

07 July 2016

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

Dear Mr. Secretary-General,

With our fourth 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 2015 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,



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 2015**

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

At Ecolab, sustainability is core to our purpose and 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 team. 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 2015, Ecolab continued to advance our commitment to transparency and disclosure of our environmental, social and governance practices and performance. Ecolab's 2015 Corporate Sustainability Report was prepared in alignment with the Global Reporting Initiative's G4 Core Sustainability Reporting Guidelines. Ecolab's 2015 Corporate Sustainability Summary and GRI G4 responses can be found on our company's website at <http://www.ecolab.com/sustainability/sustainability-reports>.

Ecolab has completed third-party verification by Bureau Veritas North America (BVNA) of its publicly reported 2015 Corporate Sustainability Report. BVNA completed its Limited Assurance level evaluation of the Report in accordance with the International Standard on Assurance Engagements 3000 and against the principles of the Global Reporting Initiative (GRI) Reporting Framework as defined in the GRI G4 Sustainability Reporting Guidelines. The assurance practitioners selected for this engagement were qualified to perform the services and were impartial and independent from the management systems and reports being audited. On the basis of our methodology and the activities described above, BVNA has found no evidence that: The information and data included in the Report are not accurate, reliable and free from significant error, material mistakes or misstatements; the Report is not a fair representation of Ecolab's activities over the reporting period; the information is not presented in a clear and understandable manner, and allows readers to form a balanced opinion regarding Ecolab's performance and position during the 2015 reporting period; the Report has not been prepared in accordance with the GRI G4 Guidelines and includes appropriate consideration of the

profile disclosures, management approach disclosures and performance indicators to meet the requirements of GRI G4 Core Requirements.

It is BVNA's opinion that: Ecolab has established appropriate systems for the collection, aggregation and analysis of relevant information, and has implemented underlying internal assurance practices that provide a reasonable degree of confidence that such information is complete and accurate; and Ecolab's executive management supports the development of processes for the embedding of sustainable management concepts and practices in the company.

**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 international ally 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 Human Rights Policy and Code of Conduct guide the way we conduct business internally and with our customers, suppliers and within the communities in which we operate.</p> <p>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.</p> <p>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.</p> <p><b>CODE OF CONDUCT (G4-HR2)</b> Ecolab adopted its initial 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. All Ecolab employees and board members receive Code of Conduct training during their onboarding program. On an annual basis, 100 percent of Ecolab employees are required to participate in a 45-minute Code of Conduct online training module and provide a signature of completion and compliance. The Code of Conduct is re-signed by employees as part of the annual training process. The Code of Conduct is available in 20 languages.</p> <p>The excellent reputation Ecolab enjoys is one of our greatest assets. It provides a solid foundation</p>

upon which to build trust with our customers and communities. Our Code of Conduct serves as a guide for how to act and make decisions as an employee of Ecolab.

Each employee is responsible for demonstrating the company's values and following its Code of Conduct. How we work really does matter — to our coworkers, customers and communities.

See Code of Conduct: [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. The full details of Ecolab's Human Rights Policy are published on our corporate website at <http://www.ecolab.com/sustainability/commitment-to-sustainability/people/human-rights/>

#### 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: <http://www.ecolab.com/document-library/conflict-minerals-policy/>

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. <http://www.ecolab.com/sustainability/commitment-to-sustainability/people/human-rights/ecolab-nalco-nalcochampion-default>

#### 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

	<p>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.</p> <p>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.</p> <p>In 2015, we did not identify any operations with actual or potential negative impacts on local 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">http://www.ecolab.com/sustainability/commitment-to-sustainability/ethical-sourcing</a></p> <p>(Direct link to Conflict Minerals policy:  <a href="http://www.ecolab.com/~media/Ecolab/Ecolab%20Home/Documents/DocumentLibrary/PositionStatements/ConflictMineralsPolicyv11November2013.pdf">http://www.ecolab.com/~media/Ecolab/Ecolab%20Home/Documents/DocumentLibrary/PositionStatements/ConflictMineralsPolicyv11November2013.pdf</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</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.</p> <p>Globally, Ecolab has implemented programs in various regions to assess conformity and ensure our responsible sourcing 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 employees are located, 100 percent of our operations have been subject to human-rights reviews or human-rights impact assessments in 2015.</p>

*human  
rights  
abuses.*

Human Resources regularly visits our plants to confirm compliance with 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. In Latin America, 100 percent of our operations follow local legislation as it relates to human-rights reviews or human rights impact assessments. Additionally, our operations are periodically audited and approved by global and local customers, who check, among other items, human-rights-related aspects. In China, Southeast Asia, Australia and New Zealand, 100 percent of our operations are 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 are regularly reported to the government authorities. In Japan, Korea, Europe, Middle East and Africa, 100 percent of our employees complete Code of Conduct training and certification. (G4-HR9)

#### SUPPLIER SCREENING

We follow a rigorous supplier-screening process that includes the Ethical Sourcing Survey, annual compliance training for our associates (which is documented) and efforts by our Quality Function to continue to stress the importance of human rights through physical audits. We communicate our expectations to our suppliers via our Supplier Code of Conduct, which includes language around forced labor practices and expectations therein.

While it is not Ecolab's practice to screen all new suppliers for human rights criteria, we utilize our Ethical Sourcing Survey to screen our most material suppliers. In 2015, we strengthened our Ethical Sourcing Survey process by establishing a cadence to survey our global suppliers. In 2014, all North American Contract Manufacturers completed the Ethical Sourcing Survey. In 2015, Global Contract Manufacturers were surveyed on their Ethical Sourcing. In 2016, we will be evaluating and surveying suppliers globally across categories based on their level of risk.

Ecolab's Ethical Sourcing 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. The survey results are reviewed and evaluated for any responses that are identified as possible red flags. In this most recent review, the secondary follow-up with the potential red flag suppliers resulted in a mitigation of the potential risk. There are established mitigation steps that eliminate the risk at the supplier's level, or lacking improvement, the deficient supplier is removed from the approved supplier list.

In 2015, we did not identify any operations or suppliers with actual or potential negative human rights impacts. We



continue to evaluate our suppliers for any negative human rights impacts via the Ethical Sourcing Survey. We utilize a Supplier Code of Conduct hotline to facilitate reporting by anyone concerned about potential violations.

Ecolab does communicate our expectations to our suppliers via our Supplier Code of Conduct, available at: [www.ecolab.com/about/suppliers/supplier-policies/](http://www.ecolab.com/about/suppliers/supplier-policies/).

For additional information on how Ecolab addresses and supports the efforts of human rights organizations and upholds Ecolab's Supplier Code of Conduct, please refer to G4-LA14 and G4-HR10.

#### CONFLICT MINERALS POLICY

Ecolab supports the efforts of human rights organizations to end violence and atrocities in Central Africa, specifically the Democratic Republic of the Congo (DRC) and nine adjoining countries. A major driver of this violence is the natural abundance of the minerals tin, tungsten, tantalum and gold, collectively referred to as "conflict minerals," with armed groups fighting for control of mines in this region and using forced labor to mine and sell the minerals.

In 2013, Ecolab initiated development of a process for managing conflict minerals in our supply chain, as we are subject to the final rule regarding sourcing of these minerals as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502, approved by the United States Securities and Exchange Commission (SEC) in August 2012. This included adoption and communication to our suppliers of a Conflict Minerals Policy, which includes our expectations for our suppliers with regard to ensuring conflict-free supply chains.

In 2014, we became members of the Conflict-Free Sourcing Initiative (CFSI) as a means of supporting the independent third-party audit process for smelters and refiners. We finalized and implemented our conflict minerals reporting process for the 2014 reporting year, which included a robust process for scoping our products for the inclusion of conflict minerals as well as conducting a reasonable country-of-origin inquiry of the direct suppliers of the products believed by us to contain conflict minerals. These efforts culminated in our filing of the Form SD and Conflict Minerals Report with the SEC.

For the 2015 reporting year, notwithstanding our compliance efforts, we were unable to determine the country of origin for a portion of the necessary conflict minerals contained in our in-scope products. However, none of the necessary conflict minerals contained in our in-scope products were determined by us to directly or indirectly finance or benefit armed groups in the DRC or an adjoining country.

For 2016, Ecolab is reviewing the implications of the United Kingdom Anti-Slavery Act and determining any additional reviews or actions that may need to be adopted to stay in compliance with this new law. (G4- LA14)

We communicate our expectations to our suppliers via our Supplier Code of Conduct, which includes language around labor practices and expectations therein: [www.ecolab.com/about/suppliers/supplier-policies/](http://www.ecolab.com/about/suppliers/supplier-policies/)

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>Ecolab recognizes an employee’s right to form or join unions. However, we 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 the law. Only a small percentage of our employees are currently covered under trade unions or collective-bargaining agreements. In the United States, 507 employees are covered by collective-bargaining agreements. This is approximately 0.025 percent of the U.S. employees. (G4-11)</p> <p>Ecolab had three United States-based collective-bargaining agreements in 2015. 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. Approximately 38 percent of employees covered by a collective-bargaining agreement are in Texas. Approximately 62 percent of employees covered by a collective-bargaining agreement are in Illinois. (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 United States-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. A statement about 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>In 2015, we strengthened our Ethical Sourcing Survey process by establishing a cadence to survey</p>

	<p>our global suppliers. In 2014, all North American Contract Manufacturers completed the Ethical Sourcing Survey. In 2015, Global Contract Manufacturers were surveyed on their Ethical Sourcing. In 2016, we will be evaluating and surveying suppliers globally across categories based on their level of risk.</p> <p>For additional information on how Ecolab addresses and supports the efforts of human rights organizations and upholds Ecolab’s Supplier Code of Conduct, please refer to G4-LA14 and G4-HR6.</p> <p>Ecolab does communicate our expectations to our suppliers via our Supplier Code of Conduct, which includes language around forced labor practices and expectations therein:  <a href="http://www.ecolab.com/about/suppliers/supplier-policies/">www.ecolab.com/about/suppliers/supplier-policies/</a></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. A statement about Ecolab’s commitment to protecting human rights is located on our website.</p> <p>In 2015, we strengthened our Ethical Sourcing Survey process by establishing a cadence to survey our global suppliers. In 2014, all North American Contract Manufacturers completed the Ethical Sourcing Survey. In 2015, Global Contract Manufacturers were surveyed on their Ethical Sourcing. In 2016, we will be evaluating and surveying suppliers globally across categories based on their level of risk. For additional information on how Ecolab addresses and supports the efforts of human rights organizations and upholds Ecolab’s Supplier Code of Conduct, please refer to G4-LA14.</p> <p>In 2015, 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 find out that one of our suppliers is using child labor, we will take the appropriate steps necessary to mitigate the situation, up to and including elimination of the supplier from our approved supplier list. (G4-HR5)</p> <p>Ecolab does communicate our expectations to our suppliers via our Supplier Code of Conduct, including language around child labor practices and expectations therein:</p>

	<a href="http://www.ecolab.com/about/suppliers/supplier-policies">www.ecolab.com/about/suppliers/supplier-policies</a>
<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><b>ANTI-DISCRIMINATION POLICY</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>• Gender</li> <li>• Race</li> <li>• Ethnic origin</li> <li>• Nationality</li> <li>• Sexual orientation</li> <li>• Gender identity</li> <li>• Religion</li> <li>• Age</li> <li>• Disability</li> <li>• Marital status</li> <li>• Veteran status</li> <li>• Other personal characteristics or conditions protected by national, state or local law</li> </ul>

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 ten 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 2015 Corporate Sustainability Report GRI G4 Index, disclosures G4-10, G4-EC5, G4-EC6, G4-LA9, G4-LA11, 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 from the way we run our plants and facilities to the products we develop and the way we serve our customers.</p> <p>We have a history of strong environmental performance and have made significant strides in recent years to reduce our environmental impact. As our company grows, entering new industries and geographies, minimizing the impact of our own operations is increasingly important.</p> <p>Fundamental to our business 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)</li> </ul>

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 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

Sustainability is core to Ecolab's purpose. Stewardship of natural resources is an integral part of our operational and business strategy, from the way we run our plants and facilities to the products we develop and the way we serve our customers.

In 2015, we reevaluated our footprint and made great strides to institutionalize practices that will enable us to deliver greater efficiencies throughout our operations while meeting increasing demand for our solutions and services. The result was incremental reductions in water and energy use across our global manufacturing facilities.

As we look to 2020 and our ability to help customers do even more with less, we will also hold ourselves to higher environmental standards. New sustainability goals introduced in 2015 align with our business strategy and aim to further reduce our environmental impact as we expand our capacity to meet growing customer needs. Using the company's 2015 metrics as an operational baseline, we announced new goals including a 25 percent reduction in water withdrawal and a 10 percent reduction in greenhouse gas (GHG) emissions, measured by intensity per million dollars in sales.

We are proud of the improvements we have made in the past year and are excited to embark on an intentional path that will further our leadership as a responsible global enterprise.

Refer to Ecolab's Global Safety Health & Environmental Position: [www.ecolab.com/sustainability/committed-to-safety-and-health/](http://www.ecolab.com/sustainability/committed-to-safety-and-health/)

Our Water Stewardship position formalizes our global commitment to undertake responsible water stewardship by identifying opportunities for our company and our customers to use water resources in a manner that benefits business, communities and nature: [www.ecolab.com/sustainability/water-stewardship](http://www.ecolab.com/sustainability/water-stewardship).



	<p>For specific information on Ecolab’s 2015 environmental performance and practices related to Principle 7 refer to refer to Ecolab’s 2015 Corporate Sustainability Report GRI G4 Index, disclosures G4-EN1 through EN 34 are fully reported.</p>
<p><b>Principle 8: Environment</b>  <i>Businesses should undertake initiatives to promote greater environmental responsibility</i></p>	<p>Our environmental performance achievements are the result of enterprise and facility-level commitments to increasing the efficiency of our operations through actions and investments that result in greater environmental stewardship.</p> <p>Through our Create and Maintain Value (CMV) program, we employ our expertise and technology to continually find more ways to deliver strong business results while saving water and energy, reducing wastewater and prolonging equipment life throughout our facilities. We do this with an eye for how our impact extends beyond our operations to local people and communities. In 2015, we completed 28 process improvement projects that delivered resource reduction outcomes across our global footprint. Examples of plant-specific projects in 2015 include:</p> <ul style="list-style-type: none"> <li>• Our Clearing plant outside Chicago, which manufactures colloidal silica, installed a 3D TRASAR™ unit on the boiler to optimize water withdrawal in producing the steam. Projected savings include 47,000 therms of natural gas and 1.6 million gallons of water per year (\$36,000 estimated cost savings).</li> <li>• Our Corsicana, Texas plant avoided sending 118,000 pounds of waste to incineration by sending its spent catalyst for recycling (\$300,000 estimated cost savings).</li> <li>• Our Vancouver, Washington plant converted all of its outdoor lighting to LEDs and saved 39,000 kWh, reducing electricity use by nearly five percent (\$8,000 cost savings).</li> <li>• Our Fawley, United Kingdom plant became a “zero effluent plant” by moving to a closed loop cooling water system. This measure reduced water withdrawal and effluent discharge by 6.8 million gallons in one year (\$16,000 cost savings).</li> <li>• Our Maribor, Slovenia plant automated its tank washout procedures, reducing total water withdrawal by more than two million gallons (14 percent) (\$24,000 cost savings).</li> <li>• Our Nanjing, China plant reduced electricity use by 560,000 kWh through pump modifications and improvements to its steam trap and insulation. Optimization of the plant’s vessel cleanout program and modifications to its softening system reduced water withdrawal by 1.5 million gallons in one year (\$200,000 cost savings).</li> </ul>

## WATER STEWARDSHIP

We actively seek to improve the use of water resources within our own operations and within the watersheds in which we operate. Our commitment extends beyond our operations to partnerships with thought leaders and leading organizations that support advancement of responsible use of the world's limited fresh water resources to the benefit of nature, communities and businesses.

In September 2015, Ecolab's Taicang manufacturing plant was the first site in the world to receive the Alliance for Water Stewardship's (AWS) International Water Stewardship Standard certification.

The Standard provides a globally consistent and locally adaptable framework to inform decisions and encourage collective action to promote sustainable freshwater use. As a founding partner of the AWS Standard, Ecolab is helping to drive global adoption of the Standard. "As the first to become certified, Ecolab is paving the way for others to use the AWS Standard as a road map towards water stewardship for people, profits and nature," said Karin Krchnak, director of freshwater programs at World Wildlife Fund (WWF).

As a pilot site for the Standard, Ecolab China partnered with the WWF to address the unique challenges of the Taihu watershed area and designed the Taicang plant for environmental sustainability. The plant produces a complete portfolio of cleaning, sanitizing, food safety and infection prevention solutions. Ecolab engineers, plant operations managers and associates, along with the WWF, systematically worked through the Standard's six-step continual improvement framework to achieve responsible water stewardship status for the Taicang plant, which opened in 2012. Benefits reached far beyond the numbers.

Moving through the steps of the AWS Standard to achieve certification improved relationships with local government and businesses, reduced system burden through less demand on the Yangtze River, and Ecolab's team in Taicang paved the way for Ecolab facilities around the world to pursue water stewardship projects and facilitate discussions in their local catchments and communities.

In severely drought-stricken Southern California where the government has imposed a strict water-reduction mandate, Ecolab has two plants moving through the steps for AWS certification.

For specific information on Ecolab's 2015 environmental performance and practices related to

	<p>Principle 8 refer to Ecolab’s 2015 Corporate Sustainability Report GRI G4 Index, disclosures G4-EN1 through G4-EN34.</p>
<p><b>Principle 9: Environment</b>  <i>Businesses should encourage the development and diffusion of environmentally friendly technologies</i></p>	<p>With products and services touching people every day in nearly every corner of the world, we have a responsibility to embed sustainability into every aspect of our innovations. We pay careful attention to ingredient responsibility, human health and environmental impact, without compromising performance.</p> <p>Every Ecolab solution is developed with specific intention:</p> <ul style="list-style-type: none"> <li>• Informed by customer needs</li> <li>• Developed to solve particular challenges</li> <li>• Designed to conserve resources and help protect the environment</li> </ul> <p>We take a comprehensive look at the environmental, economic and social impacts of our product and service offerings and consider how each solution increases efficiency, minimizes the use of natural resources and improves safety—from sourcing to manufacturing, to use and disposal.</p> <p>Our product systems and services are designed around core product stewardship principles of:</p> <ul style="list-style-type: none"> <li>• Performance — uncompromised delivery of outcomes</li> <li>• Health and safety of the people who develop, use and come in contact with our solutions</li> <li>• Environment — protection and efficient use of natural resources</li> <li>• Cost — asset integrity and operational efficiency</li> </ul> <p>From concentrated formulations and antimicrobial solutions to advanced monitoring and innovative packaging and dispensing methods, Ecolab leads the industry in developing new, effective solutions that help our customers drive operational efficiency, product quality, safety and compliance while minimizing environmental impact.</p> <p>We leverage our capabilities, expertise and technology throughout our enterprise. By applying learnings and technologies from one industry to another, we are meeting more of our customers’ needs for resource-saving solutions.</p>

Our health and safety procedures for product formulation start with raw materials. Our product safety team screens all raw materials for chemicals of concern and each raw material is reviewed for regional and global chemical inventory compliance. This process informs final product safety analysis and safety data sheets (SDSs) for all Ecolab products.

Our Customer Impact Product Profile process evaluates products based on more than 20 attributes relating to human, environmental and societal impacts. Included in these considerations are environmental exposure, packaging and delivery systems, use of natural capital (water, energy and materials) and identification of disfavored ingredients globally. As a result, sustainability factors are included early in the development process to reduce the potential impacts of our products, from development through use and disposal.

Our unwavering commitment to innovation brings new depth to our impact across the value chain each year. In 2015, we invested heavily in Research and Development, resulting in more than 110 new product introductions, including solutions that further enhanced our ability to help customers achieve better results at a time when the desire and need to do more with less has never been more prominent.

Many of Ecolab's innovative products and services help customers reduce energy use. The benchmark for comparison for each application listed in this section is the historic performance of the technology that was replaced in the year the product was launched. Methodologies are described separately for each application. Examples of the positive impacts of our products and services in 2015 include:

- PARETO™ Mixing Technology: In 2015, we helped customers save an estimated 1.2 trillion BTUs globally through the use of our PARETO Mixing Technology, which enhances chemical performance by optimizing the injection of chemical additives into industrial-process streams. By allowing reuse of warmer process water in papermaking, papermakers avoid the need to heat water from freshwater temperature to process. The methodology used to estimate these reduced energy requirements is based on the quarterly calculated energy savings delivered by the technology based on historical and forecasted marketing and sales data.
- HVAC Performance Services: In 2015, we helped customers in the United States save an

estimated 367 billion BTUs through our HVAC Performance Services. The goal of this program is to maintain HVAC systems at peak performance. Dirty coils and inefficient filters can reduce cooling capacity, causing cooling-comfort or production-climate-control problems while wasting energy and increasing the waste stream of filter disposal. Ecolab achieves these emissions reductions by cleaning cooling and heating coils using an innovative process that recovers the heat-transfer capabilities of the coils. On average, the cooling capacity of the system is improved by 50 percent (based on internal national energy data). This coil-cleaning service is backed up by energy audits that document cooling capacity improvements, including energy savings and carbon-footprint reduction due to improved heat transfer and increased airflow/lower pressure drop across the cooling/heating coils. The methodology used to estimate these reduced energy requirements is based on the quarterly calculated energy savings delivered by the technology based on historical and forecasted marketing and sales data.

- **APEX™:** In 2015, we helped customers in the United States save an estimated 518 billion BTUs through the use of our APEX warewashing program. By using the APEX program, restaurant owners are able to minimize rewash while maintaining cleaning performance and operate at a lower wash temperature. The methodology used to estimate these avoided emissions is based on annual sales data for APEX and the assumption that a full-service casual dining restaurant open 364 days per year runs 127,400 racks per year. With the implementation of the APEX system, restaurants see a 10 percent rack reduction of washes.
- **AQUANOMIC™:** In 2015, we helped customers in the United States save an estimated 747 billion BTUs through the use of our Aquanomic laundry program. By using the Aquanomic program, lodging owners are able to reduce the number of rinse cycles while maintaining cleaning performance and operating at a lower wash temperature. The methodology used to estimate these reduced energy requirements is based on annual sales data for Aquanomic, water savings documented from field trials and third-party studies and the assumption that a load consists of 100 pounds of linen.
- **3D TRASAR™ SOLID COOLING WATER:** In 2015, we helped customers in the United States save an estimated 673 million BTUs through the use of our 3D TRASAR Solid Cooling Water program. The web-based data management platform allows our customers to efficiently

optimize operation and maximize performance. The methodology used to estimate these reduced energy requirements is based on annual sales volume and the solids packaging and transportation benefits compared to traditional technology.

- **NALCO BOILER TREATMENT TECHNOLOGY:** In 2015, we helped customers globally save an estimated 7.4 trillion BTUs through the use of our Nalco Boiler Treatment Technology. By using Nalco Boiler Treatment Technology, customers are able to improve boiler safety and reliability while achieving significant energy savings by reducing scale deposits in fire tube boilers, optimizing boiler blowdown and improving condensate return to the boiler feedwater. The methodology used to estimate the reduced energy requirements is based on annual sales data for NexGuard boiler treatment programs and the number of Nalco accounts using Nalco boiler treatment programs and services and 3D TRASAR™ Boiler Automation.

Our solutions help customers achieve ambitious business and environmental goals. With an unparalleled combination of science and service, we deliver exponential outcomes that benefit customers and communities. Fundamental to our approach is an understanding that real and lasting change is accelerated when economic and environmental benefits align. We call this our eROI<sup>SM</sup> outcome: the exponential value of improved performance, operational efficiency and sustainable impact.

Measurement is a critical component of our process to deliver exponential outcomes. Using our proprietary eROI value approach, we measure our impact and quantify customers' return on investment. Key performance indicators for this include the number of eROI customer case studies (total, by divisions, new and expanded technologies). In 2015, we achieved our target of releasing 72 eROI case studies.

Examples from 2015 case studies where our partnerships with customers led to exponential outcomes for businesses and the communities in which we operate:

- We helped Raley's Supermarkets in drought-stricken northern California and Nevada save four million gallons of water and 7.5 million kWh energy with the introduction of water-saving and sanitizing solutions.
- We helped Tang Plaza and Marriott Hotel in Singapore optimize its cooling system to reduce its overall water usage by 38% percent and lower its energy use by 43,738 kWh in one year

with the introduction of 3D TRASAR Solid Cooling Water program.

- Adding Pareto Mixing Technology™ to the manufacturing process at Caraustar, a recycled paperboard manufacturer in California, saved the company \$433,688 plus 82 million gallons of water since 2012.
- Our partnership with Danone's dairy plant in Russia utilized our 3D TRASAR Solid Cooling Water program and led to a 28 percent reduction in water consumption and 10 percent reduction in energy use in one year.
- We helped Saudi Aramco, a major Middle East oil refinery, resolve its biofouling challenges with the introduction of Purate™ Chlorine Dioxide Technology, which has saved the refinery \$500,000 in reduced maintenance and \$4,000,000 in natural gas savings.

Examples of sustainable innovations launched in 2015 include:

- Maxx2: Designed specifically for all-purpose cleaning in facilities, Maxx2 minimizes environmental impact by reducing transport and packaging by 75 percent while maximizing cleaning and hygiene standards. For every application, the Maxx2 program provides peace of mind and higher performance. Maxx2 can be used at low concentration levels which can also reduce cleaning costs.
- Sanitizing Wash 'n Walk: Sanitizing Wash 'n Walk is the first Environmental Protection Agency (EPA) registered sanitizing no-rinse kitchen floor and drain cleaner for institutional businesses. Its enzyme-based formula helps reduce slips and falls by breaking down grease. No-rinse technology helps reduce water use and can reduce labor by up to 50 percent.
- DrySan™ Duo: Designed for dry-processing environments where products such as cookies and potato chips are manufactured, DrySan Duo is a revolutionary two-in-one cleaning and sanitizing solution that is EPA registered and safe to use on food-contact surfaces. Winner of the 2015 Institute of Food Technologies Food Expo Innovation Award, DrySan Duo is a ready-to-use, no-rinse product that effectively eliminates 100 percent of water from the cleaning step.
- POSITEK™4g 9000: POSITEK™4g 9000 Microparticle is a component of our comprehensive POSITEK papermaking performance package. This new colloidal silica dispersion aid is specifically formulated to improve On-Machine-Efficiency (OME) sheet quality, and improves retention and drainage in a cost-effective manner. Energy savings are derived from increased water removal and more efficient sheet pressing and drying.
- METRIX™ Titan Technology: METRIX™ Titan Technology is a novel program that delivers strength development, system charge balance and improved dewatering for the paper industry. It combines a multi-functional reactive polymer with Nalco Water's advanced retention and drainage program. The end result optimizes machine efficiency and productivity

while maximizing sheet quality and strength.

- PRISM – Fouling Control for Styrene Production: The new PRISM products help producers of styrene, a derivative from petroleum and natural gas to produce plastic, reduce and control polymerization with less toxic chemistries. This technology offers cost-effective optimized polymerization control for styrene back end distillation, as well as reduced NOx emissions.

*REACH (European Union's Registration, Evaluation and Authorization of Chemicals regulation)*

Ecolab is leading significant scientific and regulatory coalition work on REACH, the European Union's Registration, Evaluation and Authorization of Chemicals regulation. We have successfully met REACH interim deadlines and are on track to meet the final 2018 compliance deadline. It is Ecolab's intent to comply fully with the REACH regulation. Our commitment includes securing the long-term future of important cleaning, sanitizing and water and energy management solutions customers rely on, helping customers understand their obligations under REACH and working with suppliers to ensure 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 2015 environmental performance and practices related to Principle 9 refer to refer to Ecolab's 2015 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 Code 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 (G4-56).</p> <p>As part of the company’s Internal Audit program, approximately 45 audits are completed each year focusing on internal/financial controls and operational processes, out of an audit population of approximately 165 auditable units (including countries, divisions and departments). Of these units, approximately 80 are individual country operating locations which are audited over a four to five year cycle. In these “operational audits,” procedures include testing related to controls relevant to Ecolab’s anti-corruption program. In addition, approximately four anti-corruption specific audits were completed in 2015 as part of Ecolab’s anti-corruption program.</p> <p>The Global Compliance department also completes various assessment activities for all regions and all business units, including related to recently acquired operations. Few significant risks were identified, with risks relating to use of intermediaries being the highest risk area identified. (G4-SO3)</p> <p>Ecolab’s anticorruption policies and procedures are communicated through the annual Code of Conduct training, which is mandatory for substantially all employees globally. Employees must complete Code of Conduct training on an annual basis (either online or through classroom-style training for plant employees) and certify compliance with the Code.</p> <p>All governance body members are required to certify compliance with the Code of Conduct on an annual basis. In addition to the Code of Conduct training, specific online annual anticorruption training and certification is also mandatory for divisional, sales and functional leaders. More detailed in-person anticorruption training is provided to the senior leaders in all regions — Europe, Middle East</p>

Africa, Greater China, Asia Pacific and Latin America. In addition to this training, which is provided to regional leaders, certain global business-unit managers receive the anticorruption training, including managers in the Energy Services business unit.

Ecolab's anti-corruption policies are available in 24 different languages and require all intermediaries operating or exporting outside the United States to sign and maintain current anti-corruption undertakings, thus communicating our policies. In addition, in higher-risk countries, certain intermediaries have received training from company personnel.(G4-SO4)

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 <http://investor.ecolab.com/corporate-governance.cfm>.

Ecolab's Anti-Corruption Policy also prohibits facilitating payments to government officials to expedite or secure the performance of routine government action.

#### 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 2015 practices to support Principle 10 refer to refer to Ecolab's 2015 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 2015**

<p><b>Direct Operations</b></p>	<p>Sustainability is core to our purpose at Ecolab. Stewardship of natural resources is an integral part of our operational and business strategy, from the way we run our plants and facilities to the products we develop and the way we serve our customers.</p> <p>In 2015, we reevaluated our footprint and made great strides to institutionalize practices that will enable us to deliver greater efficiencies throughout our operations while meeting increasing demand for our solutions and services. The result was incremental reductions in water and energy use across our global manufacturing facilities. At our more than 115 manufacturing plants, our corporate centers and research facilities, and across our team of 47,000 associates, we imbed sustainable practices to reduce our environmental impact.</p> <p>Against a 2012 baseline, we reduced total water withdrawal by 6.9 percent and reduced GHG emissions by 3.6 percent. (G4-EN DMA)</p> <p>As we look to 2020 and our ability to help customers do even more with less, we will also hold ourselves to higher environmental standards. New sustainability goals introduced in 2015 align with our business strategy and aim to further reduce our environmental impact as we expand our capacity to meet growing customer needs. Using the company’s 2015 metrics as an operational baseline, we announced new goals including a 25 percent reduction in water withdrawal and a 10 percent reduction in greenhouse gas (GHG) emissions, measured by intensity per million dollars in sales. By 2030, Ecolab aims to conserve 300 billion gallons of water annually by reducing water consumption within our own, and our customers’ operations.</p> <p>We are proud of the improvements we have made in the past year and are excited to embark on an intentional path that will further our leadership as a responsible global enterprise.</p> <p>In 2015, this targeted approach had a measurable impact. To achieve these aggressive goals, we have expanded our Create &amp; Maintain Value (CMV) program throughout our manufacturing facilities, with an emphasis on the facilities that have the greatest opportunity for resource savings. This</p>
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	<p>approach mirrors the service we deliver to customers — leveraging the expertise of our Nalco Water service engineers, unique auditing and monitoring capabilities, and customized solutions to deliver substantial reductions in water and energy consumption.</p> <p>Ecolab is working to integrate technologies and processes into our facilities that increase water efficiency. Examples of Ecolab plant-specific water-reduction projects in 2015 include the following:</p> <ul style="list-style-type: none"> <li>• Fawley, United Kingdom: Changing to a closed loop cooling water system made this a “zero effluent plant” and reduced water consumption and effluent discharge by 6.8 million gallons.</li> <li>• Maribor, Slovenia: Introducing automated tank washout procedures saved the plant more than two million gallons of water which reduced total water consumption by 14 percent.</li> <li>• Nanjing, China: Pump modifications and improvements to the plant’s steam trap and insulation reduced electricity use by 560,000kWh. Optimizing the plant’s vessel clean out program and modifications to its softening system reduced water use by 1.5 million gallons.</li> <li>• Clearing, Illinois: Optimized water use in the cooling towers for maximum efficiency and installed 3D TRASAR automation on the boiler to optimize water used in the plant and process steam production. These improvements are projected to save 1.6 million gallons of water per year, 47,000 therms of natural gas and \$36,000 in annual cost savings.</li> <li>• Naperville, Illinois. Nalco Water headquarters maintained its LEED Gold Certification.</li> </ul>
<p><b>Supply Chain and Watershed Management</b></p>	<p>Ecolab undertakes an annual water-risk assessment to identify facilities that may operate within water stressed regions, both in the near and long term. The analysis is based upon combining our supply chain water consumption footprint and production metrics with water risk inputs provided by the WRI Aqueduct tool. Ecolab augments watershed risk and stress input from this tool with valuations from the Water Risk Monetizer Tool as a means to inform decisions at an operational level.</p> <p>In 2015, the Water Risk Monetizer tool was enhanced to enable businesses to evaluate potential revenue at risk due to water scarcity. By leveraging the information provided by the Water Risk Monetizer, businesses can take action now to reduce water use, and use the information to factor water scarcity into their decisions to support business growth. More than 2,000 unique users have tapped into the tool, which is available at no cost to the public (<a href="http://www.waterriskmonetizer.com">www.waterriskmonetizer.com</a>).</p>

	<p>In 2015, we evaluated 144 manufacturing and campus/tech center facilities, representing 93 percent of our total global water withdrawal footprint. This list of facilities was refined by using four primary criteria: an overall water-risk factor greater than 2.1 (i.e., greater than the average overall water risk score) as provided by the WRI Aqueduct Tool, a facility-to-total water withdrawal intensity ratio of greater than 0.20 percent, a water withdrawal per ton of production intensity ratio greater than 1.95 and a 10-year water price escalation percentage greater than 100 percent.</p> <p>Medium-to-High Overall Water Risk and above an average Water Risk score of 2.1 was selected as a preliminary filter to identify those sites operating in river basins subject to current and/or future water stress (inclusive of physical, quality, quantity, regulatory and reputational risks). We established the two internal indicators by quantifying the total water withdrawal intensity for each site and established a threshold coverage of greater than 95 percent for our facilities; as a result, any sites that have a withdrawal factor of less than 0.20 percent would be excluded based on their materiality to business operations — unless they are experiencing significant growth or are located in extremely high risk water basins. 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 1.95.</p> <p>Finally, we include the insight available through the Water Risk Monetizer tool which quantifies the impact of water scarcity on a facility in monetary terms resulting in a 10 year projected risk premium to the current price a facility pays for its water today. The water risk premium, when added to the local price a business pays for water, quantifies the value a business should place on water based on real and future risk related to water scarcity. Using this tool, we identified facilities that have a projected risk premium greater than 100 percent of current water costs within 10 years.</p> <p>Based on this methodology, 14 facilities operate in river basins with current and/or future defined water stress and may be affected by Ecolab’s withdrawal of water. For more information about Ecolab’s approach to water management, identification of facilities where water risk does exist and how Ecolab is managing its own risks and opportunities as they relate to water, please refer to our CDP Water submission, available at <a href="http://www.cdp.net">www.cdp.net</a>.</p>
<p><b>Collective Action</b></p>	<p>Ecolab collaborates with nonprofits and nongovernmental organizations to advance new solutions</p>

and standards for responsible water management, and to build awareness of the environmental impacts of industry.

**Founding partner of the Alliance for Water Stewardship**

Ecolab is a founding partner of the Alliance for Water Stewardship (AWS). Since 2010, Ecolab has dedicated resources, expertise and practical application of principles to assist in the development, launch and implementation of the AWS International Water Stewardship Standard, a global framework to promote sustainable freshwater use.

In September 2015, Ecolab's Taicang manufacturing plant was the first site in the world to receive the Alliance for Water Stewardship's (AWS) International Water Stewardship Standard certification.

As a founding partner of the AWS Standard in 2010, Ecolab has continuously dedicated resources, expertise and practical application of principles to drive global adoption of the Standard. As a pilot site for the Standard, Ecolab China partnered with the WWF to address the unique challenges of the Taihu watershed area and designed the Taicang plant for environmental sustainability. Ecolab engineers, plant operations managers and associates, along with the WWF, systematically worked through the Standard's six-step continual improvement framework to achieve responsible water stewardship status for the Taicang plant, which opened in 2012.

Benefits reached far beyond the numbers. Moving through the steps of the AWS Standard to achieve certification improved relationships with local government and businesses, reduced system burden through less demand on the Yangtze River, and Ecolab's team in Taicang paved the way for Ecolab facilities around the world to pursue water stewardship projects and facilitate discussions in their local catchments and communities.

In severely drought-stricken Southern California where the government has imposed a strict water-reduction mandate, Ecolab has two plants, Carson and City of Industry, moving through the steps for AWS certification.

**\$2 million commitment to The Nature Conservancy**

In 2014, Ecolab committed \$2 million through the Ecolab Foundation over three years to The Nature Conservancy, a leading conservation organization working to protect the lands and waters on which

all life depends. The partnership supports The Nature Conservancy's Securing and Restoring Water Sources Around the Globe initiative. The support is part of Ecolab's newly launched Solutions for Life program, which enhances the company's work to conserve water and improve hygiene around the world through new partnerships, global philanthropy and employee volunteerism.

This three-year commitment to The Nature Conservancy expands upon Ecolab's 25 years of support for the organization's work in Minnesota and, for the first time, focuses on water conservation globally, with initial projects in China and Mexico. The grant supports:

- The Minnesota Headwaters Fund, established to protect clean water in Minnesota's lakes and rivers for the benefit of nature, people and business. The Fund will support protection and conservation work throughout the Upper Mississippi River basin, including 5,000-6,000 acres of easements, 20-40 miles of stream bank and floodplain restoration, and other projects that prevent pollutants from increased agricultural use, such as nitrates and sediment, from entering key rivers and lakes. The Fund was launched in 2015.
- Reforestation in Monterrey, Mexico and other conservation methods to help slow the flow of water upstream from the city and to provide clean water for this sprawling urban and industrial center. In October 2015, Ecolab supported TNC's efforts to plant 20,000 white pine saplings in the Cumbres de Monterrey National Park to reforest 20 hectares along the hillsides which filters water used by Mexico's third largest city.
- Exploring nature-based solutions to help secure water for China's rapidly growing cities. This support in 2015 included meeting Chinese experts and applying the global Urban Water Blueprint approach to the unique attributes of the Chinese landscape. The resulting research indicates that investment in nature could help improve water quality for more than 148 million people in China.

#### **Water Risk Monetizer**

As a company with deep expertise in water management, and in-depth understanding of the issues facing companies across industries, Ecolab is committed to helping all water users better understand, evaluate and take action to mitigate their water related risks in order to ensure business success and the availability of the world's fresh water supply for future generations.

In 2014, Ecolab partnered with Trucost, the global leader in valuing natural capital, to develop the Water Risk Monetizer. This tool provides a risk-adjusted water price that represents the full value of

	<p>water to a business based on local level demands and scarcity. In 2015, the tool was enhanced to enable businesses to evaluate potential revenue at risk due to water scarcity. By leveraging the information provided by the Water Risk Monetizer, businesses can take action now to reduce water use, and use the information to factor water scarcity into their decisions to support business growth.</p> <p>More than 2,000 unique users have tapped into the tool, which is available at no cost to the public (<a href="http://www.waterriskmonetizer.com">www.waterriskmonetizer.com</a>). We continue to strive to help and enhance the information water users require to make informed decisions about water risks.</p> <p>The Water Risk Monetizer’s methodology and modeling approach is informed by an advisory group of experts who provided invaluable advice and counsel throughout the development process. While Ecolab and Trucost alone take full responsibility for the content and calculations of the Water Risk Monetizer, the advisors’ input is greatly appreciated and critical to the tool’s functionality. The advisory group members included:</p> <ul style="list-style-type: none"> <li>• Andrew Boyd, Director, Sustainability and Environment for Integrated Supply Chain, Mondelez International</li> <li>• Eric Israel, (former) Director, GRI North America, Global Reporting Initiative (GRI)</li> <li>• Jerry Lynch, Chief Sustainability Officer, General Mills</li> <li>• P.R.P. Ramakrishnan, Area Director, Engineering, Marriott International</li> <li>• Paul Reig, Associate, Water Program, World Resources Institute (WRI)</li> <li>• Tien Shiao, (former) Senior Associate, Food Forest and Water Program, Corporate Water Risk, WRI</li> <li>• Ellen Silva, Sr Manager, Global Sustainability, General Mills</li> </ul> <p>In partnership with Trucost, advisory group members and Ecolab customers, Ecolab leverages the Water Risk Monetizer to support collective action toward more responsible stewardship of the world’s limited fresh water sources.</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</p>



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.

In 2015, Ecolab actively engaged with policy makers and customers in California to help reduce industrial water use during this time of extended drought. In response to the Governor's mandate to reduce water use by 25 percent, Ecolab provided technical guidance to policy makers to help inform incentives and guidelines for both maximum impact and adoption by the commercial, industrial and institutional sectors. We also provided on-the-ground solutions and support to customers to help them reduce water use to meet site-specific water reduction targets across the state.

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 2014 includes provisions on industrial energy efficiency and energy management, including water efficiency solutions for industry through the United States Department of Energy (DOE). Additional efforts continue through the development of an energy bill in the House and Senate that would focus on the industrial sector and gains that could be achieved through increased water efficiency. Ecolab also chairs a water-energy nexus subcommittee in the Alliance to Save Energy that has led to our participation in roundtable discussions with the Secretary of Energy to advance water efficiency associated with the production of power.

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 will be seeking to enhance our participation in the United States Department of Commerce online Environmental Toolkit, which will share our most recent 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.

In 2015 Ecolab sought out and participated in trade missions and engaged in dialogue with decision-makers in China. In April 2015, Ecolab was selected to join a delegation of 25 companies on an Executive-led mission to China with U.S. Secretary of Commerce Penny Pritzker and Deputy

	<p>Secretary for Energy, Elizabeth Sherwood-Randall. The mission included visits to Beijing, Shanghai and Guangzhou.</p>
<p><b>Community Engagement</b></p>	<p>Ecolab is an industry leader in the area of water stewardship. Our 47,000 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>Solutions for Life, a philanthropic program launched in 2014, enhances the company's mission to conserve water and improve hygiene around the world. The program aims to address urgent challenges with innovative solutions, strategic partnerships and employee volunteerism. Through Solutions for Life, Ecolab supports the work of two strategic global nonprofit partners: The Nature Conservancy (details of partnership on page 34) and the Project WET Foundation..</p> <p>Through our partnership with the Project WET Foundation, children from China to the Philippines, from Mexico to the United States are learning about water conservation and hygiene through a water- and hygiene-focused curriculum for youth, called the Clean and Conserve Education Program. Educators and Ecolab associates around the world have downloaded the materials to share in their communities. Through strategic partnerships with education providers, the partners hope to reach two million people with the curriculum by 2017. In 2015, the Clean and Conserve program helped educate more than 24,000 people.</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 2015 Corporate Sustainability Report (GRI Index), for reporting period 1 January through 31 December 2015, has been completed in alignment with the guidelines of the Global Reporting Initiative's G4 Core framework. We report on many water-related performance indicators as part of that communication, including EN8, EN9 and EN10 in our 2015 Corporate Sustainability Report GRI Index available at</p>

<http://www.ecolab.com/sustainability/sustainability-reports>.

For 2015, Ecolab advanced its dedication to transparency by completing third-party verification by Bureau Veritas North America (BVNA) of its publicly reported 2015 Global Water withdrawal in accordance with Bureau Veritas Assurance Procedures and International Standard on Assurance Engagements (ISAE) 3000 (basis for Bureau Veritas assurance procedures). GHG Reporting Protocols against which verification was conducted include the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard and the WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Based on the verification process and procedures conducted, BVNA found no evidence that the Water withdrawal assertion is not materially correct; is not a fair representation of the Water withdrawal data and information; and is not prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard, International Standard on Assurance Engagements (ISAE) 3000 (basis for Bureau Veritas assurance procedures), and for Corporate Reporting on Carbon and Water on Behalf of Investors and Supply Chain Members. It is in BVNA's opinion that Ecolab has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of Water withdrawal for the stated period and boundaries.

We also completed the Carbon Disclosure Project Water Information Request in 2014 and 2015. Additional information is available in our CDP online submission, available at [cdp.net](http://cdp.net).

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.

