS scorecards. On-site assessments are conducted and supported by the EHS teams, as needed. In 2017, we diverted from landfill 91 percent of waste tonnage generated at all manufacturing locations.

In addition, we have policies, processes and assessment tools in place to ensure and maintain the safe handling and disposal of materials of concern, and conduct compliance and risk assessments as needed. Labeling, storage, handling, and transportation of hazardous goods at Pentair sites is guided by legal requirements based on country, state, and municipal regulations.

WASTE FROM MANUFACTURING IN FY2017 (TONS)	WASTE GENERATED	WASTE DIVERTED	PERCENTAGE OF WASTE DIVERTED
Water Segment	47,772	41,632	87%
Electrical Segment	32,830	31,939	97%
<b>TOTAL</b>	<b>80,601</b>	<b>73,572</b>	<b>91%</b>



A dynamic splash of water is captured in mid-air, creating a series of droplets and a curved spray. The water is rendered in various shades of blue, from deep navy to light sky blue. The background is split diagonally from the top-left to the bottom-right, with a solid dark blue on the left and a white background on the right.

4

# WINNING WORKPLACE



At Pentair, we have a shared belief, passion, and calling, coming together in pursuit of a common goal. We are one global team, inspired by our role in the world, our customers, and each other. We strive to be the destination for top talent, and work hard to develop and retain high performers throughout their career.

## Working together in pursuit of a **COMMON GOAL**

When our employees come to work, we want them to bring their whole selves. Our Win Right values, positive culture, and commitment to diversity and inclusion foster innovation and curiosity, which, in turn, contribute to Pentair being a leader in the communities we serve. Both at work and at home we want our employees to be happy, healthy, and well cared for.

EMPLOYEE DATA (By Region)	FY2017
North America	8,067
Mexico/Latin America	3,384
EMEA	4,348
APAC	2,578
<b>TOTAL</b>	<b>18,377</b>

Forbes honored Pentair with the ranking of:



# 413th

on the 2017 List of  
America's Best Employers

# 11th

on the 2017 Global 2000 –  
World's Best Employers List



Pentair's commitment to

## EMPLOYEE ENGAGEMENT AND DEVELOPMENT

Engaging our employees and developing their careers is important to Pentair's long-term success and ties directly to our Win Right culture and values.

We offer three key culture development programs — the One Pentair Culture sessions, our Win Right Orientation for new hires, and Team Reinforcement sessions. These programs strengthen the capability of individuals and teams to live the Pentair values. Approximately 14,000 management and professional employees have attended these sessions since the culture program first launched in 2013. In 2016 and 2017, the sessions were extended to approximately 1,850 production employees.

We gather feedback on these programs and other employee practices and policies through:

1

**Town Hall Meetings** where Pentair leaders share strategies and perspectives.

2

**Quarterly Leadership Webcasts** to ensure our results and expectations are clearly communicated.

3

**Annual Global Leadership Meeting** attended by approximately 100 of the company's top leaders to drive growth and productivity initiatives and share best practices.

4

**Feedback Feature** on our employee intranet — myPentair.com



## Training and Development

When we invest in our people, we invest in our future. We encourage all employees to agree on a continuing development plan with their managers and to regularly review their progress and learning. Managers are encouraged to support employees' development through honest, candid feedback on their performance and potential. We expect managers to understand the interests and aspirations of everyone under their supervision. Our formal development programs include:



### EXECUTIVE DEVELOPMENT PROGRAM

This provides high-potential leaders at director and above levels with the strategic, global, and people leadership skills necessary to succeed in global leadership roles. Attendees also develop a network of peer-mentor leaders from across the company. Each class enrolls 25 leaders and focuses on four key areas: leadership, finance, high-performance growth, and global business. The program is a valuable way to engage and retain high-potential leadership talent, and prepare them for greater responsibility.



### LEADERSHIP ESSENTIALS FOR MANAGERS

This three-day course targets managers with one to five years of experience leading teams. The aim is to strengthen and improve management skills and provide grounding in Pentair's values and expectations for leaders. In 2017, 224 managers took part.



### GLOBAL EFFECTIVENESS WORKSHOP

Targeted at managers and professionals, this program builds skills for working effectively with customers and colleagues across diverse cultures. Real world scenarios help participants understand and apply concepts related to the challenges of being a global business. In 2017, there were 151 participants.



## India team honored with **HR RECOGNITION**

As part of the World HRD Congress, a leading Human Resources networking organization in India, Pentair's Goa, India team received the Goa State Best Employer Brand Awards for effectively utilizing marketing communications to attract, retain, and develop talent. The 2017 award was based on the criteria of HR functions that were exemplary in aligning the business vision with their HR strategy, and cultivating competencies to continue building the organization into the future.

Part of Pentair's HR success in Goa included a focus on building the right capabilities for its talent pool which includes:

- International assignments creating exposure for key talent;
- Three-year individual training plans for all employees in India; and
- Learning and development interventions at all levels of the organization.

Other factors contributing to the award were the facility's implementation of specific employee reward and recognition programs and consistent communication and engagement through monthly town halls, leadership touch-points, quarterly employee events, and ongoing employee feedback. The Goa team and facility remains a part of Pentair following the separation of nVent.





## Team Pentair

A key aspect of our corporate responsibility approach and commitment is the “Team Pentair” philanthropic engagement program. Volunteerism is a powerful way to impact the communities where we live and work and to keep employees engaged. Through Team Pentair, our employees give their time and talent to support nonprofit organizations.

For example, our employees walk, run, and roll to raise awareness and dollars for great causes around the globe. They also collect food, clothing and essentials for hurricane relief victims and local food banks. From planting trees to building houses, to serving as mentors to young science students, Pentair employees share their time, talents and energy to make a lasting difference in communities from Mumbai to Mexico and many places in between.



## Spotlight HURRICANE HARVEY RELIEF

In 2017, the Industrial Heat Tracing Solutions (IHTS) team in Houston, Texas rallied to overcome one of the biggest challenges to face their city: Hurricane Harvey. Through determination, focused efforts, and team work, they helped one another, as well as other storm victims in surrounding communities. Soon after the historic flooding receded, plans were made to assist 400 affected employees and the greater Houston community. Employees stepped up to volunteer by collecting and delivering materials to local shelters and National Guard troops. One employee even transported evacuated families seeking safe ground and dry shelter. We're proud of our Houston employees' display of tenacity and community spirit as they pulled together to demonstrate their collective caring hearts and tireless support.



## Volunteering Spotlight:

**MATCHING GIFT PROGRAM**

In 2017, our Team Pentair matching gift program launched globally, reaching employees at 125 locations in more than 30 countries across six continents. Over the first full year, the company matched over \$300,000 in team volunteer and personal charitable giving.

In 2017, employees could raise funds for eligible organizations in the following ways:

**VOLUNTEERING**

- Five or more employees volunteering as a team could earn a matching \$1,000 grant for an eligible organization for each collective total of 25 hours reached.
- Employees who served on the Board of Directors for an eligible nonprofit organization could earn a \$1,000 grant for the organization after volunteering 25 hours in a calendar year.

**GIVING**

- Pentair matched personal monetary donations that employees make to accredited and approved nonprofit/nongovernmental organizations for charitable purposes up to \$1,000 per employee, per year.
- We matched personal monetary donations made to accredited and approved educational institutions up to \$5,000 per employee, per year.

The company's online matching philanthropic engagement tool facilitates charitable impact and connects employees to giving opportunities, nonprofit organizations and team volunteer events.





## Diversity and Inclusion

We value diversity in our workforce, supplier base, and customers. Our business benefits from the unique contributions of individuals with varying backgrounds and experiences, and our inclusive workplace culture empowers employees to contribute their best each and every day.

Pentair's [Code of Business Conduct and Ethics](#) spells out our commitment to equal opportunity and fair treatment for all. The company does not tolerate acts of harassment, including any conduct or statements made on the basis of protected status that are intimidating, hostile, or abusive.

We take an integrated approach to supporting and promoting workplace diversity, based on the following three pillars:

- **Talent Acquisition and Deployment.** We aim to grow our diverse talent pipeline and pursue this goal proactively in our hiring practices at every level.
- **Talent Development and Retention.** We aim to develop and retain diverse talent for leadership roles. Focus areas include expanding diverse participation in leadership development programs, prioritizing career development planning for key diverse talent, and leveraging our employee resource group networks to attract, retain, and develop people from diverse backgrounds.
- **Leadership of Diverse Teams.** We aim to cultivate an environment that values differences, fairness, and inclusion. Our Global Effectiveness training fosters insights about global differences and strengthens manager and employee capabilities in working across countries, cultures, and languages.

### DIVERSITY AND INCLUSION PERFORMANCE (FY2017)

MINORITIES*		WOMEN**	
	FY2017		FY2017
Racial minorities in the workforce	35.9%	Women in the workforce	25.3%
Racial minorities in leadership roles	16.5%	Women in leadership roles	21.1%

\* Inclusive of the following racial minority groups: Black/African American, Hispanic/Latina, Asian/Pacific Islander, and American Indian/Alaskan Native. Data for U.S. employee population only.

\*\* Global data.



## Providing a SAFER WORKPLACE

We are committed to preventing workplace injuries and maintaining a positive, healthy work environment. All employees have a responsibility to put safety first, speak up when they observe unsafe practices, and always follow Pentair safety practices. We also expect everyone to watch out for colleagues, and maintain a workplace free from illegal or controlled substances and weapons, or potentially dangerous devices. All Pentair locations must meet or exceed all state and local Environmental, Health and Safety (EHS) requirements. Globally, we have a common standard that we follow based on the guidelines of the Occupational Safety and Health Administration (OSHA) in the United States.

Pentair monitors and tracks health and safety data, including injury incident rates and EHS Lean Scores across all its sites. In addition, a corporate-led team conducts audits annually to drive improvement in our EHS Lean Score and monitor the OSHA Incident Rate across operations.

Each manufacturing site has safety and EHS committees that meet monthly to review relevant data and progress against targets. Our Board of Directors reviews a yearly internal assessment of our EHS approach and companywide results.

Engaging employees in proactively keeping our workplaces safe is a top priority for Pentair. We provide yearly EHS workshops in each geographic region, supplemented by more specific training as needed for targeted employees, depending upon risk assessments or manufacturing processes.

Our OSHA Incident Rate is calculated by multiplying the number of OSHA injuries by 200,000 divided by the number of hours worked across Pentair. The Total Case Incident Rate (TCIR) was 1.4 for 2017, down significantly from 2.9 in 2008, which is a result of the proactive and sustainable EHS leadership efforts that have been integrated as part of our Pentair Integrated Management System (PIMS) (page 25) over the past decade. Other site certifications are shown in the table below.

At Pentair, we have achieved a strong safety track record through proactive risk management. For example, our “EHS Lean Maturity Index” tracks behaviors, processes, and other leading safety indicators. For more information, please see our [EHS policy](#) and our [Code of Business Conduct and Ethics](#).

EHS MANUFACTURING SITE CERTIFICATIONS	2016		2017	
	LOCATION COUNT	PERCENTAGE OF LOCATIONS	LOCATION COUNT	PERCENTAGE OF LOCATIONS
Unique locations with certification type	14	23%	16	26%
ISO 14001	8	13%	9	15%
ISO 50001	1	2%	2	3%
OHSAS 18001	6	10%	4	7%
OSHA-SHARP	1	2%	1	2%
Safety Std. Certification	5	8%	4	7%
Clean Industry-PROFEPA	1	2%	1	2%
Other certification	2	3%	3	5%



## EHS Highlights

In 2017, the **Industrial Heat Tracing Solutions team in Houston, Texas** celebrated the milestone of achieving five million hours without a Lost Time Incident. The group has worked over 1,800 consecutive days without a Lost Work Time Incident as defined by OSHA.

**Our Straubenhardt facility in Germany** also achieved 412 days in 2017 without an OSHA recordable case.



**Our Washington site in the United Kingdom** successfully completed a transition audit for ISO 9001:2015, 14001:2015 and a three-year OHSAS 18001:2007 full surveillance audit. The site in September 2017 surpassed its record of 887 incident-free days by 938 days and had celebrated 5 years — or 1,825 days — without a recordable accident.

**Our site in Sanford, North Carolina** has been driving a very robust safety culture that has resulted in Carolina Star certification (pictured above) and two separate NC Department of Labor Awards in 2017, including achieving Five Million Employee Hours with no Disabling Injuries and a Lower than Industry Average OSHA Incident Rate (IR) for the sixth consecutive year.

By driving hazard awareness and employee engagement, **our Hanover Park, Illinois facility** operated for a record 543 days, as of December 31, 2017, without an OSHA Recordable Injury (over 821,000 hours worked). This was followed closely by **our facility in Goa, India**, which had 393 days without a recordable injury (over 1,000,000 hours worked — a plant record) and **Capriano del Colle, Italy** which operated 433 days without a recordable injury (also a plant record). **Our facility in Withcott, Australia** worked over 1,089 days consecutively without a lost time injury.



## Compensation and Benefits

In the United States, all full-time employees are eligible to receive the following benefits:

- Disability and invalidity insurance
- Flexible and health saving accounts and wellness programs
- Health insurance (medical, pharmacy, dental)
- Legal services
- Retirement provision
- Stock ownership
- Tuition reimbursement
- Vacation, holidays, and sick time





A dynamic splash of water is captured in mid-air, creating a series of droplets and a crown-like shape. The water is a deep blue, and the background is a lighter blue gradient. A diagonal line divides the image, with the water splash appearing to cross it. The number '5' is positioned in the upper right corner, partially overlapping the white background.

5

# WINNING COMMUNITIES



By some estimates, global water demand could be 30 percent higher by 2050 than it is today, resulting in limited access to clean, safe drinking water, reliable food sources and sustainable energy reserves. At Pentair, we are taking steps to address this challenge today that will make a positive impact tomorrow.

Taking steps to make a  
**POSITIVE IMPACT**

We’re partnering with leading nonprofit organizations to improve access to life’s most essential resource in communities where the needs are the greatest. Combining our proprietary technology, the expertise and passions of our employees, our corporate resources and a legacy financial commitment, we are putting our purpose into practice for millions of people today, as well as for future generations.

Our strategic initiatives focus on three areas:

**WATER: Delivering Sustainable, Clean Water**

We collaborate with our partners, combining our technology, micro-enterprise business models and scientific research to provide sustainable access to safe water as well as to support water conservation and reuse efforts.

**FOOD: Improving Access to Sustainable Solutions**

We partner with organizations that are leading innovative solutions to challenges related to the world’s growing population and increasing demands on global agriculture resources.

**EDUCATION: Increasing Opportunities**

We partner with organizations that are working to create high-quality, diverse and interconnected educational opportunities for students around the world.

Through the Pentair Foundation and our corporate charitable giving commitments, our philanthropic impact spans six continents. In 2017, programs funded by the Foundation reached more than 11 million people worldwide.

COMMUNITY GIVING (\$) PERFORMANCE	
Amount donated in FY2017	\$4.3 million
Donations to date* (since 1998)	\$63 million

\* As of December 31, 2017.



Our expertise in

# DELIVERING CLEAN WATER

We believe that the health of our world depends on reliable access to clean, safe water. We also believe that clean water is a fundamental human right, and foundational to freedom and economic development. These tenets drive the innovation behind every product we manufacture and exist at the heart of our philanthropic investments.

Our Foundation collaborates with nonprofit partners to combine our technology with microenterprise business models and scientific research in order to expand access to safe water, and support water conservation and reuse in the developing world.

A close-up photograph of a young girl with dark skin and hair, looking down at a public water tap. She is holding her hands under the running water, and a small amount of water is visible in her palms. The background is a soft-focus green, suggesting an outdoor setting. The image is used as a background for the lower half of the page.

## Our Foundation considers funding strategic proposals that meet the following criteria:

- Serves a population that lacks access to clean, safe water.
- Incorporates community level education on the importance of clean water, sanitation and hygiene.
- Demonstrates a successful, sustainable and long-term operating model.
- Includes goals to develop or research sustainable uses for water including water reuse and water reduction.



## Providing sustainable access to **CLEAN, SAFE WATER**

Two examples of long-standing partnerships that are providing sustainable access to clean, safe water to more than three million people each day in the developing world, include:

A legacy initiative with **Water Mission**, which began in 2007, delivers sustainable safe, clean water in western Honduras and has transformed the quality of life for the country's citizens. In Colón, Honduras, Pentair has installed more than 200 water treatment systems and over 15,000 latrines in the impoverished coastal region. In 2016, we launched a five-year, \$5 million commitment to expand the program to an additional 150,000 residents to help reduce waterborne illness and death rates as well as to study the long term positive economic impact safe water brings to communities in need. In 2017, three additional safe water projects were commissioned, with five more commencing construction, and 11 beginning the design phase, to ensure the expansion of clean, accessible water for this impoverished coastal region. The ongoing success in Colón has served as a model to potentially expand Project Safewater to other countries.

Since 2010, Pentair has supported nonprofit partner **Safe Water Network**, launching the first clean water station in India, to offer filtered water at a low cost. Locally branded in India as iJal (or "my water" in Hindi) the self-sufficient and safe stations treat contaminated water to World Health Organization standards with reverse osmosis technology, then the clean water is sold to the community at an affordable rate. The filtration technology helps to reduce fluorosis and waterborne diseases caused by excess fluoride and other contaminants in the local groundwater. To date, Pentair has provided more than \$1 million to further clean, accessible and affordable water for people daily in India. Pentair components are used in all 213 iJal operating stations, and we have directly funded 122 water stations that provide safe water access to approximately 40,000 people daily. Our ongoing commitment will further a Safe Water Network expansion in Telangana, a state in southern India, which will reach a total of 665,000 people through nearly 200 new stations.





CASE STUDY

# Pure Progress

The Kibera School for Girls' Clean Water Access Project in Nairobi, Kenya expanded in 2017 to provide greater community access to safe, accessible water

One of the most densely populated places on the planet, an estimated one million Kibera residents in Nairobi, Kenya live in an area of less than 2.0 square miles, smaller than New York City's Central Park. Up until recently, there was no running water, and residents paid exorbitant rates for water — often 10 times what Nairobi city residents pay. The lack of clean water disproportionately affects women and girls, who are left to tend to those who fall ill due to unsafe water and lack of sanitation. Access to clean, safe water is thus key to empowering the women of Kibera, and to helping the larger community build a better future.

In 2013, Pentair partnered with local non-governmental organization, Shining Hope for Communities (SHOFCO), to implement a pilot program with two objectives: to create a more stable, fairly priced supply of clean water in Kibera, and to help reduce the number of contracted waterborne illnesses. The revenues from the project sustain the water system and help fund the Kibera School for Girls, thereby creating an integrated link between clean water, the girls' education and community development.

Most recently, Pentair engineers designed, built and installed custom, state-of-the-art water filtration equipment to treat water on site and doubled the volume of the existing water supply system delivered to the community. Additionally, an aerial piping system was installed, the first of its kind to be constructed in Kenya, and now distributes clean water away from groundwater contamination while reducing risk of tampering or vandalism. Because of this development, SHOFCO and the Center for Disease Control (CDC) are partnering to research waterborne diseases in Kibera. Initial findings indicate a reduction in reports of waterborne disease in neighboring health clinics since the program launched.



Photos credit: Louis Nderi





Working to advance

## SUSTAINABLE FOOD PRODUCTION

Agriculture commands 70 percent of the world's water usage and increased global demand for food is placing additional stress on the world's agricultural supplies. As a leader in the agricultural industry, Pentair is creating efficient technology, equipment, and irrigation systems to more sustainably manage water resources. Pentair collaborates with organizations in government, academia, and the NGO sector to accelerate innovation development in sustainable agriculture and food and beverage processing.

The Pentair Graduate Fellow Fund is a three-year grant in partnership with the University of California, Davis, which supports students in the Department of Food Science and Technology and the Department of Viticulture and Enology. Every year, two students, one with a focus on dairy food science and another studying brewing science, receive fellowships to further their education and research. Pentair has also made an in-kind donation of three types of proprietary equipment to further the laboratory's equipment offering.



Pentair's Dominik Elsaesser (top left and bottom right) and Phil Rolchigo (top right and bottom left) with UC Davis grantees and faculty.



## Increasing opportunities THROUGH EDUCATION

One of Pentair's three philanthropic focus areas is education. We believe all students in every community should have access to engaging, quality educational opportunities that enable them to build complex skills, and work collaboratively with adults and peers. Education is key to economic development and the improvement of living standards around the world.

In communities where Pentair operates, we fund a variety of innovative and effective Science, Technology, Engineering and Math (STEM) education programs for K-12 and graduate level students.

We partner with organizations such as the Boys and Girls Club, FIRST Robotics, Junior Achievement, North Carolina State University, Purdue University and the Science Museum of Minnesota to offer programs such as:

- Fellowships for graduate students who are addressing social and environmental issues.
- After school programs for at-risk youth, focused on STEM principles and STEM career opportunities.
- Senior level, pre-college summer fellowships to help underserved students improve critical thinking and writing skills, gain confidence, and view college attendance as an attainable goal.
- Programs where students explore real world problems, involving environmental, water, food and health challenges.
- International robotics development and competitions.
- Community-driven projects led by middle and high school students, incorporating principles of engineering, computing, and technology.
- Training and equipping teachers for STEM disciplines.
- Field trips to STEM museums, camps, and programs.

In India and other developing countries, we partner with organizations such as Pratham (see the story on page 55), one of India's largest NGOs, and Opportunity International to help children, including those with disabilities, gain access to quality education. Examples of the types of initiatives in developing countries that we support include:

- Improving school infrastructure (e.g., by building a secondary school on a site where previously only a primary school existed).
- Establishing new schools.
- Covering school expenses for children in need.
- Funding microfinance loans for schools to make critical improvements, such as building new classrooms, installing running water, buying computers, and hiring additional teachers and staff.
- Providing alternative ways to access education for students who are forced to drop out of school, enabling them to complete required grades and pass national exams.



## Pratham Spotlight:

**KNOWLEDGE IS POWER**

Education is a key factor in global economic development and improved living standards, and that tenet has taken root through a vital program in India called Second Chance. Operated by Pratham, a top nongovernmental organization dedicated to fostering literacy and learning, Second Chance provides access to secondary education for girls and young women age 14 and older who are determined to complete their schooling. Pentair marked its third year of partnership in 2017, which represents a combination of foundation grants paired with Team Pentair employee giving. In all, our donations fostered learning last year at four centers in Dholka, Kadi, Bhopal and Jaipur, helping more than 450 students further secondary schooling.



Many females in the region are often forced to drop out of school because of socio-economic circumstances, cultural pressure, and traditional gender role expectations. Second Chance inspires transformational change within these villages and communities for young women who set their sights on a brighter future. Pratham's model allows female students, most of whom support their families' day-to-day livelihood, to work in the morning and to attend classes in the afternoon. They are able to learn in a safe, encouraging environment while taking steps to earn their diploma and ultimately improve their prospects for higher education and employment.

The students' progress to date has been remarkable. While lessons begin at a basic level, covering alphabets and numbers, students are often solving much more difficult assignments for history and math within six months. Pentair is proud to support these Second Chance participants, striving toward a better tomorrow through dedication and determination.



A dynamic splash of water is captured in mid-air, creating a series of droplets and a curved spray. The water is rendered in various shades of blue, from deep navy to light sky blue. The background is split diagonally from the top-left to the bottom-right, with a solid dark blue on the left and a white on the right.

6

# GOVERNANCE



At Pentair, we work hard to “Improve Every Day” and “Win Right.” Those two phrases embody both our drive for success as well as our dedication to conducting business to the highest ethical standards. We believe that honesty and integrity should define our relationships with customers, suppliers, investors, and each other. We have the same expectations of our suppliers.

## Governance

# PRINCIPLES AND PRACTICES

Pentair has long believed that good governance sets the foundation for success. The governance principles we practice today are built on the [Pentair Code of Business Conduct and Ethics](#), established more than 30 years ago and annually affirmed by our employees.

### For 2017,\* these principles and practices include:

- A strong-minded Board of Directors with a majority of independent members.
- An independent Lead Director who serves as a direct liaison with management.
- Direct access by the Board to independent advisors and experts.
- Executive Board sessions without management present.
- Audit & Finance Committee responsibility for the retention and supervision of external auditors and for oversight of our internal auditors.
- A hotline available to all employees for reporting compliance or other concerns.
- A [Related Person Transactions Policy](#) to ensure independence and the absence of conflicts.
- A [Political Contributions Policy](#) to ensure that financial contributions the company makes are consistent with our core values and protect and/or enhance stakeholder value.

For more information on our responsible approach to business, read our [Corporate Governance principles](#).

\*In 2018, an independent Chairman replaced the independent Lead Director.



## Governance Structures

Pentair's Board of Directors has three standing committees:

- **Audit and Finance Committee.** Assists the Board with oversight of accounting and financial reporting processes and audits of financial statements.
- **Compensation Committee.** Sets and administers policies that govern executive compensation, including setting the Named Executive Officers' compensation.
- **Governance Committee.** Identifies individuals qualified to become Directors. Recommends nominees to the Board for election at annual meetings of shareholders. Oversees public policy matters and compliance with the Code of Conduct.

For more information, visit our [Corporate Governance page](#).

### GOVERNANCE STRUCTURES

FY2017

Board Members	12
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### BOARD COMPOSITION

Racial Minority Members	4
Female Members	2
Independent Members	10

## Code of Conduct

Our [Code of Business Conduct and Ethics](#) outlines our commitment to abiding by international laws, regulations, and global standards as well as to following the local laws of each country where we do business. It also describes our commitment to, and policies for, doing business with integrity, including provisions on anti-corruption and anti-bribery. The Code applies to all full-time and part-time employees, contractors, and Pentair executives and Directors. We communicate our anti-corruption policies and procedures to employees on Pentair's intranet site as well as through annual and new-hire compliance trainings (online and in-person), with 100 percent of professional-level employees completing the training in 2017.

In addition, we maintain a proactive third-party risk management program designed to prevent corruption and promote ethical practices. Every employee is asked to sign a commitment statement indicating they have read and understood the Code and will act in full compliance.



## “Speak Up” Resources

We encourage employees to speak up whenever they observe improper or unethical behavior or actions. Pentair does not tolerate retaliation in any form against employees for raising concerns or making good faith reports about possible breaches of law or policy, or ethical violations.

Pentair maintains several reporting options, including an Ethics Helpline as a confidential means to report violations of our Code, internal policies, or the law. Available 24/7, in the languages of all countries where we operate, the HelpLine can be accessed on the web or by phone through toll-free numbers in 47 countries. Employees may also report suspected violations directly to their human resources representative or supervisor. In addition to the HelpLine, employees can file a report using the web reporting form available at [PentairEthics.com](https://PentairEthics.com). Employees may also contact the Office of Business Conduct and Ethics directly by phone, e-mail, or letter.

For more information, contact the Office of Business Conduct & Ethics at [Ethics@Pentair.com](mailto:Ethics@Pentair.com).

## Supplier Relationships

Our commitment to responsible, sustainable business practices extends to our supplier partnerships. Our [Supplier Code](#) describes responsibilities we expect of our business partners and supplier, including:

- Providing clean and safe working conditions;
- Delivering fair wages and benefits according to local laws and practices; and
- Not tolerating human rights abuses including, but not limited to, child labor.

Through our procurement policies, we seek to select business partners, suppliers, and contractors who share Pentair’s commitment to socially responsible business practices.

All suppliers must also agree to abide by our [Supplier Code of Conduct](#), which requires our business partners to commit to ethical standards and business practices.

We evaluate strategic suppliers using scorecards that we review with them regularly. We identify key needs and gaps related to responsible business for these suppliers, and develop plans to address outstanding issues. In a few selected cases, we invest resources to develop specific skills sets for strategic suppliers.

For additional information, please visit:

- [Extractives and Conflict Minerals Policies and Programs](#)
- [Partner and Supplier Information](#)
- [Pentair’s Code of Business Conduct and Ethics](#)



## Privacy and Data Security

Pentair is committed to providing data privacy and security for our customers, employees, investors, vendors, and other stakeholders around the world. Pentair's global information security and data privacy policies govern how we collect, process, store, and transmit data lawfully as well as the safeguards we have in place to maintain and prevent the unauthorized use or disclosure. Pentair reinforces its commitment through global awareness training.

Pentair provides a reliable and secure environment to protect the customer and employee data provided to us. Pentair has implemented physical and system security measures and invested significantly in industry leading technologies to provide the appropriate protections that our customers and employees deserve.

Pentair is committed to complying with all applicable privacy and data protection laws, wherever it does business. Any personal information Pentair collects, regarding employees or any third party, will be treated with care and protected, and used lawfully and properly.

Review our [Privacy Notice](#).

## Political Contributions Reporting

In 2017, Pentair made no Political Contributions. As defined in Pentair's Political Contributions Policy, such contributions generally include any corporate spending in the form of a gift, loan, advance or deposit of money to political candidates, political parties, organizations primarily engaged in political activities and ballot initiative organizations.

In addition, no U.S.-based trade association or other tax exempt organization to which Pentair made a payment of \$50,000 or more in 2017 reported to Pentair that any portion of that payment was used for political activity purposes, with the exception of two organizations, the Water Quality Association and the National Electrical Manufacturers Association (NEMA), which used a portion of their funds for lobbying activities.

The Water Quality Association is a not for profit international trade association representing the residential, commercial and industrial water treatment industry. NEMA is a not for profit trade association representing electrical equipment and medical imaging manufacturers.



A dynamic splash of water is captured in mid-air, creating a series of droplets and a curved spray. The water is a deep blue, contrasting with the white background. A diagonal blue line cuts across the image from the top left to the bottom right, separating the water splash from the white background.

7

# GRI CONTENT INDEX



# GRI Content Index\*

## GRI 102: General Disclosures

Disclosures / Description	Cross-Reference or Answer
<b>ORGANIZATIONAL PROFILE</b>	
<b>102-1:</b> Name of the organization	Pentair plc
<b>102-2:</b> Activities, brands, products, and services	A Winning Company, Our Company (page 6)
<b>102-3:</b> Location of headquarters	London, United Kingdom
<b>102-4:</b> Location of operations	A Winning Company, Our Company (page 7)
<b>102-5:</b> Ownership and legal form	<a href="#">2017 Annual Report and Form 10-K</a>
<b>102-6:</b> Markets served	A Winning Company, Our Company (page 6) Winning Solutions (page 11) <a href="#">2017 Annual Report and Form 10-K</a>
<b>102-7:</b> Scale of the organization	A Winning Company, Our Company (page 6) Winning Workplace (page 37) <a href="#">2017 Annual Report and Form 10-K</a>
<b>102-8:</b> Information on employees and other workers	Winning Workplace (page 37)
<b>102-9:</b> Supply chain	Governance, Supplier Relationships (page 59)
<b>102-10:</b> Significant changes to the organization and its supply chain	<a href="#">2017 Annual Report and Form 10-K</a>
<b>102-11:</b> Precautionary Principle or approach	<a href="#">2017 Annual Report and Form 10-K</a>
<b>102-12:</b> External initiatives	A Winning Company, Our Approach to Corporate Responsibility (page 10)
<b>STRATEGY</b>	
<b>102-14:</b> Statement from senior decision-maker	A Letter to our stakeholders from Pentair's President and CEO John L. Stauch (page 3)
<b>ETHICS AND INTEGRITY</b>	
<b>102-16:</b> Values, principles, standards, and norms of behavior	A Winning Company, Our Values (page 5) Governance, Code of Conduct (page 58) <a href="#">Code of Business Conduct and Ethics</a>
<b>GOVERNANCE</b>	
<b>102-18:</b> Governance structure	Governance, Governance Structures (page 58) <a href="#">Corporate Governance</a> <a href="#">2017 Annual Report and Form 10-K</a> <a href="#">2018 Proxy Statement</a>

\*Pentair's 2017 Corporate Responsibility Report applies the 2016 version of the GRI Standards; "2016" refers to the Standards issue date, not the date of information presented in this report.



## GRI 102: General Disclosures

Disclosures / Description	Cross-Reference or Answer
<b>STAKEHOLDER ENGAGEMENT</b>	
<b>102-40:</b> List of stakeholder groups	A Winning Company, Our Approach to Corporate Responsibility (page 10)
<b>102-42:</b> Identifying and selecting stakeholders	A Winning Company, Our Approach to Corporate Responsibility (page 10)
<b>102-43:</b> Approach to stakeholder engagement	A Winning Company, Our Approach to Corporate Responsibility (page 10)
<b>102-44:</b> Key topics and concerns raised	A Winning Company, Our Approach to Corporate Responsibility (page 10)
<b>REPORTING PRACTICE</b>	
<b>102-45:</b> Entities included in the consolidated financial statements	<a href="#">2017 Annual Report and Form 10-K</a>
<b>102-46:</b> Defining report content and topic boundaries	A Winning Company, Our Approach to Corporate Responsibility (page 10)
<b>102-48:</b> Restatements of information	None
<b>102-49:</b> Changes in reporting	None
<b>102-50:</b> Reporting period	2017 Fiscal Year (January 1, 2017 – December 1, 2017)
<b>102-51:</b> Date of most recent report	<a href="#">2016 Corporate Responsibility Report</a>
<b>102-52:</b> Reporting cycle	Annual
<b>102-53:</b> Contact point for questions regarding the report	About this Report (page 66)
<b>102-54:</b> Claims of reporting in accordance with the GRI Standards	This report references the GRI Standards
<b>102-55:</b> GRI content index	GRI Index (page 62)



## GRI 200–400: Topic-Standard Disclosures

Disclosures / Description	Cross-Reference or Answer
<b>ECONOMIC</b>	
<b>GRI 201: Economic Performance 2016</b>	
<b>201-1:</b> Direct economic value generated and distributed	Winning Communities (page 48) <a href="#">2017 Annual Report and Form 10-K</a>
<b>201-2:</b> Financial implications and other risks and opportunities due to climate change	Winning Solutions, Food and Agricultural Solutions (page 21) Winning Solutions, Solutions for Resilience (page 22) <a href="#">2017 Annual Report and Form 10-K</a>
<b>GRI 203: Indirect Economic Impacts 2016</b>	
<b>203-1:</b> Infrastructure investments and services supported	Winning Communities, Our Expertise in Delivering Clean Water (page 50)
<b>203-2:</b> Significant indirect economic impacts	Winning Communities, Our Expertise in Delivering Clean Water (page 50)
<b>GRI 205: Anti-corruption 2016</b>	
<b>205-2:</b> Communication and training about anti-corruption policies and procedures	Governance, Code of Conduct (page 59)
<b>ENVIRONMENTAL</b>	
<b>GRI 302: Energy 2016</b>	
<b>302-1:</b> Energy consumption within the organization	Winning Operations, How Pentair is Driving Energy Efficiency (page 31)
<b>302-3:</b> Energy intensity	Winning Operations, How Pentair is Driving Energy Efficiency (page 31)
<b>302-4:</b> Reduction of energy consumption	Winning Operations, How Pentair is Driving Energy Efficiency (page 31)
<b>GRI 303: Water 2016</b>	
<b>303-1:</b> Water withdrawal by source	Winning Operations, Managing our Water Use (page 28)
<b>303-3:</b> Water recycled and reused	Winning Operations, Managing our Water Use (page 28)



## GRI 200–400: Topic-Standard Disclosures

Disclosures / Description		Cross-Reference or Answer
<b>ENVIRONMENTAL</b>		
<b>GRI 305: Emissions 2016</b>		
<b>305-1:</b> Scope 1 GHG emissions		Winning Operations, How Pentair is Driving Energy Efficiency (page 31)
<b>305-2:</b> Scope 2 GHG emissions		Winning Operations, How Pentair is Driving Energy Efficiency (page 31)
<b>305-4:</b> GHG emissions intensity		Winning Operations, How Pentair is Driving Energy Efficiency (page 31)
<b>305-5:</b> Reduction of GHG emissions		Winning Operations, How Pentair is Driving Energy Efficiency (page 31)
<b>GRI 306: Effluents and Waste 2016</b>		
<b>306-2:</b> Waste by type and disposal method		Winning Operations, Waste Reduction and Materials Use Performance (page 36)
<b>SOCIAL</b>		
<b>GRI 401: Employment 2016</b>		
<b>401-2:</b> Full-time benefits not provided to temporary/part-time employees		Winning Workplace, Compensation and Benefits (page 47)
<b>GRI 402: Labor/Management Relations 2016</b>		
<b>403-2:</b> Types of injury and rates of injury		Winning Workplace, Providing a Safer Workplace (page 45)
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
<b>405-1:</b> Diversity of governance bodies and employees		Winning Workplace, Diversity and Inclusion (page 44)
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
<b>407-1:</b> Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Governance, Supplier Relationships (page 59)
<b>GRI 415: Public Policy 2016</b>		
<b>415-1:</b> Political contributions		Governance, Political Contributions (page 60)
<b>GRI 416: Customer Health and Safety 2016</b>		
<b>416-1:</b> Assessment of the health and safety impacts of product and service categories		Winning Solutions, Our Sustainable Food and Agriculture Solutions (page 21)
<b>GRI 418: Customer Privacy 2016</b>		
<b>418-1:</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data		None. We consider 'significant' fines as those listed in our 10-K.



## 2017 CORPORATE RESPONSIBILITY REPORT

### About This Report

This report provides data and highlights covering Pentair's fiscal year 2017, which runs from January 1, 2017 to December 31, 2017, and references the GRI Standards. When we refer to 2017 in the text, we are referencing our fiscal year.

We will pursue GRI Core status, and work to align with additional leading ratings and rankings to further bolster the strength of our approach and performance.

For more information, or to provide feedback, please contact [PentairCSR@Pentair.com](mailto:PentairCSR@Pentair.com).

