

6 July 2017

H.E. António Guterres  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary-General,

With our fifth 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 2016 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 2016**

**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 2016, Ecolab continued to advance our commitment to transparency and disclosure of our environmental, social and governance practices and performance. Ecolab's 2016 Corporate Sustainability Report was prepared in alignment with the Global Reporting Initiative's G4 Core Sustainability Reporting Guidelines. Ecolab's 2016 Corporate Sustainability Summary and GRI G4 responses can be found on our company's website at <http://www.ecolab.com/sustainability/download-sustainability-reports>.

Ecolab has completed third-party verification by Bureau Veritas North America (BVNA) of its publicly reported 2016 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 2016 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 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 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>

The excellent reputation Ecolab enjoys is one of our greatest assets. It provides a solid foundation 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: <http://www.ecolab.com/sustainability/people/human-rights>

#### 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/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/about/suppliers/conflict-mineral-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.

#### 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.

	<p>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.</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 2016, 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/about/suppliers/conflict-mineral-policy">http://www.ecolab.com/about/suppliers/conflict-mineral-policy</a></p> <p>(Direct link to Conflict Minerals policy: <a href="http://www.ecolab.com/-/media/Ecolab/Ecolab-Home/Documents/DocumentLibrary/Procurement/PolicyStatementonConflictMineralsv11November2013(2).pdf?la=en">http://www.ecolab.com/-/media/Ecolab/Ecolab-Home/Documents/DocumentLibrary/Procurement/PolicyStatementonConflictMineralsv11November2013(2).pdf?la=en</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.</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 2016.</p>

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. 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.

To reinforce its expectations, Ecolab utilizes an Ethical Sourcing Survey to screen high-risk suppliers. In 2014, 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 evaluated our supply base and identified high-risk suppliers based on country location. The high-risk country list was identified by utilizing third-party reporting (e.g., Human Rights Watch) and internal feedback from regional leaders.

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 2016, 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/)

Ecolab also has published and communicated to its suppliers its expectations around Slavery and Human Trafficking. The policy statement is a reaffirmation of Ecolab's approach to combating human trafficking: [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.

While our data for the 2015 reporting year was incomplete, from the data that we did receive we believe that none of the necessary conflict minerals (3TG) contained in our in-scope products directly or indirectly financed or benefited armed groups in the DRC or an adjoining country.

In 2016, we evaluated our supply base and identified high-risk suppliers based on country location. The high-risk country list was identified by utilizing third-party reporting (e.g., Human Rights Watch) and internal feedback from regional leaders. (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/about/suppliers/conflict-mineral-policy>

**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, 470 employees were covered by collective-bargaining agreements in 2016. This is approximately 2.25 percent of United States employees. (G4-11)</p> <p>Ecolab had three United States-based collective-bargaining agreements in 2016. 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 31 percent of employees covered by a collective-bargaining agreement are in Texas. Approximately 69 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/people/human-rights">http://www.ecolab.com/sustainability/people/human-rights</a></p> <p>In 2014, 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</p>

	<p>Sourcing Survey. In 2015, Global Contract Manufacturers were surveyed on their Ethical Sourcing. In 2016, we evaluated our supply base and identified high-risk suppliers based on country location. The high-risk country list was identified by utilizing third-party reporting (e.g., Human Rights Watch) and internal feedback from regional leaders.</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 2014, 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 evaluated our supply base and identified high-risk suppliers based on country location. The high-risk country list was identified by utilizing third-party reporting (e.g., Human Rights Watch) and internal feedback from regional leaders. 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 2016, Ecolab did not identify any operations or suppliers with actual or potential negative impacts for child labor practices in our supply chain. We continue to evaluate our suppliers for any negative child labor impacts via the Ethical Sourcing Survey. (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:  <a href="http://www.ecolab.com/about/suppliers/supplier-policies">www.ecolab.com/about/suppliers/supplier-policies</a></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><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> <p>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,</p>

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/people/workforce-development>

For additional employment data, refer to Ecolab's 2016 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

<b>Global Compact Principles</b>	
<b>Principle 7: Environment</b> <i>Businesses should support the precautionary approach to environmental challenges</i>	<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 91 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></ul>

- We're committed to continuous improvement: Through our Create & 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 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. We are harnessing the power of our leading-edge technology to gain insights into our operations and ensure sustainable growth.

Our 2020 environmental goals reflect our commitment to continuous improvement across our global footprint. Ecolab aims to reduce water usage by 25 percent and GHG emissions by 10 percent across all manufacturing plants by 2020, against a 2015 baseline. These goals reflect the company's commitment to continuous improvement across its global footprint, measured by intensity per million dollars in sales.

With a focus on locations where our risks and impact are most relevant, we are committed to achieving these targets. In 2016, we advanced enterprise-wide efficiency efforts and initiated several large projects to significantly reduce water and energy use at target manufacturing plants. These programs will deliver savings in 2017 and beyond to help us reach our goals.

#### 2016 Environmental Performance

- Water use: +1.8%
- GHG emissions: +0.6%

*(Percentage change from 2015 baseline; measured by intensity per million dollars in sales)=*

Refer to Ecolab's Global Safety Health & Environmental Position:

<http://www.ecolab.com/about/corporate-responsibility/safety-health-and-environment>

	<p>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:  <a href="http://www.ecolab.com/sustainability/water-stewardship">http://www.ecolab.com/sustainability/water-stewardship</a>.</p> <p>For specific information on Ecolab's 2016 environmental performance and practices related to Principle 7 refer to refer to Ecolab's 2016 Corporate Sustainability Report GRI G4 Index, disclosures G4-EN1 through EN 34.</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.</p> <p>In 2016, we completed 29 process improvement projects that delivered resource reduction outcomes across our global footprint. For example:</p> <ul style="list-style-type: none"> <li>• Our Fresno, Texas, plant increased its condensate return, saving 60,000 therms of natural gas and more than 12,000 gallons of water use per day. (\$1,000,000 cost savings)</li> <li>• Our Montgomery, Alabama, plant installed new high-speed doors in its warehouse which resulted in more than 155,000 kWh in electricity savings. (\$18,000 cost savings)</li> <li>• Our Texarkana, Texas, plant began recycling non-contact cooling water for other production use, resulting in water and effluent savings of 84,000 gallons per month. (\$50,000 business risk avoidance savings)</li> <li>• Our Mosta, Malta, plant installed 468 photovoltaic panels on its roof, which produced 45 percent of the plant's total electricity needs for the year. This resulted in a carbon intensity reduction of approximately 190 MT CO2e generated.</li> </ul>

	<ul style="list-style-type: none"> <li>• Our Lerma, Mexico, plant implemented a number of water reduction projects, including recovering rainwater and sending rejected condensate water to its fire water pond, reducing the plant's water needs by 7 percent annually. (\$5,000 cost savings)</li> <li>• Our Yangsan, South Korea, plant began using spray foam chemistry to washout vessels, saving 3,500 kWh of electricity, 2,600 therms of natural gas and nearly 1 million gallons of water. (\$39,000 cost savings)</li> </ul> <p><b>WATER STEWARDSHIP</b></p> <p>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 business.</p> <p>Since 2010, Ecolab has partnered with WWF and AWS to develop and launch the International Water Stewardship Standard. Ecolab is a founding partner of the AWS Standard. 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. In severely drought-stricken Southern California, Ecolab has two plants moving through the steps for AWS certification.</p> <p>For specific information on Ecolab's 2016 environmental performance and practices related to Principle 8 refer to Ecolab's 2016 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>

We want every customer to fully understand and have confidence in the safety, health and environmental attributes of our products. This starts with our commitment to managing the impacts of our products throughout the value chain. We do this by developing programs that prevent or reduce human and environmental exposure to hazards and risks in chemical products through safer solid and liquid chemistry and innovative packaging and dispensing systems.

Our approach is driven by:

- An unparalleled understanding of customer needs
- Deep expertise in product application and use phase impacts
- Commitment to comply with, and go beyond, industry, government and non-government standards

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.

We leverage our capabilities, expertise and technology throughout our enterprise. By applying learnings and technologies from one industry to another, we are meeting more customers' needs for resource-saving solutions.

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.

Building on our product sustainability leadership, we have defined a set of nine measurable product attributes relevant to our customers' operations to help explain the safety, health and environmental impacts of our solutions. The technical information supporting these attributes is reported through our enterprise chemical management database and thus, is consistent with our Safety Data Sheet literature.

In 2017, we aim to make this information readily available to help customers better understand and manage the use phase impacts of products and make more informed purchasing decisions.

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 2016 include:

- **PARETO™ Mixing Technology:** In 2016, we helped customers save an estimated 2.3 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 2016, we helped customers in the United States and Canada save an estimated 289 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 2016, we helped customers in the United States save an estimated 502 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 2016, we helped customers in the United States and Canada save an estimated 1.01 trillion 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 2016, we helped customers in North America save an estimated 587 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 2016, we helped customers globally save an estimated 6.5 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). Our targets for case studies were 60, respectively. In 2016, we achieved 60 case studies (100 percent of annual target).

In 2016, we had a third-party validate our eROI methodology: Anthesis LLC conducted an independent review of the methodology, data collection and communications of Ecolab's eROI Calculator & Counter, and based on the results of our review process, it is our opinion that Ecolab has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of the savings and benefits of its products and services for the stated period and boundaries.

Examples from 2016 case studies where our partnerships with customers led to exponential outcomes for businesses and the communities in which we operate:

- In Tarragona, Spain, we helped Dow reduce its water consumption from the Ebro River, the largest river in Spain, with our 3D TRASAR Technology for Cooling Water. The results include water savings of 310 million gallons of river water per year (1.2 million cubic meters), and reduced total effluent discharge by 49 percent.
- By implementing 3D TRASAR Technology for Cooling Water in its cooling water system, a Hyatt hotel in Pune, India, saved 1.8 million gallons of freshwater and maintained consistent approach temperature over a nine-month period.
- An international retail company with in-house restaurants implemented our Apex Warewashing Program, helping the company save 69,000 pounds of plastic waste and eliminate 2,200 pounds of paper.
- We helped Kinseth Hospitality save 33.3 million gallons of water, 227,000 therms of energy, and \$446,000 annually for 70 properties through the use of Aquanomic Low-Temp Laundry Solids Program.
- Our FLOCMaster Technology helped a plant that converts organic waste into electricity, green gas and biomass for power plants in Northern Europe reduce industrial process water by 85 percent per year (7.92 million gallons per year), reduce energy by 0.8 percent, eliminate polymer consumption by 224,900 pounds, and realize \$160,000 in cost savings per year.
- A pulp and paper mill in Sweden used our FLOCMaster Technology in the fiber dewatering lines and wasted biological sludge dewatering centrifuges to save 10.6 million gallons of water per year, reduce energy consumption by 135 kwh per centrifuge, and realized annual cost savings of \$228,000.

- Our 3D TRASAR Automation Technologies helped leading Italian meat processor, Inalca SpA, conserve 3.7 million gallons of water, reduce energy use by 670,300 kWh and eliminate 121,000 pounds of consumables and 120 tons of CO<sub>2</sub> emissions, resulting in annual operation savings of \$72,000.
- A Mexican power plant implemented 3D TRASAR Technology to enable water reuse and save 647 million gallons of water, 125,000 kWh and eliminate 47.3 tons of CO<sub>2</sub> emissions, resulting in annual cost savings of \$60,500.
- A U.S.-based polyester resins and fibers plant utilized our 3D TRASAR Technology for Cooling Water with Performance Polymers to save 29 million gallons of water and achieve \$116,000 in annual cost savings.

Examples of sustainable innovations launched in 2016 include:

- OxyGuard40™: OxyGuard40 is an ultra-gentle, low-temperature wash treatment for hospitality and hospital textile commercial laundries. The solution brings used textiles to a “like new” whiteness level, extends textile life by a factor of three and consumes up to 30 percent less steam and water due to the low water temperatures used. OxyGuard40 earned Ecolabel certification and complies with the AS-4146 disinfection standards in certain markets for washing healthcare textile.
- Aquanomic™ 2.0 Low-Temp Liquid Laundry Program: The next generation of the Aquanomic program delivers superior results and extends the life of linens while saving up to 40 percent on water and energy versus traditional laundry programs. The advanced Aquanomic 2.0 formula targets the root cause of graying and yellowing, providing consistently white and bright linens.
- FirstCLEAR™: The FirstCLEAR program is a holistic raw water solution for more reliable water quality and improved papermaking. The program combines several of our existing technologies, including Metagenomic Analysis Protocol (MAP), the enVision™ platform and PARETO™ Mixing Technology. The combined program can help control costs, improve operational efficiency and minimize product defects.
- Synergex™: Synergex is a leading U.S. EPA-registered antimicrobial product for food and beverage manufacturers. The mixedperacid-based sanitizer and disinfectant provides food safety and quality assurance, and eliminates many safety issues across plant operations. Using Synergex in clean-in-place (CIP) applications allows for the potential elimination of the acidrinsing step, reduces water consumption by up to 24 percent and energy consumption by up to 42 percent.
- 3D TRASAR™ Technology Reverse Osmosis (RO) Control: 3D TRASAR Technology RO Control provides low-cost remote monitoring of small RO systems, enabling Nalco Water to directly assist the customer in operating the RO system according to best practices. The

new controller is factory installed on RO systems that handle up to 125 gallons per minute (GPM). It both operates the RO system and provides much of the same capability as 3D TRASAR Technology for Membranes: online monitoring, control and analysis. This solution helps customers reduce both the amount of feed water required for RO and the volume of waste water, in addition to improving reliability and reducing unplanned downtime.

- Thermogain™ (EC3019C and EC3619A): Thermogain crude oil antifoulant improves heat transfer and pressure drop in heat exchangers by limiting particle growth of organic polymers, destabilized asphaltenes and inorganic foulants. By reducing refinery fouling, these innovations substantially cut fuel costs and reduce CO2 emissions.
- HyClass™ 73HC and HyClass 732HC: HyClass innovations provide a direct production increase by capturing more fines in alumina hydrate classification, improving underflow-solids-handling characteristics and reducing bauxite processing. HyClass helps save sodium hydroxide, water and energy in the Bayer process. The Bayer process is a chemical refining method to produce alumina from bauxite.
- Biodegradable Emulsion Breaker (EC2802A): EC2802A is a biodegradable emulsion breaker designed for oil refinery desalter trains that combines non-flammable chemistry with minimal naphthalene and kerosene content. The new chemistry offers reduced toxicity which meets European Union regulations while performing as well as or better than traditional emulsion breakers. Diminished toxicity results in improved handling characteristics and reduced environmental impacts
- 3D TRASAR™ Hardness Response Program: The fully automated 3D TRASAR Hardness Response Program expands on 3D TRASAR Boiler Technology with the incorporation of low-level hardness measurement, upset detection, corrective action and communication of results. Benefits include energy savings achieved by preventing scale, improved efficiency and reduced fuel consumption, as well as asset protection through early detection of upsets and quick corrective action.

*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/product-responsibility/reach>

	<p>For specific information on Ecolab's 2016 environmental performance and practices related to Principle 9 refer to refer to Ecolab's 2016 Corporate Sustainability Report GRI G4 Index, disclosures G4-EN6, G4-EN7, G4-EN19.</p>
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**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 2016 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>

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.

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 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 2016 practices to support Principle 10 refer to refer to Ecolab's 2016 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 2016**

**Direct Operations**

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.

We are harnessing the power of our leading-edge technology to gain insights into our operations and ensure sustainable growth.

Our 2020 environmental goals reflect our commitment to continuous improvement across our global footprint. Ecolab aims to reduce water usage by 25 percent and GHG emissions by 10 percent across all manufacturing plants by 2020, against a 2015 baseline. These goals reflect the company's commitment to continuous improvement across its global footprint, measured by intensity per million dollars in sales.

With a focus on locations where our risks and impact are most relevant, we are committed to achieving these targets. In 2016, we advanced enterprise-wide efficiency efforts and initiated several large projects to significantly reduce water and energy use at target manufacturing plants. These programs will deliver savings in 2017 and beyond to help us reach our goals.

2016 Environmental Performance

- Water use: +1.8%
- GHG emissions: +0.6%

*(Percentage change from 2015 baseline; 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.

We leverage our Create & Maintain Value (CMV) program throughout our manufacturing facilities to drive continuous improvement, with an emphasis on the facilities that have the greatest opportunity for resource savings. This approach mirrors the service we deliver to customers — leveraging the

	<p>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>Through our Create and Maintain Value program, we employ our expertise and technology to continually find more ways to deliver strong business results while saving water, energy and 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.</p> <p>In 2016, we completed 29 process improvement projects that delivered resource reduction outcomes across our global footprint. For example:</p> <ul style="list-style-type: none"> <li>• Our Fresno, Texas, plant increased its condensate return, saving 60,000 therms of natural gas and more than 12,000 gallons of water use per day. (\$1,000,000 cost savings)</li> <li>• Our Montgomery, Alabama, plant installed new high-speed doors in its warehouse which resulted in more than 155,000 kWh in electricity savings. (\$18,000 cost savings)</li> <li>• Our Texarkana, Texas, plant began recycling non-contact cooling water for other production use, resulting in water and effluent savings of 84,000 gallons per month. (\$50,000 business risk avoidance savings)</li> <li>• Our Mosta, Malta, plant installed 468 photovoltaic panels on its roof, which produced 45 percent of the plant's total electricity needs for the year. This resulted in a carbon intensity reduction of approximately 190 MT CO<sub>2</sub>e generated.</li> <li>• Our Lerma, Mexico, plant implemented a number of water reduction projects, including recovering rainwater and sending rejected condensate water to its fire water pond, reducing the plant's water needs by 7 percent annually. (\$5,000 cost savings)</li> <li>• Our Yangsan, South Korea, plant began using spray foam chemistry to washout vessels, saving 3,500 kWh of electricity, 2,600 therms of natural gas and nearly 1 million gallons of water. (\$39,000 cost savings)</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 on combining our operational water withdrawal and effluent footprint and production metrics with water risk inputs and financial cost valuations from the Water Risk Monetizer tool as a means to inform decisions at an operational level.</p> <p>The Water Risk Monetizer is a publicly available global water risk assessment tool that uses best-in-class local water basin datasets and scientific methodologies to monetize water-specific business</p>

risks. Rather than recreate existing assessment frameworks that address quantitative water risk, the Water Risk Monetizer utilizes leading, publicly available datasets such as those developed by the WRI (2016) and WWF (2016a). Ecolab released the tool in 2014, and launched Version 2 in 2015 to incorporate revenue at risk. Version 3, released in the spring of 2017 and used for our 2016 reporting year footprint analysis, addresses incoming and outgoing water quality risk and its potential impact on operating costs and provides a deeper level of business insight and action planning. More than 3,000 unique users have tapped into the tool, which is available at no cost to the public ([www.waterriskmonetizer.com](http://www.waterriskmonetizer.com)).

In 2016, we evaluated 100 percent of our direct operations. We removed facilities where we estimate for water data and are otherwise very small users of water (this includes an estimated 5 percent of water withdrawal and effluent from Offices, Distribution, Warehouses, Flex/R&D and related facilities). We refined our assessment to focus on the remaining 150 manufacturing and campus/technology center facilities, representing 95 percent of our total global water withdrawal Ecolab 2016 Corporate Sustainability Report 40 and effluent footprint. This list of facilities was assessed using a variety of risk criteria inputs provided by the WRI Aqueduct Tool and insights available through the Water Risk Monetizer.

Based on this methodology, 17 facilities, representing less than 9 percent of our total water withdrawal and 8.5 percent of our production volume, operate in river basins with current and/or future defined water stress and may be affected by Ecolab's withdrawal of water.

Overall water risk identifies areas with higher exposure to water-related risks and is an aggregated measure of all selected indicators from the Physical Quantity, Quality and Regulatory & Reputational Risk categories. We expanded this water stress by location assessment to further evaluate water risks and its relation to our business growth by applying further criterion to consider production volume at strategic sites and corresponding potential revenue-at-risk via the outputs from the Water Risk Monetizer. Additional financial analysis that incorporates incoming and outgoing water quality and quantity provides a "risk premium" relative to the price of water for each site. This information enables Ecolab to assess whether any individual sites or a combination of sites could expose the company to water risks, either current and/or future, that could result in a substantive change to our business, operations, revenue or expenditure. The results of this assessment are reported in our submissions to CDP, available at [www.cdp.net](http://www.cdp.net).

**Collective Action**

Ecolab collaborates with nonprofits and nongovernmental organizations to advance new solutions 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 drought-stricken Southern California, 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 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 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. In 2016, Ecolab's initial grant helped protect nearly 180 acres along 8,000 feet of the Pine River in the heart of the Mississippi River Headwaters.
- 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. Ecolab and TNC are partnering on expanding conservation efforts in the Cumbres de Monterrey National Park which provides 60 percent of the water for 4.5 million people living downstream in Monterrey, Mexico metropolitan area. In 2016, volunteers from Ecolab joined TNC to reforest 50 acres of pine forest. These trees increase rainwater capture, mitigate flooding, improve water filtration and regulate water flow.
- Exploring nature-based solutions to help secure water for China's rapidly growing cities. In China, Ecolab was the sole sponsor of the China Urban Water Blueprint that was released in April 2016. This report provides important watershed information to public and private sector groups addressing water issues in China and also helped TNC China to decide to start new water funds in particularly water-stressed regions. The first fund will focus on reducing pollution seeping into the Dongjiang River Basin in southeast China which provides water to millions of people in Hong Kong, Guangzhou and Shenzhen.

#### **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 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. In 2016, the tool was further enhanced in partnership with Microsoft, and continued partnership with Trucost, to deliver a new level of water risk assessment. By adding water quality to the risk equation, the tool now provides a more comprehensive risk assessment and a deeper level of business insights to drive more informed water management decisions. As more businesses and other water users begin to operationalize a risk-adjusted cost of water, they are more equipped to reduce their water use, especially in water-scarce areas where it's needed most. This, in turn, helps the communities in which tool users operate by reducing demand for a scarce and critical resource. Our shared goal is to drive more businesses to use data to inform actionable plans to save, reduce and recycle water. 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 3,000 unique users have tapped into the tool, which is available at no cost to the public ([www.waterriskmonetizer.com](http://www.waterriskmonetizer.com)). We continue to strive to help and enhance the information water users require to make informed decisions about water risks.

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 support of these expert advisory group members has helped ensure that our approach to valuing water risk can be integrated into business decision making.

The 25 advisory group members included:

- Marianne Balfe, Director of Energy and Environmental Sustainability, The Americas, Marriott International
- Dr. Andrew A. Boyd, Director Environment & Sustainability — Global Engineering & Integrated Supply Chain, Mondelez International

- Andrew Collins, Technical Director, Sustainability Accounting Standards Board (SASB)
- Lindy Farrar, Research Analyst, Greenview
- Monika Freyman, Director, Investor Initiative, Water Program, Ceres
- Bill Gaines, Principal Engineer, Ford Motor Company
- Mark Giordano, Director of the Program in Science, Technology and International Affairs, Georgetown University
- Mark Gough, Executive Director, Natural Capital Coalition
- Jim Hanna, Director of Datacenter Sustainability, Microsoft
- Yvette Harding Griffin, Sustainability Reporting and Program Manager, Mondelez International
- Josh Henretig, Senior Director, Environmental Sustainability, Microsoft
- Piet Klop, Senior Advisor Responsible Investment, PGGM
- Heidi McKenzie, Manager, Environmental Strategies and NBS, Ford Motor Company
- Neil Parke, Senior Consultant Engineer – HSE, Eli Lilly and Company
- Himani Phadke, Sustainable Finance Research Director, Sustainability Accounting Standards Board (SASB)
- Paul Reig, Senior Associate – Corporate Water Stewardship, World Resources Institute (WRI)
- Susan Rokosz, Senior Environmental Engineer, Ford Motor Company
- Joe Rozza, Global Manager, Water Sustainability and Natural Capital, The Coca-Cola Company
- Jim Smith, Manager, Environmental Programs, Saint-Gobain
- Hubert Thieriot, Project Leader – Water Risk Valuation, China Water Risk
- Katarina Veem, Director Swedish Water House, Stockholm International Water Institute
- John Viera, Global Director, Sustainability and Vehicle Environmental Matters, Ford Motor Company
- Kari Vigerstol, Director of Conservation, Water Funds, The Nature Conservancy
- Charlene Wall-Warren, Director, Sustainability, BASF
- Dennis Wilson, Director, Product Stewardship and Sustainability, Saint-Gobain

In partnership with Microsoft and 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.

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.

In 2016, Ecolab expanded on our efforts to engage policy makers and customers in California to reduce industrial water use. We continued to provide technical guidance to policy makers to help inform incentives for the commercial, industrial and institutional (CII) sectors and on-the-ground solutions and support to customers to help them reduce water use. In 2016, Ecolab also used our CII sector expertise to engage with the State of Idaho on the proposed addition of a sustainability section to the state's water plan and served on a work group to help the State of Montana create a drought management plan.

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 2016, Ecolab, through our Nalco Water business, identified opportunities for smarter industrial water management throughout Europe. Ecolab worked with the European Commission and Member States with the goal of boosting water efficiency and industrial water reuse, emphasizing both the quality and the quantity of reused water. Our membership on the Steering Group of the European

	<p>Innovation Partnership on Water has provided a unique opportunity to collaborate with other water experts across sectors to identify opportunities to advance sustainable outcomes for the European Union.</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 pages 30-31) 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 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. By the end of 2016, 629,789 individuals had been reached with the Clean and Conserve program, with an additional 3.9 via media impressions.</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 2016 Corporate Sustainability Report (GRI Index), for reporting period 1 January through 31 December 2016, 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,</p>

including EN8, EN9 and EN10 in our 2015 Corporate Sustainability Report GRI Index available at <http://www.ecolab.com/sustainability/download-sustainability-reports>.

For 2016, Ecolab advanced its dedication to transparency by completing third-party verification by Bureau Veritas North America (BVNA) of its publicly reported 2016 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 2015 and 2016. 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.

