

10 July, 2013

H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,
With our first annual Communication on Progress, I am pleased to reaffirm Ecolab's support of the ten principles of the Global Compact with respect to human rights, labor, the environment and anti-corruption. We also confirm our continued endorsement of the UN CEO Water Mandate.

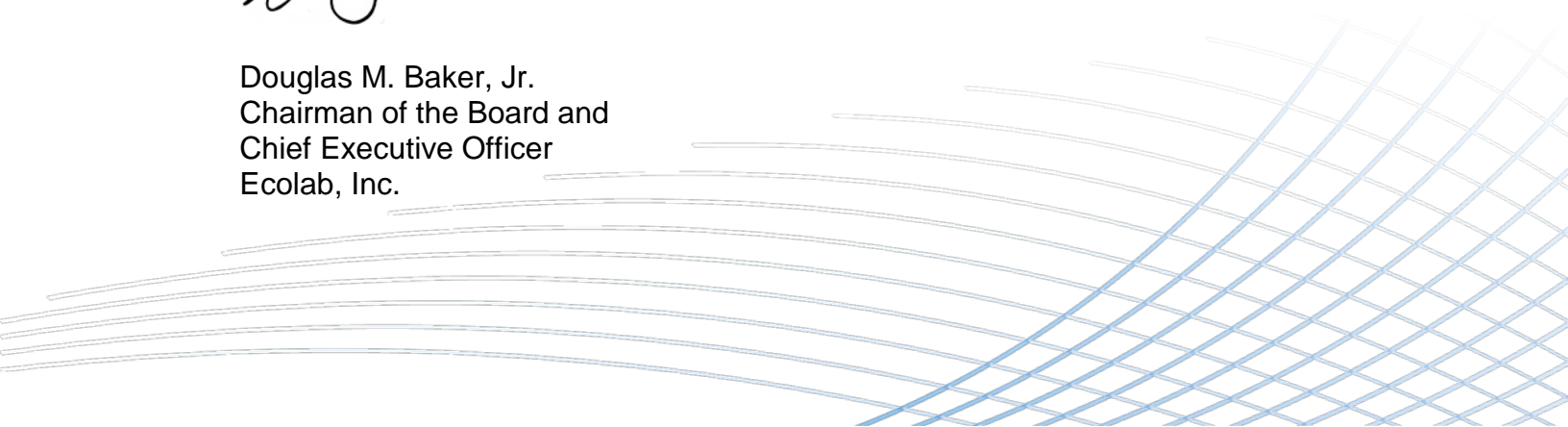
Ecolab is the global leader in water, hygiene and energy technologies and services that provide and protect clean water, safe food, abundant energy and healthy environments. Our company delivers programs and services to the food, energy, healthcare, hospitality and industrial markets in more than 170 countries around the world.

With this communication, we express our continued intent to advance the principles of the Global Compact and CEO Water Mandate within our sphere of influence. Our 2012 report describes our actions to integrate those principles into our strategy and operations. This information will be available to stakeholders through our website at www.ecolab.com/csr.

Sincerely,



Douglas M. Baker, Jr.
Chairman of the Board and
Chief Executive Officer
Ecolab, Inc.





**UNITED NATIONS GLOBAL COMPACT
COMMUNICATION ON PROGRESS
REPORTING PERIOD: JANUARY 1, 2012 – DECEMBER 31, 2012**

Human Rights

Principles 1 & 2: Businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.

As a global company, Ecolab is committed to enhancing the well-being of people and communities around the world. Our employees' human rights are respected across our global operations. We aspire to create an inclusive and respectful work environment; one in which employees recognize each other's worth and dignity.

As stated in our Code of Conduct, any conduct that detracts from the worth and dignity of our employees is contrary to our values and has no place in our culture. We also are committed to showing respect to people and cultures in all of the countries where we do business.

Our Ethical Sourcing Standards are the foundation of our global supply chain initiative requiring our direct suppliers to protect the health, safety and human rights of their associates. We will not conduct business with suppliers who do not support the fundamental principles of human dignity and rights of workers to fair and equitable treatment. Suppliers must meet our standards regarding forced labor, child labor, health and safety in the workplace, fair pay, harassment, diversity and ethics, and environmental policies. We require that our suppliers identify and act swiftly to eliminate any unacceptable conditions or practices in their facilities.

We base our supplier requirements on international standards including the United Nations Declaration of Human Rights, the United Nations Convention on the Rights of the Child, and the Conventions of the International Labour Organization, including its Fundamental Principles and Rights at Work.

1. **Verification.** In order to evaluate and address risks of human trafficking and slavery in our supply chains, Ecolab has developed a detailed supplier ethical assessment that its top suppliers must complete in order to verify compliance with Ecolab's ethical sourcing requirements. Ecolab has required our top suppliers in the chemical, packaging, equipment and contract manufacturing categories to complete the assessment, and we continue to expand the number and scope of suppliers required to complete the assessment. Suppliers are questioned not only about their policies, but about management practices and specific performance related to protection of employees' human rights and prevention and elimination of trafficking and slavery. Ecolab does not currently conduct on-site audits of suppliers related to trafficking and slavery in supply chains, but is evaluating whether to expand its existing assessment program to ensure compliance with trafficking and slavery standards.

2. **Certification.** Ecolab requires all suppliers to comply with applicable government regulations, as well as with Ecolab policies and procedures. We incorporated a certification requirement to that effect into our supplier ethical assessment in 2012.
3. **Accountability.** Ecolab's employees are held accountable for ensuring we meet our standards regarding slavery and trafficking as expressed in Ecolab's Code of Conduct. The Code of Conduct requires employees and contractors to engage in ethical source selection. It also makes clear that compliance with applicable government regulations and Company policies and procedures is required of all Ecolab suppliers, agents and consultants.
4. **Training.** Ecolab provides training to our supply chain and purchasing employees, as well as to our suppliers, regarding Ecolab's ethical sourcing policies and procedures.

In 2012, 24 of our top tier 1 suppliers were audited using our third-party managed CSR Ethical Sourcing Questionnaire, based on our Ethical Sourcing Standards. As mentioned above, we will continue to expand the number and scope of suppliers required to complete the assessment in the future.

Labor

- **Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.**
- **Principle 4: The elimination of forced and compulsory labour.**
- **Principle 5: The effective abolition of child labour; and**

Ecolab takes our responsibility to the communities we serve very seriously. We believe in compensating our employees fairly and in compliance with local laws. We promote the well-being of our employees, our customers and our customers' customers by contributing to programs and initiatives that enhance the quality of life in the communities in which they work and live.

We recognize employees' right to form or join unions and encourage them to make an informed decision on the matter. Where employees have chosen to be represented by a labor union, we fulfil our bargaining obligations as defined by law. Only a small percentage of our employees are currently covered under trade unions or collective bargaining agreements.

Ecolab adheres to all immigration standards and complies with all statutory requirements in the locations where we operate. We respect the rights of all people and hold our suppliers to the same high standard of social responsibility. Ecolab does not have any operations at risk for forced, compulsory or child labor. The Company does not engage in the use of forced or child labor, nor do we condone the mistreatment of any individuals by those who conduct business with, or on behalf of, Ecolab. Our supplier standards reflect the same policies (described in the section above).

Ecolab participates in SEDEX (Supplier Ethical Data Exchange), which is a non-profit membership organization dedicated to driving improvements in ethical and responsible business practices in global



supply chains. It is a web-based platform for sharing information and audit results on four pillars: (1) labour standards; (2) health and safety; (3) environment; and (4) business integrity.

We are in the process of conducting SEDEX audits at our plants. We completed audits in 2010, 2011 and 2012, and now have six facilities that have been determined to be compliant with SEDEX criteria. Two more sites are in the process of closing out the audit. We will complete six more audits in 2013.

Principle 6: The elimination and discrimination in respect of employment and occupation.

To ensure that we comply with applicable labor and employment law and never discriminate, Ecolab’s recruitment, hiring, compensation, promotion, transferring, training, corrective action and termination practices are based exclusively on an individual’s qualifications and ability to perform the job. Only criteria which are relevant to the job are considered. Specifically, in order to maintain a work environment that is free from discrimination, all employment-related decisions must be made without regard to:

- Gender
- Race
- Ethnic origin
- Nationality
- Sexual orientation
- Gender identity
- Religion
- Age
- Disability
- Marital status
- Veteran status
- Other personal characteristics or conditions protected by national, state or local law

Respect for others is fundamental to Ecolab’s culture. Disrespect can disrupt the productivity of our employees and threaten Ecolab’s success. To help ensure an environment of mutual respect, Ecolab will not tolerate any form of harassment or other intimidating behavior, including physical, emotional or verbal abuse. We prohibit any form of harassment, whether by an employee, a temporary employee or an external vendor, in which:

- Submission to the harassment or abusive conduct is an explicit or implicit term or condition of employment;
- Submission to, or rejection of, the harassment or abusive conduct is used as the basis for an employment decision; or
- The harassment or abusive conduct has the purpose or effect of interfering with an individual’s work performance or creating an intimidating, hostile or offensive working environment.

Violating this policy subjects an employee to disciplinary action, up to and including termination of employment. In 2012, we received and addressed 74 complaints through our Employee Helpline and other channels; of those complaints, 31 were related to human resources topics.

Ecolab also has a proactive set of programs in place to ensure that we provide equal employment opportunities and encourage diversity and inclusion throughout our operations. In 2012, we presented



Culture and Inclusion training content during employee on-boarding six times. We also added diverse employee network materials to divisional on-boarding materials. We also launched an employee Diversity Steering Committee that will focus on driving progress on representation and maintaining focus on Culture and Inclusion.

Ecolab supports nine employee networks to foster employee development and connections, including the following networks:

- ACE (Asian Community at Ecolab): fosters active engagement among Asian-affiliated employees, the company, our customers and the community
- BRIDGES: mission is to provide advocacy and leadership to encourage mutual support and high-performing teams across generations
- CONNECT: employee network designed to bring together young professionals across business units and functions through networking and career development events, community service projects, and educational seminars
- E3 National Chapter: Employee Resource Group that works to empower, engage and energize female employees through formal and informal mentoring programs, focused development activities and community outreach
- EcoEssence: organization dedicated to the recruitment, development and retention of African and African-American employees
- EcoMondo: supports Ecolab's growth through the integration and development of Global Talent and the support and promotion of Cultural Diversity and Global Talent Mobility
- HACER: mission is to provide advocacy and leadership to encourage the development of Hispanic Latino Associates within Ecolab, our business partners and communities.
- PRIDE: mission is to offer support and visibility within and beyond Ecolab for gay, lesbian, bisexual or transgendered people, or allies of the GLBT community.

Our employee networks held more than 35 diverse trainings in 2012, including two diversity-focused Professional Development Days. Moving forward, we will launch our first global employee engagement survey in September 2013, which will be translated into 35 languages. Managers will use the results of the survey to develop action plans and build a culture of engagement at the local level.

Environmental

- **Principle 7: Businesses should support a precautionary approach to environmental challenges.**
- **Principle 8: Undertake initiatives to promote greater environmental responsibility.**
- **Principle 9: Encourage the development and diffusion of environmentally friendly technologies assessment, policy and goals.**

At Ecolab, we have an exponential impact on solving environmental challenges beyond what we do within our own company. As an industry leader, we are on-site at more than one million customer locations and meet the challenges of an evolving world with unique expertise, services and innovation.



For 90 years, Ecolab has been developing environmentally preferable products and services that help customers do more with less and sustain a healthy world for future generations. Our Total Impact Approach to innovation evaluates the full impact of each product or service we provide to help customers increase efficiency, minimize use of natural resources and reduce waste—from sourcing and manufacturing to use and disposal. In 2012, we continued to offer our customers innovations that helped them do more with less, including:

- Launching Apex2™, our next generation warewashing program, which delivers superior cleaning results while measurably reducing water and energy use for customers.
- Launching Aquanomic™, a laundry system that reduces water use by up to 40 percent and energy use by up to 50 percent.
- Reducing packaging waste and transportation costs for customers in additional industries by replacing liquid chemistries with solids.
- Employing Ecolab's peracetic acid chemistry in our Energy Services Division to remove iron and microorganisms from the water produced in shale gas recovery, allowing unconventional oil and gas producers to recycle process water and reduce overall water use.

We also are committed to reducing environmental impacts within our own operations. To that end, we have established goals to reduce greenhouse gas (GHG) emissions, energy and water use, and wastewater discharge. Through the U.S. Environmental Protection Agency Climate Leaders program, we set a goal to reduce our U.S. GHG emissions by 20 percent per dollar sales from 2006 to 2012. Though it was announced in late 2010 that Climate Leaders would be dissolved, we continued to make progress in meeting the goals that we established within the program. Specifically, Ecolab achieved a 22.4 percent reduction in U.S. GHG emissions from the 2006 baseline, attaining 112 percent of the stated goal within the established time frame.

Using the combined (Ecolab and Nalco) company's 2012 metrics as an operational baseline, Ecolab has set new, revenue-based goals to further improve our environmental impact within the next five years. Among these new targets, we will work to achieve a five percent reduction in US GHG emissions, a 10 percent reduction in water use and wastewater discharge, and a 10 percent reduction in solid waste disposal, measured by intensity per million dollars in sales.

We achieve our environmental goals through a continuous improvement program we call "Create and Maintain Value" or "CMV." CMV initiatives help Ecolab deploy the services and technologies we use with customers to improve efficiency and reduce environmental impacts in our own operations. Overall, CMV projects saved more than 70 million gallons of water across our facilities in 2012.

As our most water-intensive facility worldwide, our Clearing, Ill., plant was identified to implement a CMV project in 2012. The project focused on establishing best practices and metrics to drive efficiency and reduce environmental impacts. In total, the project helped the plant save 59.3 million gallons of water, 1.5 million kilowatt hours of electricity and 33,634 million metric BTUs of natural gas. We will continue to deploy our CMV approach in our facilities around the world this year.



We also our committed to measuring the sustainable results we deliver to our customers through our products and services. Our approach is called eROI, and it means that we document and verify resource savings across a comprehensive set of sustainability categories, including safety, water, energy, air emissions, waste and asset life.

More information about our environmental goals, initiatives and solutions can be found in our 2012 Sustainability Report, available at www.ecolab.com/csr.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Ecolab is committed to maintaining the highest ethical and leadership standards. Our Code of Conduct and Anti-Corruption Policy applies to 100 percent of our employees, contractors and subsidiaries. First adopted in 1976, our Code of Conduct serves as a guide for how to act and make decisions as an employee of Ecolab. The policy was last amended on November 29, 2012. The Code of Conduct applies to all Ecolab officers, directors and employees, and is available in 20 languages.

Ecolab has a Code of Conduct Help Line for associates who need assistance or wish to report a possible violation. The Help Line is toll-free and is answered 24 hours a day, seven days a week by an independent company that offers interpretation services in 150 languages. Callers have the option of remaining anonymous, subject to the terms and conditions of Ecolab's policy and law. Ecolab also has an on-line form available for anyone to use anonymously if they wish to submit complaints to the Ecolab Audit Committee of the Board of Directors regarding accounting, internal controls and other auditing matters, which is available at www.ecolabs.com/investor/governance/ContactAuditCommittee.asp.

Ecolab strives to do business through proper means and actions. Therefore, we avoid any behavior that could be perceived as a form of bribery or corruption. To help ensure that Ecolab's assets and resources are not used for purposes of bribery or corruption, we maintain accurate books and records that fairly reflect our transactions and dispositions of assets.

Bribery of Government Officials

Ecolab's relationships with government entities are critical to the success of our operations all over the world. Ecolab complies with the Foreign Corrupt Practices Act (FCPA) and the anti-bribery laws of the countries in which we do business. These laws aim to prevent payments of anything of value to government officials in order to gain an improper business advantage. "Government officials" includes people acting in official capacities for governments, state-owned enterprises or public international organizations.



Ecolab's Anti-Corruption Policy also prohibits facilitating payments to government officials to expedite or secure the performance of routine government action. These payments, also known as "speed money" or "grease payments," are small, infrequent payments that are made to expedite routine, non-discretionary governmental actions, such as work permits and visas, customs clearance, product registration or inspections.

Our Anti-Corruption Policy also applies to any agents, representatives, distributors or intermediaries who do business on our behalf. Under the FCPA and the anti-corruption laws of other countries, Ecolab and our employees could be liable for corrupt payments made to government officials by third parties with whom we work. Ecolab employees must follow the Procedures for Dealing with Intermediaries which can be found in our *Anti-Corruption Policy and Procedures* before retaining a third party who may have dealings with a government official on our behalf.

Commercial Bribery

In addition to prohibiting bribery of government officials, Ecolab also prohibits bribery and corruption in our commercial dealings. Employees are prohibited from offering anything of value to, or accepting anything of value from, existing or potential customers, suppliers or other third parties in order to improperly obtain business or gain an unfair advantage for the Company.

On an annual basis, a significant population of Ecolab employees is required to certify their knowledge of the Code of Conduct and awareness of possible violations through a web-based tool that provides training scenarios and tracks whether the employee has responded to the certification. In 2012, approximately 5,000 employees were certified for the year ended 2011; of those, approximately 900 employees were outside of the U.S. We are rolling out a broader global training and certification process this year.



CEO WATER MANDATE COMMUNICATION ON PROGRESS
REPORTING PERIOD: JANUARY 1, 2012 – DECEMBER 31, 2012

<p>Direct Operations</p>	<p>In 2012, Ecolab continued to track progress and manage against our previous corporate goal of an 18 percent reduction in the amount of water consumption and effluent per metric ton of shipped product (base year: 2009; end year: 2015). This goal was specific to legacy Ecolab global operations, excluding water consumed by the company’s suppliers.</p> <p>Last year, Ecolab completed our integration with Nalco and has phased out the performance tracking of this specific goal, having replaced it with a new combined company goal. Using 2012 as the baseline year, we will work to achieve a 10 percent global reduction in water use and wastewater discharge by 2017, measured by intensity per million dollars in sales.</p> <p>As described above, we continue to implement our Create and Maintain Value approach at our own facilities—a continuous improvement process our sales engineers use at customer locations—to identify best practices to reduce water use and wastewater discharge by installing state-of-the-art company technology. Overall, CMV projects saved more than 70 million gallons of water across our facilities in 2012.</p> <p>Ecolab is also working to integrate technologies and processes into our new facilities that increase water efficiency. In 2012, we opened a new manufacturing plant and distribution center in Taicang, China –our third-largest in the world and Ecolab’s largest plant in the Asia Pacific region. The plant was designed for environmental sustainability, including features that reduce water consumption. The facility’s wastewater treatment plant also converts process wastewater into distilled water for reuse on site.</p>
<p>Supply Chain and Watershed Management</p>	<p>Ecolab has used The Water Risk Filter to evaluate our operations across potential water-stressed regions. To cross-reference and correlate these potential impacts based upon location, in 2012, Ecolab also used the World Business Council for Sustainable Development (WBCSD) Water Tool, as it has in prior years, to evaluate not only the location of our facilities but to also consider the relative water consumption and wastewater discharge that occurs at each facility to determine and prioritize management actions.</p> <p>The Water Risk Filter has been used to assess 114 facilities across the</p>

	<p>company. All relevant water-related risk types have been assessed in detail. Water stress has been assessed with scarcity data and definition of the Water Footprint Network. Scarcity is defined as the ratio of blue water footprint (based on consumption rather than withdrawal) to blue water availability – where the latter is taken as natural runoff minus environmental flow. Blue water resources are surface water and ground water. The results of our risk assessment are detailed in our response to the 2013 Carbon Disclosure Project Water Information Request, available at www.cdproject.net.</p>
<p>Collective Action</p>	<p>Through collaboration with nonprofits and nongovernmental organizations, Ecolab works to advance new solutions and standards for water management, and build awareness of the environmental impacts of industry. We have joined forces with the World Wildlife Fund and Alliance for Water Stewardship (AWS) to assist in the development of the AWS International Water Stewardship Standard.</p> <p>The AWS Standard encourages water use that is socially equitable, environmentally sustainable and economically beneficial. At a site level, organizations following the Standard must adopt water management best practices within their direct range of influence. However, those organizations also must look beyond their property boundaries to engage with stakeholders in their water catchment.</p> <p>Ecolab will field test the Standard with key customers in Suzhou, China, in 2013, and also has committed to developing an online Water Action Hub for diverse industry stakeholders to share best practices and solutions.</p>
<p>Public Policy</p>	<p>Ecolab works with policy makers to identify and support key programs and policy agendas that would improve water quality and water efficiency. We also support the development and voluntary implementation of international water standards to improve water stewardship and mitigate operational risks associated with water.</p> <p>At the U.S. federal level, we have sought to advance provisions to support innovation for water and energy efficiency improvements. Legislation was recently passed that includes provisions on industrial energy efficiency and energy management, including water efficiency solutions for industry through the U.S. Department of Energy (DOE). The bill also requires a study to examine barriers to the deployment of energy-efficient technology, including water efficiency solutions, in the industrial sector.</p>

	<p>Ecolab also is a member of the “Environment Technologies Trade Advisory Committee,” which advises the U.S. Secretary of Commerce on trade competitiveness issues facing U.S. environmental solutions providers. Ecolab has been selected by the U.S. Department of Commerce to be featured in an online Environmental Toolkit, which will share our solutions with foreign environmental officials and customers who are attempting to tackle water scarcity and water quality concerns.</p>
<p>Community Engagement</p>	<p>Ecolab is an industry leader in the area of water conservation and seeks to have a positive impact on the environment through our own operations and those of our customers. We work within our company to strengthen operations, supply chains, customer and supplier relationships, and reputation.</p> <p>We also have undertaken corporate sustainability initiatives to improve the management of natural resources globally. In March 2011, the Nalco Foundation awarded Water for People a three-year grant of \$500,000 to fund water, sanitation and hygiene programs in West Bengal and Bihar, India. Water for People is an international non-profit that helps people in developing countries improve quality of life by supporting the development of locally sustainable drinking water resources, sanitation facilities and hygiene education programs. In 2012, our support helped to improve water access for 22,924 people and improve sanitation for 15,164 individuals throughout West Bengal and Sheohar. In addition, 25,170 students and teachers now have the benefits of water, sanitation and hygiene in their schools.</p> <p>Through the Ecolab Foundation, we also have partnered with The Nature Conservancy since 1992 and supported their environmental and conservation efforts with more than \$320,000 in funding. The Nature Conservancy preserves the plants, animals, and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. Ecolab is a proud partner with The Nature Conservancy on the Glacial Ridge conservation project, the largest prairie-wetland restoration effort (and new national wildlife refuge) in the United States. Additionally, Ecolab recently committed to the Nature Now Campaign for Minnesota, North Dakota and South Dakota in support of protecting grasslands, forest and fresh water habitats.</p> <p>Since 2006, Ecolab has had an executive serving on the International Leadership Council of The Nature Conservancy. This council brings</p>

	<p>together businesses and Conservancy experts to learn about the value of nature and develop corporate conservation best practices.</p>
<p>Transparency</p>	<p>Ecolab is committed to transparency in how we report our environmental performance and in how we measure and document the sustainability benefits we provide to customers.</p> <p>In addition to this disclosure, Ecolab publishes an annual Sustainability Report, which is based on the Global Reporting Initiative’s G3.1 framework. We report on many water-related performance indicators as part of that communication, including EN8, EN21 and EN26: www.ecolab.com/csr. In addition, last year marked the first year that Ecolab was included in the Dow Jones Sustainability World and North America Indices. We also completed the Carbon Disclosure Project Water Information Request in 2012, as well as again in 2013.</p> <p>Externally, Ecolab’s eROI program measures and documents the resource savings we provide to customers across a comprehensive set of sustainability categories that include water, energy and waste. By linking environmental and social metrics to cost savings, we demonstrate the triple-bottom-line benefits of sustainability, and help customers track their own progress toward their internal water goals.</p> <p>eROI also helps to catalyze our internal research and development efforts by measuring Ecolab’s full impact across the industries that we serve and identifying new opportunities to solve sustainability challenges for our customers.</p>