

07 July 2014

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

Dear Mr. Secretary-General,

With our second 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. Fundamental to our approach is an understanding that real and lasting change is accelerated when economic, environmental and social benefits align.

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 2013 Corporate Sustainability Report further describes our actions to integrate those principles into our strategy, operations and customer interactions. This information is available to stakeholders through our website at [www.ecolab.com/sustainability](http://www.ecolab.com/sustainability).

Sincerely,

A handwritten signature in black ink, appearing to read "DM Baker, Jr.", with a long horizontal flourish extending to the right.

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

**UNITED NATIONS GLOBAL COMPACT  
COMMUNICATION ON PROGRESS  
REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2013**

**Implementing the Ten Principles into Strategies and Operations**

At Ecolab, sustainability is core to our business strategy. We deliver sustainable solutions that help companies around the world achieve business results, protect the environment and enhance the well-being of people and communities. The work we do matters, and the way we do it matters to our employees, customers, investors and the communities in which we operate.

**VALUES**

The work we do matters:

- We make the world cleaner, safer and healthier.
- We protect vital resources. Ensure water and energy are available everywhere.
- Our products and services prevent disease and infection. Keep food supplies safe. Protect the places where people eat, sleep, work, play and heal.
- We touch what is fundamental to quality of life: We keep people healthy. We enhance well-being. We provide assurance, so life can be lived fully.
- We help our customers succeed. Reduce risk and worry. Free them to grow.

How we work matters, too:

- We work with purpose. When there's a goal, we reach it. When there's a problem, we solve it.
- We work safely. Take care in all we do.
- We strive to do what's right, what's fair, what's honest.
- We take action together. In teams. Teams made stronger by diverse perspectives.
- We find inspiration and energy in what we do and how we do it. In growing, learning and celebrating together. In making a difference and serving the greater good.

**OUR PRINCIPLES**

- **ECONOMIC:** Drive economic growth for our customers, employees, shareholders and communities.
- **ENVIRONMENTAL:** Promote stewardship of natural resources and protect the environment.
- **SAFETY:** Ensure safe processes that protect our employees, contractors, customers and communities.
- **SOCIAL:** Enhance the well-being of people and communities.

## SUSTAINABILITY GOVERNANCE

Ecolab's sustainability strategy is governed by a Sustainability Executive Advisory Team (SEAT) comprised of 10 members of the company's executive leadership. The SEAT meets with the Corporate Sustainability Team on a quarterly basis and is responsible for operationalizing sustainability across the company; coordinating and communicating company policy and decision-making related to sustainability; setting annual goals and metrics for key sustainability priorities; sustainability outlook assessment; and risk management.

While the full board of directors monitors the company's progress regarding sustainability, the Safety, Health and Environment Committee of the board of directors has the highest level of direct responsibility for sustainability matters, including environmental and social impacts. The board of directors receives an annual presentation from this committee on the company's progress regarding its sustainability goals. The committee members are appointed by the board and are comprised of no fewer than three directors. The primary responsibility for assuring the corporation's compliance with applicable safety, health and environmental (SHE) laws and regulations is vested in management of the corporation. This includes review and oversight of the corporation's SHE policies, programs and practices that affect, or could affect, the corporation's employees, customers, stockholders and neighboring communities.

## TRANSPARENCY & DISCLOSURE

In 2013, Ecolab took significant steps to advance our commitment to transparency and disclosure of our environmental, social and governance practices and performance. Ecolab's 2013 Corporate Sustainability Report was prepared in alignment with the Global Reporting Initiative's G4 Core Sustainability Reporting Guidelines. Ecolab's 2013 Corporate Sustainability Report Summary and GRI G4 responses can be found on our company's website at <http://www.ecolab.com/sustainability/sustainability-reports>.

In keeping with our commitment to transparency, Ecolab also responds to the Dow Jones Sustainability Index RobecoSAM Sustainability Assessment and the Carbon Disclosure Project's Carbon, Water and Supply Chain surveys.

## Robust Human Rights Management Policies and Procedures

<p><b>Global Compact Principles</b></p>	
<p><b>Principle 1: Human Rights</b>  <i>Businesses should support and respect the protection of internationally proclaimed human rights.</i></p>	<p>As a socially responsible company, Ecolab has concern for the well-being of people and communities. We conduct business fairly and ethically, respect human rights and comply with laws and regulations. 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.</p> <p>Our Human Rights Policy and Code of Conduct guide the way we conduct business internally, with our customers and suppliers, and within the communities in which we operate. 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.</p> <p><b>CODE OF CONDUCT (G4-HR2)</b>  Our Code of Conduct guides the way we conduct business internally, with our customers and suppliers, and within the communities in which we operate. Ecolab adopted its first Code of Conduct policy in 1976. The policy was last amended on November 29, 2012. The Code of Conduct applies to all Ecolab officers, directors and employees. Ecolab intends to promptly disclose on our website should there be any further amendments to, or waivers by the board of directors of, the Code of Conduct.</p> <p>Ecolab’s Code of Conduct contains detailed human-rights aspects of relevance to our operations. Our new employees participate in a facilitated two-hour training session on the Code of Conduct. On an annual basis, Ecolab employees worldwide are required to participate in a 45-minute Code of Conduct online training module and certify completion and compliance.</p> <p>Globally, Ecolab has implemented various programs in regions to assess conformance and ensure our policies are in place and in practice. Human-rights issues identified within the UNGC framework are incorporated in Ecolab’s Code of Conduct policy. In North America, where 45 percent of our</p>

employees are located, of our operations have been subject to human-rights reviews or human-rights impact assessments through our Code of Conduct training. Human Resources regularly visits our plants and confirms compliance with the requirements of our employee handbook. This set of policies is fully aligned with corporate policies but also addresses situations specific to the plants. We also have annual Code of Conduct and workplace-respect training at our plants.

In Latin America, 100 percent of our operations follow local legislation as it relates to human-rights reviews or human-rights impact assessments in 2013. Human Resources regularly visits the plants and confirms compliance with the requirements of our employee handbook. This set of policies is fully aligned with corporate policies but also addresses situations specific to the plants. We also have annual Code of Conduct and workplace-respect training at the plants. Additionally, our operations are periodically audited and approved by global and local customers, who check, among other items, human-rights-related aspects.

In China and our locations in Southeast Asia, including Australia and New Zealand, all of our operations have been subject to human-rights reviews or human-rights impact assessments, specific to ensuring that our Code of Conduct is communicated and made appropriate for local markets. In India, human-rights reviews are conducted and regularly reported to the government authorities. In Japan and Korea, all of our employees completed Code of Conduct training and certification. (G4-HR9)

To review our complete Code of Conduct visit [www.ecolab.com/document-library/code-of-conduct/](http://www.ecolab.com/document-library/code-of-conduct/).

#### OUR HUMAN RIGHTS POLICY (launched in 2013)

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 and we are committed to respecting the international human-rights standards defined by the United Nations Global Compact. 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.

#### ALIGNMENT WITH GLOBAL HUMAN RIGHTS PRINCIPLES

Ecolab supports the efforts of human rights organizations to end violence and atrocities in Central Africa (the Democratic Republic of Congo (DRC) and nine adjoining countries: Republic of Congo, Central Africa Republic, South Sudan, Zambia, Angola, Tanzania, Burundi, Rwanda and Uganda). For more information, read Ecolab's Policy Statement on Conflict Minerals.

We do not have any facilities that are certified to the SA8000 Standard. However, in accordance with our Human Rights Policy and related programs, Ecolab operates in alignment with the policies and procedures outlined in the SA8000 Standard which seek to protect basic human rights of workers.

Ecolab does not currently have a formal relationship with a body which enforces the Global Sullivan principles. As a company with a presence in South Africa, we support and subscribe to the principles. We also adhere to Employment Equity and Black Economic Empowerment legislation in South Africa, which is designed to enforce the Global Sullivan principles.

#### ETHICAL SOURCING

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.

In 2013, we did not identify any operations with actual or potential negative impacts on local

	<p>communities. (G4-SO2)</p> <p>Our Ethical Sourcing Standards and Conflict Minerals Policy are available at <a href="http://www.ecolab.com/sustainability/commitment-to-sustainability/ethical-sourcing">www.ecolab.com/sustainability/commitment-to-sustainability/ethical-sourcing</a></p> <p>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) labor standards; (2) health and safety; (3) environment; and (4) business integrity. As a member, Ecolab is committed to conducting audits annually and sharing these results within SEDEX.</p>
<p><b>Principle 2: Human Rights</b> <i>Business should make sure they are not complicit in human rights abuses.</i></p>	<p>It is Ecolab’s policy to disclose any human-rights controversies that may relate to labor issues, child employment, female or minority rights infringement or other issues pertaining to human rights. Ecolab has not been involved in any litigation, pending or settled, related to human rights issues in the past five years. No fines related to human rights issues have been levied against the company by any governmental organization in the past five years.</p> <p>We utilize an Ethical Sourcing Survey to screen our most material suppliers, which we define as suppliers that in aggregate constitute 30 percent of our annual spend. In addition, the Ethical Sourcing Survey is conducted in conjunction with all supplier audits. This survey covers employment practices, safety practices, wages and compensation, child and slave labor, and working hours, and serves as a benchmarked survey of our ethical sourcing practices. It is not our practice to screen all new suppliers using our Ethical Sourcing Survey. We plan to expand the reach of those surveyed to other suppliers in the coming years. (G4-HR10)</p> <p>In 2013, we did not identify any operations or suppliers with actual or potential negative human-rights impacts. (G4-HR11)</p> <p><b>CONFLICT MINERALS POLICY</b></p> <p>In August 2012, the United States Securities and Exchange Commission (SEC) approved the final rule regarding the sourcing of conflict minerals as defined in the Dodd-Frank Wall Street Reform and</p>

Consumer Protection Act, Section 1502. This rule requires publicly traded companies to report annually to the SEC the presence of “conflict minerals” originating from Central Africa in either the products they manufacture or contract to manufacture, or those they use in the production process. Conflict minerals are tin, tungsten, tantalum and gold (3TG).

In 2013, Ecolab initiated a process that meets the Organization for Economic Cooperation and Development (OECD) framework to comply with this regulation. This includes establishing compliance requirements for our direct suppliers regarding conflict minerals, implementing controls and reporting, undertaking appropriate sourcing efforts and providing our customers the data necessary to facilitate their SEC reporting. Ecolab has developed and adopted an official Conflict Minerals Policy outlining our company commitment and expectations for our suppliers. (In June 2014 we filed the necessary documentation prior to the regulation deadlines.)

View our Policy Statement on Conflict Minerals, published in 2013, here:  
<http://www.ecolab.com/sustainability/commitment-to-sustainability/~media/02A5D56E293A4E29A2DD5C49AD573C60.ashx>



## Robust Labour Management Policies and Procedures

<p><b>Global Compact Principles</b></p>	
<p><b>Principle 3: Labour</b>  <i>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</i></p>	<p>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 fulfill our bargaining obligations as defined by law. (G4-11)</p> <p>Ecolab had three U.S.-based collective-bargaining agreements in 2013 (representing .03 percent of employees). For these agreements, a minimum of 60 days’ notice prior to the contract end date is required to propose any changes to the contract agreements. All collective-bargaining agreements contain a specified notice period and provisions for consultation and negotiation. (G4-LA4)</p> <p>We adhere to National Labor Relations Board protocols to support employee rights to exercise freedom of association and collective bargaining. We have not identified any U.S.-based operations at which freedom of association and collective bargaining may be violated or at risk. We are unable to report on violations or risks of our suppliers. (G4-HR4)</p>
<p><b>Principle 4: Labour</b>  <i>Businesses should uphold the elimination of all forms of forced and compulsory labour</i></p>	<p>Ethical Sourcing represents a global supply-chain initiative requiring our direct suppliers to protect the health, safety and human rights of their employees. Suppliers must meet standards regarding forced labor, child labor, health and safety, fair pay and harassment in the workplace. Ecolab’s commitment to protecting human rights is located on our website (<a href="http://www.ecolab.com/sustainability/commitment-to-sustainability/people/human-rights">http://www.ecolab.com/sustainability/commitment-to-sustainability/people/human-rights</a>).</p> <p>We follow a supplier-screening process that includes an initial Ethical Sourcing Survey for suppliers of materials significance, annual compliance training by our associates (which is documented) and efforts by our Quality Function to continue to stress the importance of human rights through physical audits.</p> <p>In 2013, we did not identify any operations or suppliers at significant risk for incidents of forced or compulsory labor. We do have operations in geographic areas considered of risk of forced or compulsory labor, including China and India. If we find out that one of our suppliers is using forced or</p>

	<p>compulsory labor, we would take the appropriate steps necessary. (G4-HR6)</p>
<p><b>Principle 5: Labour</b>  <i>Businesses should uphold the effective abolition of child labour</i></p>	<p>Ethical Sourcing represents a global supply-chain initiative requiring our direct suppliers to protect the health, safety and human rights of their employees. Suppliers must meet standards regarding forced labor, child labor, health and safety, fair pay and harassment in the workplace. Ecolab’s commitment to protecting human rights is located on our website. We follow a rigorous supplier-screening process that includes an initial Ethical Sourcing Survey, annual compliance training by our associates (which is documented) and efforts by our Quality Function to continue to stress the importance of human rights through physical audits.</p> <p>In 2013, we did not identify any operations or suppliers at significant risk of incidents of child labor or young workers exposed to hazardous risk. We do have operations in geographic areas considered at risk for child labor, including China and India. If we found out that one of our suppliers was using child labor, we would take the appropriate steps necessary. (G4-HR5)</p>
<p><b>Principle 6: Labour</b>  <i>Businesses should uphold the elimination of discrimination in respect of employment and occupation</i></p>	<p>We believe the success of our employees and the success of our company go hand-in-hand. We are committed to a culture that leverages our employees' talents by promoting an environment where people can make a difference, be heard, be supported, be developed and be rewarded for their contributions. We strive to make Ecolab a place where talented and capable people are inspired, motivated and fully engaged in their work.</p> <p>In Fall 2013, Ecolab conducted a global survey of approximately 43,000 employees. The survey was distributed in 36 languages (including English) to assess employee sentiment across 15 survey categories. Overall, 35,683 employees responded to the survey, achieving a very strong response rate of 83 percent. The results of this survey will be used to further enhance our commitment to our associates.</p> <p><b>PERFORMANCE AND DEVELOPMENT</b>  Ecolab is committed to providing an effective performance-planning and development system providing employees and their managers with the tools and processes to help employees optimize their performance. All Performance Planning and Development (PP+D) tools are housed and accessible to all employees in nine languages, with the forms available in 25 languages. Ecolab</p>

strives to provide 100% of our employees, male and female and by all employee types, with an annual performance assessment, through a predefined, standardized and annual performance-appraisal process.

The annual review is one of the tools found in the PP+D toolkit, with the expectation that all employees have an annual review. Annual reviews consist of three sections:

- 1) Past-year results summary
- 2) Objectives for new year
- 3) Coaching and development plan

Annual reviews for calendar year 2012 performance were conducted in 2013, and 93 percent of Ecolab employees in the United States received an annual review in 2013. Eighty percent of employees in Asia Pacific and 88 percent of employees in Latin America received an annual review in 2013. (G4-LA11)

#### ANTI-DISCRIMINATION POLICY

Ecolab complies with applicable labor and employment law and does not discriminate. Our 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 does 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.

#### DIVERSITY AND INCLUSION

Ecolab has a proactive set of programs in place to ensure that we provide equal employment opportunities and encourage diversity and inclusion throughout our operations. Ecolab supports nine employee networks to foster employee development and connections.

For a list of employee networks visit: <http://www.ecolab.com/sustainability/commitment-to-sustainability/people/workforce-development>

For additional employment data, refer to Ecolab's 2013 Corporate Sustainability Report GRI G4 Index, disclosures G4-10, G4-EC5, G4-EC6, G4-LA9, G4-LA12.

## Robust Environmental Management Policies and Procedures

<p><b>Global Compact Principles</b></p>	
<p><b>Principle 7: Environment</b>  <i>Businesses should support the precautionary approach to environmental challenges</i></p>	<p>Our mission is to provide and protect what is vital: clean water, safe food, abundant energy and healthy environments. With this as our business focus, we operate at the nexus of the world’s most critical business, environmental and social challenges. Our commitment to delivering sustainable solutions has been core to our purpose for the past 90 years and remains the driving force behind our company’s business model.</p> <p>Our sustainability leadership is rooted in our enterprise-wide commitment to operational efficiency and environmental stewardship. We operate with respect for the environment and promote stewardship of natural resources through customer solutions and our own operations. As our company grows, entering new industries and geographies, minimizing the impact of our own operations is increasingly important.</p> <p>Fundamental to our purpose is an understanding that real and lasting change is accelerated when economic, social and environmental benefits align.</p> <ul style="list-style-type: none"> <li>• We partner with customers across industries, working side-by-side to address complex challenges: With a broad suite of technologies and unparalleled commitment to personally delivered service, we help customers across more than 40 diverse industries make lasting transformations to their operations – and in many cases, to surrounding communities – by improving performance, reducing costs and minimizing environmental impact.</li> <li>• We take a total impact approach to product and system development: We take a broad view of the full impact of each of our offerings. With a holistic view of the environmental, economic and social impact of our offerings, we consider how each of our solutions increases efficiency, minimizes use of natural resources, and improves safety – from sourcing to manufacturing to use and through disposal.</li> <li>• We’re committed to continuous improvement: Through our Create &amp; Maintain Value (CMV) program, we employ our expertise and technology to continually find more ways to deliver strong business/operations results while saving water, energy and wastewater and prolonging</li> </ul>

equipment life, for our customers and throughout our own facilities. We do this with consideration for how the impact of our solutions extends beyond the operations/facilities we serve to local people and communities.

#### ENVIRONMENTAL PERFORMANCE GOALS

In 2013, Ecolab publicly announced new goals to reduce our environmental impact over five years. Using our 2012 metrics as an operational baseline, we announced that we aim to achieve a 5 percent reduction in greenhouse gas (GHG) emissions, a 10 percent reduction in water use and wastewater discharge and a 10 percent reduction in solid waste, measured by intensity per million dollars in sales. These goals build on our historically strong environmental progress.

In 2013, we made meaningful progress toward our environmental goals, reducing water use by 0.9 percent, GHG emissions by 0.8 percent and effluent discharge by 4.1 percent across our global operations as a combined company (we acquired Nalco in 2011 and Champion Technologies in 2013). One-time construction and integration-related events at three of our facilities led to a 25 percent increase in waste disposal. Without these one-time events, our waste intensity decreased by 15 percent. We adjusted our baseline measurements to reflect the complete integration of Nalco and Champion Technologies.

The goals set in early 2013 were an important step toward integrating our sustainability strategies across the Ecolab, Nalco and Nalco Champion businesses. Going forward, we intend to do even more to be responsible stewards of the environment. As announced in our 2013 Corporate Sustainability Report, we will set the bar higher for ourselves in 2014. We will launch more aggressive global sustainability targets, including a 25 percent reduction in effluent discharge and waste, a 20 percent reduction in water use and a 10 percent reduction in GHG emissions by 2017.

Our Global Safety Health & Environmental Position, released in 2013, is available at [www.ecolab.com/sustainability/commitment-to-sustainability/people/committed-to-safety-and-health](http://www.ecolab.com/sustainability/commitment-to-sustainability/people/committed-to-safety-and-health)

For specific information on Ecolab's 2013 environmental performance and practices related to Principle 7 refer to refer to Ecolab's 2013 Corporate Sustainability Report GRI G4 Index, disclosures G4-EN1, G4-EN3, G4-EN8, G4-EN15, G4-EN16, G4-EN17, G4-EN20, G4-EN21

**Principle 8: Environment**  
*Businesses should undertake initiatives to promote greater environmental responsibility*

We apply the same continuous improvement model we use with our customers to improve our own operations. Through our Create & Maintain Value (CMV) program, we employ our expertise and technology to save water, energy and wastewater and prolong equipment life throughout our facilities.

In 2013, Ecolab completed 42 capital expenditure and CMV projects at 25 manufacturing plants around the world to improve the efficiency of our operations. Just as our programs in the marketplace result in exponential value to customers, these projects resulted in meaningful performance, efficiency, and water, energy and waste reductions across our operations and will contribute to our ongoing reduction efforts.

Our 2013 achievements are the result of an enterprise- and facility-level commitment to increasing the efficiency of our operations through action and investments that result in greater environmental stewardship. Examples of plant-specific projects in 2013 include the following:

**Water**

- Our Clearing, Ill., plant implemented a process and utility water optimization program that resulted in nearly 10 million gallons of water savings.
- Our facility in Konnagar, India, reduced water use from 25,000 cubic meters in 2012 to 18,000 cubic meters in 2013 through several cycle-time reduction projects.
- Our Lerma, Mexico, plant installed reverse osmosis technology in its deionized water plant, resulting in 200,000 gallons of water savings (and 25,000 kWh of energy savings).

**Effluent Reduction**

- Our Greensboro, N.C., plant reduced effluent discharge by 22,000 cubic meters through a leak-reduction program.

**Energy**

- Our Garyville, La., plant implemented a latex steam injection process that saved more than 1 million kWh in natural gas, avoiding more than 750 tCO<sub>2</sub>e in emissions.
- In Ellwood City, Pa., we replaced our south plant boiler's economizer and updated area heaters, resulting in 615,000 kWh/year energy savings and 420 tCO<sub>2</sub>e savings.

	<ul style="list-style-type: none"> <li>• Our plant in Kwinana, Australia, enhanced control of its cooling tower with the installation of a pump controlled by the plant's chillers. An air bubbler and a glycol pump were installed to better optimize the plant's cooling system. These upgrades resulted in a 90,000 kWh/year energy savings and 72 tCO<sub>2</sub>e savings.</li> </ul> <p>WATER STEWARDSHIP</p> <p>Our work for our customers has naturally led us to collaboration within industries and across sectors to address global challenges. One example is our partnership with the World Wildlife Fund and the Alliance for Water Stewardship. Last year, we fielded the beta International Water Stewardship Standard at two sites within the lower Yangtze, one of China's most critical watersheds. By advancing the development of the Standard in one of the world's most water-stressed regions, we are helping to improve water management practices globally. We're also sharing our expertise and our insights through a number of industry groups that are working on sustainability issues — an extension of our customer relationships.</p> <p>For specific information on Ecolab's 2013 environmental performance and practices related to Principle 8 refer to refer to Ecolab's 2013 Corporate Sustainability Report GRI G4 Index, disclosures G4-EN1, G4-EN2, G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN8, G4-EN9, G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN20, G4-EN21, G4-EN22, G4-EN23, G4-EN24, G4-EN25, G4-EN26, G4-EN29, G4-EN32, G4-EN34</p>
<p><b>Principle 9: Environment</b>  <i>Businesses should encourage the development and diffusion of environmentally friendly technologies</i></p>	<p>We sell products and services that are safe for customer use and protect the health and safety of their customers, employees and the environment. Ecolab products are developed using responsible ingredients with careful consideration for the impact our solutions will have on human health, water, air, energy and waste streams, without compromising performance.</p> <p>In 2013, we successfully launched a new Product Profile process. This purposeful process integrates sustainability factors into the assessment of new products and profiles the impact of our products from concept through development and launch.</p> <p>Our acquisitions of Nalco in 2011 and Champion Technologies in 2013 have spurred additional innovation. As we have evolved as a combined company, we also have found opportunity in matching</p>



effective solutions to new uses. Through cross pollination, we leveraged antimicrobial solutions from our Food & Beverage business into our Global Energy business to treat wastewater in an environmentally responsible manner. We advanced clean-in-place applications for our Food & Beverage customers using 3D TRASARTM Technology and automation to reduce operational costs and enhance food safety. And we launched the solid chemistry formulations we first developed for our institutional customers into our Water & Process Services operations to reduce packaging waste and environmental footprint and improve worker safety.

It is this investment in research, development and innovation that drives our ability to stay at the forefront of addressing ever-emerging and changing business and environmental challenges.

In 2013, we launched several new innovative solutions that have measurable outcomes that impact customers and their local communities including

- Advantis FC Cleaning Program: a low-temperature chemistry that efficiently removes protein and fat from food-processing equipment at water temperatures of 105° to 125° F, compared to previous processes requiring 145° F. This reduces energy use during the cleaning process and also reduces cooling time needed to return production areas to appropriate temperatures.
- Genesys™: the first line of plastic surgical equipment drapes and waste bags to feature a proprietary additive that speeds breakdown of the material into primary organic matter when disposed of in biologically active landfills. Genesys products deliver optimal performance and, in tests, break down after disposal by as much as 35 percent within the first 21 months.
- 3D TRASAR™ Technology for Lost Product Recovery (LPR): an automation tool that optimizes the feed of coagulant and flocculant polymers used in a Dissolved Air Flotation (DAF) process for the recovery of Fat, Oil & Grease (FOG) and protein from the primary wastewater stream effluent of a slaughtering plant.
- Aquanomic™ Solids Laundry Program: a proven laundry solution that combines Ecolab's Aquanomic program with our specifically formulated solids chemistry to deliver consistently clean, white and soft linen results. The Aquanomic system consists of our Smart Wash process, which reduces the water footprint of a laundry operation by up to 40 percent, and advanced low-temperature cleaning chemistry, which reduces energy consumption by up to 40 percent. The solid chemistry helps reduce plastic waste by up to 74 percent, and the phosphorus-free and NPE-free chemistry helps protect waterways and the environment. The solid chemistry is converted to use dilution within the dispensers and reduces the risk of spills,

contributing to employee safety. This program is available for hospitality customers and long term care facilities.

- XL -HT Dishmachine: a high-temperature dish machine that utilizes an onboard booster heater to deliver superior results using less water and energy. This ENERGY STAR\*-rated machine utilizes the Solid Power XL family of products, offering the best possible results at the lowest possible cost.
- Preferred antimicrobial solutions: a multifunctional technology that reduces bacteria, removes solids and fosters water reuse in hydraulic fracturing. This technology promotes water recycling, maximizes production and improves asset integrity while yielding sustainable byproducts (vinegar and water). The technology reduces freshwater use by up to 20 to 50 percent per well.

In 2013, our partnerships with customers led to exponential outcomes for businesses and the communities in which we operate. Examples include:

- We help sectors all across the economy reduce, reuse, conserve and treat water. Globally, we touch ten trillion liters of water. Our innovative water-saving technologies and on-site service helped customers save more than 428 billion liters of water in 2013.
- We helped Birra Peroni save 45,000 cubic meters of water and more than 39,000 Euros at its Rome brewery using our 3D TRASAR Technology.
- Our Advantis FC program helped Hormel Foods reduce energy use at a food processing plant, saving more than \$23,000, improving worker safety and increasing production time.
- By helping to improve thermal desalination processes, we helped a major refinery in the Arabian Gulf reduce its dependence on local fresh water sources and save \$2.7 million.
- In 2013, Ecolab earned Wyndham Worldwide's Green Supplier of the Year award. Through the deployment and use of our Oasis, Oasis Pro, QC, Wash'N Walk, Aquanomic, Formula 1, Apex and Solid Power XL technologies, we have helped Wyndham Worldwide to reduce water consumption by more than 40 million gallons; reduce plastic wasted by more than 900,000 pounds; help avoid more than 1,200 metric tons of CO2e emissions and reduce energy use by 230,000 therms and 206,000 kWh.

Additional sustainable innovations launched in previous years include:

- DryExx™, an Ecolab innovation for the food and beverage industry, has nearly eliminated

water from the beverage conveyer line operation. Rather than simply trying to run beverage lines more efficiently, our scientists reimagined what was traditionally a water-logged process. By implementing this novel dry lubricant, a food and beverage processing operation can eliminate up to 97 percent of the water used for conveyor lubrication, saving more than 2.5 million gallons of water per year in a typical five-line plant.

- Aquanomic™, our hotel laundry program, cuts water and energy use by up to 40 percent while delivering clean, white and soft linen results by using innovative chemistry and dispensing technology to reduce rinse cycles and lower wash temperatures.
- Apex™, our warewashing solutions, helped restaurants around the world conserve more than 300 million gallons of water in 2013. These solutions provide 24/7 data and actionable reporting that helps our customers pinpoint problem areas. By gaining detailed visibility into wash performance, customers can reduce the need to rewash dishes, lowering total cost and saving water.
- Pareto®, a mixing technology developed for the paper industry, helped the paper industry conserve more than 2 billion gallons of water in 2013 by optimizing chemical use and allowing for a more uniform additive distribution in a shorter time compared to traditional injection systems.
- 3D TRASAR™ combines chemistry, remote services and sophisticated monitoring and control to improve a range of industrial processes including cooling water, boiler water and membrane operations. This technology helped save more than 113 billion gallons of water in 2013. The technology detects upsets in water quality, identifies the cause of variability (corrosion, scale, fouling) and delivers the appropriate chemical response.

#### REACH

Partnering with our suppliers and customers, Ecolab is leading significant scientific and regulatory coalition work on REACH, the European Union's Registration, Evaluation and Authorization of Chemicals regulation. In 2013, Ecolab successfully met the second European REACH deadline, registering 60 chemistries to maintain continuity of supply to customers. This success marks our commitment to ensuring the long-term sustainability of our technologies by enhancing our knowledge of their potential effects on people and the environment.

It is Ecolab's intent to comply fully with the REACH regulation and to secure the long-term future of chemicals upon which customers can rely. Our commitment includes helping customers understand

their obligations under REACH and working with suppliers to ensure that our expectations under REACH are understood. For more information, visit <http://www.ecolab.com/sustainability/commitment-to-sustainability/product-responsibility/reach>

For specific information on Ecolab's 2013 environmental performance and practices related to Principle 9 refer to refer to Ecolab's 2013 Corporate Sustainability Report GRI G4 Index, disclosures G4-EN6, G4-EN7, G4-EN19.

## Robust Anti-Corruption Management Policies and Procedures

<p><b>Global Compact Principles</b></p>	
<p><b>Principle 10: Anti-corruption</b>  <i>Businesses should work against corruption in all its forms, including extortion and bribery</i></p>	<p>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.</p> <p>All Ecolab personnel globally must complete Code of Conduct training on an annual basis (either online or through classroom-style training for plant employees). All executives receive the same mandatory annual Code of Conduct training as our employees, which includes anticorruption policies and procedures. More detailed anticorruption training has been provided to the senior leaders in all regions — Europe, MEA, Asia Pacific and Latin America. In addition to this training, which is provided to regional leaders, certain global-business-unit managers received more detailed anticorruption training, including the Energy Services business unit. (G4-SO4)</p> <p>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 local 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, available at <a href="http://investor.ecolab.com/corporate-governance.cfm">http://investor.ecolab.com/corporate-governance.cfm</a>.</p> <p>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.</p>

#### 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 to improperly obtain business or gain an unfair advantage for the Company.

For additional information on Ecolab's 2013 practices to support Principle 10 refer to refer to Ecolab's 2013 Corporate Sustainability Report GRI G4 Index, disclosures G4-56, G4-SO3, G4-SO4, G4-SO6.

**CEO WATER MANDATE COMMUNICATION ON PROGRESS**  
**REPORTING PERIOD: 1 JANUARY– 31 DECEMBER 2013**

**Direct Operations**

In 2013, Ecolab publicly announced new environmental goals to reduce the company's environmental impact over five years (5 percent reduction in greenhouse gas (GHG) emissions, 10 percent in water use and wastewater discharge and 10 percent in solid waste). These goals were an important step toward integrating our sustainability strategies across our growing company (with the acquisitions of Nalco and Champion in 2011 and 2013). We made meaningful progress toward these goals in 2013, reducing water use by 0.9 percent, greenhouse gas emissions by 0.8 percent and effluent discharge by 4.1 percent across our global operations as a combined company on an intensity per million dollars sales.

In the introduction to our 2013 Corporate Sustainability Report, we made a commitment to set the bar higher for ourselves, announcing the launch of new, more aggressive global sustainability targets to be released in 2014. Our new goals will include a 25 percent reduction in effluent discharge and waste, a 20 percent reduction in water use and a 10 percent reduction in GHG emissions by 2017. These will replace our current goals.

Our Create and Maintain Value (CMV) approach—a continuous improvement process our sales engineers use at customer locations—remains a core strategy at our own facilities to identify best practices to reduce water use and wastewater discharge by installing state-of-the-art company technology. Overall, CMV projects saved nearly 14 million gallons of water across our facilities in 2013. Since initiating the CMV program for our operations in 2012, we have saved 84 million gallons of water through 2013.

Ecolab is working to integrate technologies and processes into our facilities that increase water efficiency. Examples of plant-specific water-reduction projects in 2013 include the following:

- Our Clearing, Ill., plant implemented a process and utility water optimization program that resulted in nearly 10 million gallons of water savings.
- Our facility in Konnagar, India, reduced water use from 25,000 cubic meters in 2012 to 18,000 cubic meters in 2013 through several cycle-time reduction projects.

	<ul style="list-style-type: none"> <li>• Our Lerma, Mexico, plant installed reverse osmosis technology in its deionized water plant, resulting in 200,000 gallons of water savings (and 25,000 kWh of energy savings).</li> </ul>
<p><b>Supply Chain and Watershed Management</b></p>	<p>Ecolab undertakes an annual water-scarcity analysis to identify the regions at risk where the company operates. The analysis includes an assessment of the percentage of operations that are located in regions at risk based on water consumption and considers key factors identified by the WRI Aqueduct tool, WWF-DEG Water Risk tool and the WBCSD Water Tools to identify and characterize our operations across potential water-stressed regions. These tools are used to cross-reference and correlate potential impacts based upon location and relative water consumption and waste-water discharge that occur at each facility. The data gathered is used to determine and prioritize management actions. In addition to water withdrawal and effluent, we also consider production volumes and square footage as normalized indicators to evaluate each facility's impact.</p> <p>In 2013, we evaluated 123 manufacturing and campus/tech center facilities, representing 91 percent of our water-withdrawal footprint. We refined the list using the WRI Aqueduct tool to prioritize sites based on three primary criteria: overall water-risk factor, facility-to-total-water-use intensity of greater than 0.20 percent and water-withdrawal intensity per ton of production of greater than 2.30. We established these two internal indicators by quantifying the total water-withdrawal intensity for each site and established a threshold that covers greater than 95 percent of our facilities. As a result, any sites that have a withdrawal factor of less than 0.20 percent were excluded based on their materiality to business operations. Similarly, we calculated an enterprise wide water-withdrawal-to-production-intensity factor and set the threshold for sites to include in our analysis at those sites that are greater than the average of 2.30.</p> <p>Our analysis found that there are Ecolab facilities that operate in regions with a defined level of water stress, however only five facilities are located in corresponding water basins that may be significantly affected by withdrawal of water from Ecolab facilities. This represents 2.5 percent of our total water footprint and 0.9 percent of our production capacity. As such, we believe our water-related risk threshold remains low and is diversified across our global portfolio of production facilities.</p>
<p><b>Collective Action</b></p>	<p>In collaboration with nonprofits and nongovernmental organizations, Ecolab continues to work to</p>



	<p>advance new solutions and standards for responsible water management, and to build awareness of the environmental impacts of industry. As a founding partner, Ecolab is entering into our fourth year of working with the World Wildlife Fund (WWF) and Alliance for Water Stewardship (AWS) to assist in the development, launch and implementation 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>In 2013, Ecolab was one of a handful of global partners to pilot the beta AWS Standard to test its feasibility and applicability. Ecolab and WWF field-tested the beta Standard at two sites within the lower Yangtze, one of China’s most critical watersheds, and shared learnings from the pilot with AWS to ensure the effectiveness of the final Standard.</p> <p>One of our 2013 pilot locations was our manufacturing plant and distribution center in Taicang, China. This facility, which opened in 2012, is Ecolab’s third-largest in the world and the company’s largest in the Asia Pacific region, with capacity to produce all of the Ecolab products sold in China. Ecolab’s implementation of the beta AWS standard at Taicang in 2013 included a water-related risk assessment of the facility and grounds, as well as an assessment of our suppliers and potential external impacts of our operations on the watershed.</p> <p>In 2014, we will support the global launch of the ASW Standard and will further implement the Standard throughout our global operations.</p>
<p><b>Public Policy</b></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. In addition, we lend our expertise to help shape global standards, partnering with key industry groups to define and implement product responsibility best practices and voluntary standards.</p>

	<p>At the United States federal level, we have sought to advance provisions to support innovation to drive water and energy efficiency improvements. Legislation passed in 2012 includes provisions on industrial energy efficiency and energy management, including water efficiency solutions for industry through the United States 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. Additional efforts are underway to advance energy efficiency legislation that would focus on the industrial sector and gains that could be had through increased water efficiency. Finally, we have contributed to the discussion around the “water-energy” nexus and provided a white paper for consideration by the Senate Energy and Natural Resources Committee working on related legislation.</p> <p>Ecolab is a member of the “Environment Technologies Trade Advisory Committee,” which advises the United States Secretary of Commerce on trade competitiveness issues facing United States environmental solutions providers. Ecolab has been selected by the United States Department of Commerce to be featured in an online Environmental Toolkit, which will share our solutions with foreign environmental officials and customers attempting to tackle water scarcity and water quality concerns in their respective countries. As part of this committee, we are contributing to the on-going efforts between the United States and the European Union to implement a free-trade agreement, known as the Transatlantic Trade and Investment Partnership.</p> <p>Finally, in 2013 Ecolab sought out and participated in trade missions and engaged in dialogue with decision-makers in China, Russia, India and Mexico on the topic of water management and water scarcity.</p>
<p><b>Community Engagement</b></p>	<p>Ecolab is an industry leader in the area of water stewardship. Our 45,000 associates work hard to drive positive economic and sustainable impacts through our customers, operations and the communities in which we operate. We work within our company to strengthen operations, supply chains, customer and supplier relationships, and to continue to earn a positive reputation.</p> <p>Through the Ecolab Foundation, we have partnered with The Nature Conservancy since 1992, providing support for their environmental and conservation efforts with more than \$320,000 in funding. The Nature Conservancy preserves the plants, animals and natural communities that</p>

	<p>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 together businesses and Conservancy experts to learn about the value of nature and develop corporate conservation best practices.</p> <p>Our employees are dedicated to improving our communities, too, and participate in hands-on volunteer opportunities to restore the environment. In 2013, Ecolab partnered with The Nature Conservancy to restore protected natural resource sites on World Environment Day. A group of employees based in the Twin Cities visited the Pilot Knob Nature Preserve where they worked to clear invasive burdock from the prairie habitat. Teams from Naperville, Ill., Greensboro, N.C., and Sugar Land, Texas, also participated in the inaugural World Environment Day activities.</p> <p>In 2011, the Nalco Foundation made a three-year grant (2011-2013) of \$500,000 to Water For People to fund water, sanitation and hygiene programs in West Benegal and Bihar, India. The grant provided sustainable community water systems, additional sanitation options for homes and schools and hygiene education programs.</p>
<p><b>Transparency</b></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 our annual Communication on Progress, Ecolab’s comprehensive 2013 Corporate Sustainability Report (GRI Index), for reporting period 1 January through 31 December 2013, has been completed in alignment with the guidelines of the Global Reporting Initiative’s new G4 framework. We report on many water-related performance indicators as part of that communication, including EN8, EN9 and EN10 in our 2013 Corporate Sustainability Report GRI Index available at <a href="http://www.ecolab.com/sustainability/sustainability-reports">http://www.ecolab.com/sustainability/sustainability-reports</a>. We also completed the Carbon Disclosure Project Water Information Request in 2013, as well as again in 2014.</p>

Externally, Ecolab's eROI program measures and documents the resource savings we provide to customers through our innovative solution 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.

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 help solve sustainability challenges for our customers, many of which are water-related.