

2 July 2018

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

Dear Mr. Secretary-General,

With our sixth 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 2017 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 2017

## IMPLEMENTING THE TEN PRICIPLES 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 2017, Ecolab continued to advance our commitment to transparency and disclosure of our environmental, social and governance practices and performance. Ecolab's 2017 Corporate Sustainability Report was prepared in alignment with the Global Reporting Initiative's G4 Core Sustainability Reporting Guidelines. Ecolab's 2017 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 2017 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 2017 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**

### **Principle 1 Human Rights**

*Businesses should support and respect the protection of internationally proclaimed human rights.*

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.

As a global company, Ecolab is committed to enhancing the well-being of people and communities around the world. Our employees' human rights are respected across our global operations and we are committed to respecting the international human-rights standards defined by the United Nations Global Compact.

We aspire to create an inclusive and respectful work environment; one in which employees recognize each other's worth and dignity. As stated in our Code of Conduct, any conduct that detracts from the worth and dignity of our employees is contrary to our values and has no place in our culture. We also are committed to showing respect to people and cultures in all of the countries where we do business.

### **CODE OF CONDUCT**

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.

Ecolab's Code of Conduct contains detailed human rights aspects of relevance to our operations. All employees and board members receive the Code of Conduct during their onboarding program and are required to complete an online refresher course on an annual basis. The Code of Conduct is re-certified by employees as part of the annual training process. The Code of Conduct is available in 27 languages. More information is available in our [2017 GRI Report](#) on page 71 (G4-HR2). 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.

Our Code of Conduct is available online at:  
<https://www.ecolab.com/pages/code-of-conduct>

## OUR HUMAN RIGHTS POLICY

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, which was launched in 2013, 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. Suppliers must meet our standards regarding forced labor, child labor, health and safety in the workplace, fair pay, harassment, diversity and ethics, and environmental policies. We require that our suppliers identify and act swiftly to eliminate any unacceptable conditions or practices in their facilities.

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

In 2017, we did not identify any operations with actual or potential negative impacts on local communities. (G4-SO2)

Our Ethical Sourcing Standards and Conflict Minerals Policy are available at:  
<http://www.ecolab.com/about/suppliers/conflict-mineral-policy>

(Direct link to Conflict Minerals policy: [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))

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. The purpose of the web-based platform is to share 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.

## **Principle 2: Human Rights**

*Business should make sure they are not complicit in human rights abuses.*

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. 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 2017.

We are committed to upholding the highest legal and ethical standards, regardless of when and where we conduct business. Available in 27 languages, our Code of Conduct serves as a guide for how to act and make decisions as an employee of Ecolab. We expect all our employees to make good decisions on behalf of Ecolab and do their jobs ethically and in compliance with the Code and the laws of the countries where we do business. The Code contains detailed human-rights aspects of relevance to our operations.

As part of this commitment, all new employees are required to read the Code and acknowledge compliance with it upon hire and are required to complete an online refresher course on an annual basis. The Code of Conduct is recertified by employees as part of the annual training process to certify completion and compliance to follow the human rights requirements.

Globally, Ecolab is a signatory to the UN Global Compact (UNGC) and has put in place programs in regions to assess conformity and ensure our policies - including policies related to human rights - are in place and in practice. The UN Guiding Principles are a set of guidelines for States and companies to prevent and address the risk of adverse impacts on human rights. Aligned with the UN Guiding Principles, Ecolab undertakes a compliance and ethics assessment to better understand human rights related risks. (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. The high-risk suppliers are identified by utilizing third party reporting (e.g. Human Rights Watch, [Transparency.org](http://www.transparency.org)) and internal feedback from regional leaders along with other internal criteria. 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. There are established mitigation steps that eliminate the risk at the supplier's level or lacking supplier improvement, remove the deficient supplier from the approved supplier list.

In 2017, 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 communicates 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. In order to ensure full understanding of these expectations, Ecolab publishes this policy in ten languages. Our global Anti-Human Trafficking policy can be found online at: <http://www.ecolab.com/-/media/Widen/Sustainability/Antihuman-Trafficking-Policy/Global-AntiHuman-Trafficking-Policy-Englishpdf.pdf?la=en>

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, G4-HR10 and G4-HR11 in our [2017 GRI Report](#).

## 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.

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)

While our data for the 2017 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. The 2017 supplier response for Conflict Minerals has been further refined, and the response rate has increased significantly from previous years. (G4-HR5, G4-HR6)

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**

### **Principle 3: Labour**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

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, 536 employees were covered by collective-bargaining agreements in 2017. This is approximately 2.5 percent of United States employees. Approximately 28 percent of employees



covered by a collective-bargaining agreement are in Texas; approximately 58 percent of employees covered by a collective-bargaining agreement are in Illinois; and approximately 14 percent of employees covered by a collective-bargaining agreement are in Georgia. (G4-11)

Ecolab had four United States-based collective-bargaining agreements in 2017. For these agreements, a minimum of 60 days' notice prior to the contract end date is required to propose any changes to the contract agreements. All collective-bargaining agreements contain a specified notice period and provisions for consultation and negotiation. (G4-LA4)

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)

## **Principle 4: Labour**

*Businesses should uphold the elimination of all forms of forced and compulsory labour*

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:

<http://www.ecolab.com/sustainability/people/human-rights>

In 2017, Ecolab did not identify any operations or suppliers with actual or potential negative impacts for forced labor practices in our supply chain. We continue to evaluate our suppliers for any negative forced labor impacts via the Ethical Sourcing Survey. 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.

Ecolab communicates our expectations to our suppliers via our Supplier Code of Conduct, which includes language around forced labor practices and expectations therein:

[www.ecolab.com/about/suppliers/supplier-policies/](http://www.ecolab.com/about/suppliers/supplier-policies/)

## **Principle 5: Labour**

*Businesses should uphold the effective abolition of child labour*

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.

In 2017, 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)

Ecolab communicates our expectations to our suppliers via our Supplier Code of Conduct, including language around child labor practices and expectations therein:  
[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.

## **Principle 6: Labour**

Businesses should uphold the elimination of discrimination in respect of employment and occupation

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.

### **ANTI-DISCRIMINATION POLICY**

Ecolab complies with applicable labor and employment law and does not discriminate. Our recruitment, hiring, compensation, promotion, transferring, training, corrective action and termination practices are based exclusively on an individual's qualifications and ability to perform the job. Only criteria which are relevant to the job are considered. Specifically, in order to maintain a work environment that is free from discrimination, all employment-related decisions must be made without regard to:

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

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

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

Violating this policy subjects an employee to disciplinary action, up to and including termination of employment.

## DIVERSITY AND INCLUSION

At Ecolab, we believe the best teams are diverse and inclusive - and we are on a journey to create a workplace where every associate can grow and achieve their best. This work is central to our strategic growth priorities and overarching focus on attracting, retaining and growing the world's most capable talent.

As a company, we made huge strides in 2017 - beginning with our CEO, Doug Baker, signing the CEO Action Pledge for Diversity and Inclusion in June. This public, highly visible declaration set the stage for an ever-increasing focus on inclusion companywide.

Ecolab's commitment to building an inclusive and engaging workplace is fueled by our 10 Employee Resource Groups (ERGs), which are helmed by more than 335 ERG leaders. Ecolab's ERGs represent the diverse culture that is Ecolab and provide forums for associates with different perspectives to come together and learn from each other's experiences and abilities. With more than 4,300 members and 62 global chapters, membership across all ERGs continues to grow - giving associates ample opportunity to develop leadership capabilities, enhance professional skill sets and engage with others.

For more information on diversity and inclusion visit:  
<https://www.ecolab.com/sustainability/people/workforce-development>.

For additional employment data, refer to Ecolab's 2017 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

### Principle 7: Environment

Businesses should support the precautionary approach to environmental challenges

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.

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.

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.

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

- 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.
- 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.
- 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.

#### 2017 Environmental Performance

- GHG Emissions: -4.3 per \$MM sales, from 2015 baseline
- Water Consumption: +0 per \$MM sales, from 2015 baseline

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

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

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:

<http://www.ecolab.com/sustainability/water-stewardship>.

For specific information on Ecolab's 2017 environmental performance and practices related to Principle 7 refer to refer to Ecolab's [2017 Corporate Sustainability Report GRI G4 Index](#), disclosures G4-EN1 through EN 34.

### **Principle 8: Environment**

*Businesses should undertake initiatives to promote greater environmental responsibility*

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.

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 2017, we completed 31 process improvement projects that delivered resource reduction outcomes across our global footprint. For example:

- Our Yangsan, South Korea, plant re-routed their wastewater to clean blending vessels, resulting in resource savings of more than 1.3 million gallons of freshwater per year, 137,000 kWh of energy and USD \$24,800 cost savings.
- Our Elk Grove Village, Illinois, plant partnered with Ecolab's Food and Beverage team to build a custom Clean-in-Place (CIP) system to recirculate water used in dish machine testing, saving more than 600,000 gallons of water annually.
- Our plant in Fresno, Texas, implemented our 3D TRASAR™ Technology for Cooling Water to significantly improve and control metals in their wastewater resulting in cost savings of more than \$600,000 per year.

- Our plant in Celra, Spain, used a reactive process called Fenton to lower surfactant levels in the wastewater by 85 percent and reduced treatment costs by USD \$230,000 per year.

## **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 business.

Since 2010, Ecolab has partnered with WWF and AWS to develop and launch the International Water Stewardship Standard. As a founding partner of the Alliance for Water Stewardship (AWS) International Water Stewardship Standard, Ecolab is committed to collaboration with other businesses at the local level and sustainable water use in its facilities. The AWS Standard is a globally consistent and locally adaptable framework to promote sustainable freshwater use. These certifications further solidify Ecolab's commitment to water stewardship, the preservation of natural resources and environmental protection.

At the end of 2017, we achieved our second and third AWS certifications for Ecolab's manufacturing facilities in City of Industry and Carson, both located in water-stressed southern California. In September 2015, our Taicang, China, plant became the first facility in the world to be certified under the AWS Standard.

Thanks to steps taken during the AWS certification process and Ecolab's own water-saving technologies, including 3D TRASAR™ Technology, our Carson and City of Industry plants saved a combined total of more than 3 million gallons of water annually, which is equivalent to the annual drinking water needs of more than 10,000 people. Both facilities also worked with other users in the same watershed to drive collective action on water stewardship. The California Water Action Collaborative (CWAC) allowed the two plants to share best practices and current projects with other large companies in the same watershed.

For specific information on Ecolab's 2017 environmental performance and practices related to Principle 8 refer to Ecolab's [2017 Corporate Sustainability Report GRI G4 Index](#), disclosures G4-EN1 through G4-EN34.

### **Principle 9: Environment**

*Businesses should encourage the development and diffusion of environmentally friendly technologies*

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.

Every Ecolab solution is developed with specific intention:

- Informed by customer needs
- Developed to solve particular challenges
- Designed to conserve resources and help protect the environment

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 participated in the Chemical Footprint Project (CFP). The CFP measures and discloses data on business progress toward safer chemicals, and provides a tool for benchmarking companies as they select safer alternatives and reduce their use of chemicals of high concern. Ecolab conducted this comprehensive benchmarking survey globally, and included all business units in the evaluation.

All of our products and services are evaluated for strict compliance with applicable regulatory requirements. In 2017, Ecolab introduced a product sustainability program focused on our Institutional market. As part of this program, key human health and environmental safety attributes relevant to Institutional applications and our customers were defined (e.g., low volatile organic compounds (VOC), biodegradable as used).

We are now evaluating most of the Institutional product portfolio against these criteria. Going forward, this data will be made available to our sales associates along with customer-facing documents to provide transparency and enable product sustainability discussions. This will allow our sales team to better assist our customers in selecting products with specific human health and environmental attributes. We expect this program to integrate product sustainability into the product development process as part of the standard business process. With success, we expect to determine if it can be leveraged more broadly across Ecolab markets. (G4-PR1)

More information on our approach to product sustainability can be found on page 85-87 of our [2017 GRI Report](#).

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 2017 include:

- **PARETO™ Mixing Technology**: In 2017, we helped customers save an estimated 2.4 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 2017, we helped customers in the United States and Canada save an estimated 170 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 2017, we helped customers in the United States and Canada save an estimated 1.3 trillion 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 2017, we helped customers in the United States and Canada save an estimated 1.2 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 2017, we helped customers in North America save an estimated 786 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 2017, we helped customers globally save an estimated 6.4 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.
- **SANITIZING WASH 'N WALK**: In 2017, we helped customers in the United States and Canada save an estimated 316 billion BTUs through the use of our Sanitizing Wash 'n Walk platform. Sanitizing Wash 'n Walk No-Rinse Drain and Floor Cleaner/Sanitizer is an EPA-registered cleaner and sanitizer that provides total management of floors and drains in a single product. The enzyme-based floor cleaner formula provides immediate cleaning of all soil types and extended cleaning of organic grease, fats and oils, thereby reducing risks of slips and falls, while the cold water application saves energy. The methodology used to estimate the reduced energy requirements is based on annual sales data and energy avoided based on 50 percent energy reduction product factor.

- **EXELERATE CIP PLUS TECHNOLOGY:** In 2017, we helped customers in the United States save an estimated 71.7 billion BTUs through the use of our Exelerate CIP Plus Technology. The energy savings are based on calculations and testing compared to traditional alkaline cleaners.
- **3D TRASAR™ TECHNOLOGY FOR MEMBRANES:** In 2017, we helped customers save an estimated 12.3 billion BTUs globally through the use of our 3D TRASAR Technology for Membranes. Our 3D TRASAR technology detects and monitors critical operating parameters in real time, allowing customers instant access to system information anytime, anywhere, and determines and executes the correct response to dynamic system changes as they occur. Energy is saved by maximizing throughput and minimizing downtime. Energy savings are based on the difference in kilowatt hours of reject flow at 80 percent recovery and reject flow at 75 percent recovery.
- **PURE COMFORT™ MINERAL PROGRAM:** In 2017, we helped customers in the United States save an estimated 193 billion BTUs through the use of our Pure Comfort Mineral Program. The Pure Comfort Mineral Program generates chlorine sanitizer necessary to maintain a safe and balanced pool. Energy savings are based on heating replacement water.
- **SMARTPOWER™:** In 2017, we helped customers save an estimated 5.72 billion BTUs globally through the use of our SMARTPOWER technology. SMARTPOWER combines insights, innovative chemistry and personal service to deliver sustainability savings and better control across warewashing operations. Energy savings are based on annual sales data and water savings documented from market tests with our customers where SMARTPOWER reduced the amount of racks that required rewashing, thus saving water, energy and labor.

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:

#### **eROI Customer Case Studies**

- 2017 target: Publish 50 case studies with quantified eROI savings
- 2017 performance: 55 published case studies with quantified eROI savings
- 2018 target: 58 published case studies with quantified eROI savings

#### **eROI Customer Impact Goal: Water**

Alongside our 2020 sustainability goals introduced in 2015, we set a customer impact goal around water to measure the impact we deliver to our customers: By 2030, we aim to save our customers

more than 300 billion gallons annually, equivalent to the annual drinking water needs of more than 1 billion people.

Every year, we measure our progress against this goal using our eROI Customer Impact Counter available at [www.ecolab.com/eroicounter](http://www.ecolab.com/eroicounter). The counter includes all technologies that track savings delivered to customers and have established methodologies. We continue to evaluate opportunities to add new technologies to the counter on an annual basis as available.

In addition to tracking how much water we save our customers, we also track energy, air, and waste savings in the eROI counter.

In 2017, we helped our customers save:

- 171 billion gallons of water
- 12 trillion BTUs of energy
- 1.5 billion pounds of CO<sub>2</sub>e
- 52 million pounds of waste

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.

As highlighted in our [2017 Corporate Sustainability Report](#), examples from 2017 case studies where our partnerships with customers led to exponential outcomes for businesses and the communities in which we operate:

- We helped Ford reduce its freshwater consumption with our 3D TRASAR™ Water Saver Technology and Wireless Water Meters. The results included 23 million gallons of water saved in four months (equivalent to the annual drinking water needs of 79,000 people) and \$186,000 annually in total cost savings.
- We helped Samsung reduce water usage at its microchip fabrication plant in Austin, Texas, with our 3D TRASAR™ Technology. The results included 73.8 million gallons of water saved (equivalent to the annual drinking water needs of 255,000 people) and total cost savings of \$1.7 million per year.
- We help Kraft Heinz achieve energy savings while enhancing food safety with our 3D TRASAR™ Technology for Clean-in-Place. The results included preventing potential food safety problems through early detection of 1,800 emerging issues, 4,321 cubic feet of natural gas saved, reduced wash time by 2,041 hours, and total cost savings of \$244,000 per year.
- In Brazil, we helped Nestle save 175,000 m<sup>3</sup> of freshwater (equivalent to the annual drinking water needs of 159,000 people), 14,500 GJ of energy, 496 metric tons of CO<sub>2</sub>e and \$253,000 in annual cost savings with our 3D TRASAR™ Technology for Cooling Water.

- Globally, we helped Marriott International save 3.34 billion liters of water (equivalent to the annual drinking water needs of 3 million people), 114 million kWh of energy, 21,500 metric tons of CO<sub>2</sub>e and 2 million pounds of waste annually through five of our technologies.
- We helped five leading textile service groups in Australia and New Zealand save a combined 445 million gallons of water (equivalent to the annual drinking water needs of 1.5 million people), 219 billion BTUs of energy and \$1.5 million annually while optimizing asset use and improving safety through four of our textile care technologies.
- In Porcari, Italy, we helped a DS Smith paper mill power plant improve equipment life while saving costs and resources. The results included savings of 14,430 m<sup>3</sup> of water (equivalent to the annual drinking water needs of 13,000 people), 3 million MJ of energy saved, 160 metric tons of CO<sub>2</sub>e, 100 hours of maintenance time, and total cost savings of \$123,000 annually through our 3D TRASAR™ Technology for Boilers.
- We helped a West Coast refinery save 38 million gallons of water (equivalent to the annual drinking water needs of 131,000 people), 134 billion BTUs of energy, 3,796 metric tons of CO<sub>2</sub>e, and \$985,000 in cost savings annually through our 3D TRASAR™ Technology for Boilers.
- In Egypt, we helped Egyptian Fertilizers Company save 192,000 m<sup>3</sup> of water (equivalent to the annual drinking water needs of 175,300 people) and \$496,000 in cost savings per year.

Examples of sustainable innovations launched in 2017 include:

- **THE MINING OPTIMIZER:** Scale formation, an undesirable deposit of minerals in mining processes, is a leading cause of excess energy and water use by the industry. The Mining Optimizer is a proprietary software package developed by Ecolab for the mining industry. It enables the use of water mapping techniques to identify and mitigate scale formation. The software employs predictive models and advanced blending algorithms adjusted to the customer's water to dramatically improve the effectiveness of scale treatment and help better manage mine site water. By preventing scale from forming, customers save both energy and water - resulting in more sustainable operations.
- **OMNI™ CONDENSER PERFORMANCE:** The generating capacity (megawatts) and efficiency (heat rate) of power plants are largely determined by the performance of the surface condenser, a key component in the cooling water system. Operational issues and fouling of surface condensers force power customers to use more fuel and water to produce electric power. Through advanced analytics, the OMNI Condenser Performance program uses key performance data from the condenser, as well as leading indicators from 3D TRASAR™ Technology, to assess current performance and predict future issues so they can be prevented. This allows our customers to efficiently produce more energy, use less water and fuel, and lower their total cost of operation.
- **HAND HYGIENE COMPLIANCE MONITORING SYSTEM:** Hand hygiene is the first defense against healthcare-associated infections (HAIs), yet studies show healthcare workers are less than 40 percent compliant. Through an integrated system of healthcare worker badges, hand hygiene dispensers, and bed monitors, this solution can help hospitals accurately monitor hand hygiene to increase compliance and reduce the risk of HAIs. Data is compiled

to track performance by individual, department, hospital or system to identify compliance trends and improve performance

- **SMARTPOWER™:** Changing food preferences and increasing operating costs are driving restaurateurs to take a closer look at every aspect of their operations. Operators want warewashing to deliver more than clean place settings. They want a process that reduces labor, water and energy costs to help boost profit margins. The SMARTPOWER Program includes a full line of warewashing products, on-site digital monitoring of the dishmachine's performance and Ecolab personalized service. The program enables customers to clean wares in one cycle, reducing hand-polishing and rewash, and delivering labor, water and utility cost savings.
- **KAY® PROTECT PROGRAM:** With more fresh-food items being added to quick service restaurant menus, food safety issues that were once prevented with frozen products have become more difficult to manage. To reduce risks, operators are turning to digital platforms to replace paper reports. The result: checklists can be more easily managed and shared, reminders can be set at the store level, and risks can be flagged quickly. Kay Protect automates food safety checklists and integrates data across sources, such as food safety audits, health department inspections, and cleaning and sanitation product usage. It provides quick service operators with real-time, actionable insights to protect against sanitation challenges, while speeding operations and improving data visibility and accuracy.
- **OMNI™ HEAT EXCHANGER PERFORMANCE PROGRAM:** The efficiency of process-critical heat exchangers is the bottleneck of the chemical production process. It directly impacts production rates and the overall cost of operation for manufacturers. For years, customers have relied on past performance to guide maintenance and outage routines. This solution provides the insights customers need to make the right decision at the right time. OMNI combines sensor data, simulation tools and analytics to maximize performance and deliver a step-change in reliability and profitability. It helps our customers extend asset life, prevent unscheduled downtime, use water more efficiently, and reduce overall power consumption.
- **ULTRASIL™ MEMBRANECARE 2.0:** Dairy manufacturing customers face many challenges in cleaning membranes. First, the surface is like a sponge and difficult to wash out, so it takes a long time and lots of water and energy to clean. Second, the membrane collects fats, carbohydrates, protein and microorganisms, and the chemistry must address them all. And third, harsh cleaning solutions can change membrane characteristics, leading to production and efficacy loss - and costly replacement. Ecolab's Ultrasil MembraneCare 2.0 is an environmentally friendly, membrane-cleaning program that significantly reduces residue risks, increases membrane life, enhances the productivity of membrane filtration units, and reduces the consumption of energy and water throughout the cleaning process.
- **CORROSION INHIBITOR CORR 11540A:** This proprietary offering helps increase production and reduce environmental impact through a combination of patented Clean n Cor technology and a new non-corrosive iron sulfide dissolver that is 30 percent more effective at two-thirds the dosage rate of existing products.
- **ECOLAB HIGH-TEMPERATURE (EHT) DISHMACHINE:** To ensure the proper temperature for clean, sanitized ware and to reduce spotting, streaking and filming on glassware,

customers previously had to select manual settings on their dishmachines. This was time-consuming and if the settings were incorrect, it could lead to rewash and higher water and energy usage. The Ecolab High-Temperature (EHT) Dishmachine features automated procedures that help reduce reliance on the dishmachine operator to maintain a clean tank and ensure wares are cleaned the first time. In addition, SMARTCYCLE™ racks automatically adjust the wash cycle based on the type of wares in the rack, and high-pressure rinse technology helps lower water and energy usage up to 50 percent.

## **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>.

For specific information on Ecolab's 2017 environmental performance and practices related to Principle 9 refer to refer to Ecolab's 2017 Corporate Sustainability Report GRI G4 Index, disclosures G4-EN6, G4-EN7, G4-EN19.

## **ROBUST ANTI-CORRUPTION MANAGEMENT POLICIES AND PROCEDURES**

### **Principle 10: Anti-corruption**

*Businesses should work against corruption in all its forms, including extortion and bribery*

Ecolab is committed to maintaining the highest ethical and leadership standards. Our Code of Conduct and Anti-Corruption Policy applies to 100 percent of our employees, contractors and subsidiaries. First adopted in 1976, our Code of Conduct serves as a guide for how to act and make decisions as an employee of Ecolab. The Code of Conduct 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)

As part of the company's Internal Audit program, approximately 40 audits are completed each year focusing on internal/financial controls and operational processes, out of an audit population of approximately 145 auditable units (including countries, divisions and departments). Of these units, approximately 65 are individual country operating locations which are audited over a 4-5-year cycle. In these "operational audits", procedures include testing related to controls relevant to Ecolab's anti-corruption program. In addition, four anti-corruption specific audits were completed in 2017 as part of Ecolab's anti-corruption program.



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.

Ecolab's anticorruption policies and procedures are communicated through the annual Code of Conduct training, which is mandatory for substantially all employees and contingent workers globally. They 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 anti-corruption training and certification is also mandatory for leaders in divisional and functional key roles, and with market, regional or global responsibilities. More detailed in-person anti-corruption training is provided to senior leaders in many markets within all regions – Europe, MEA, Greater China, Asia Pacific and Latin America.

In addition to this training, which is provided to market and regional leaders, certain global business-unit managers receive the anti-corruption 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 2017 practices to support Principle 10 refer to refer to Ecolab's [2017 Corporate Sustainability Report GRI G4 Index](#), disclosures G4-56, G4-SO3, G4-SO4, and G4-SO6.

## **MATERIALITY ASSESSMENT**

### **MATERIALITY AND RELEVANCE ASSESSMENT PROCESS**

As a company, we employ a multifaceted process to determine material issues in order to align materiality with our company's and customers' key business drivers, and to inform our corporate strategy and reporting of these issues as required in our 10-K and GRI Index. Ecolab's annual enterprise "Assessment of Significant Business Risks" provides the foundation for assessing the materiality of issues to our business and our shareholders.

The annual enterprise "Assessment of Significant Business Risks" is conducted using a survey tool designed to identify strategic, operational, financial and compliance-related risks to the company. Risks are documented along with the likelihood and impact of their occurrence. An audit-services vice president manages the process, and the results are presented to the executive management team and Ecolab's Board of Directors. The most significant business risks are reported publicly through the company's annual 10-K filing. These risks and opportunities did not change significantly from the previous reporting period. For more information our materiality assessment, please refer to pages 12-17 in our [2017 GRI Index](#).

## **STAKEHOLDER ENGAGEMENT**

In order to garner a comprehensive understanding of risks and opportunities, we engage in an ongoing dialogue with a diverse set of stakeholders to assess the relevance of sustainability-specific issues. Our annual stakeholder-engagement process includes employees, customers, investors and relevant external groups.

### **Employees**

We strive to make Ecolab a place where talented and capable people are inspired, motivated and fully engaged in their work. Our associates drive innovation, support business growth and provide personally-delivered service and on-the-ground support at more than 1 million customer locations. The perspectives of our associates are critical to our success and inform our business strategy. Our annual Assessment of Significant Business Risks process includes interviews and surveys of leadership across business units and functions, including:

- Operation heads across businesses
- Human resources
- Supply chain and procurement
- Research, Development and Engineering (RD&E) and product development
- Marketing
- Finance, risk, legal and regulatory affairs

### **Customers**

Our relationships with many of the world's biggest brands give us a unique opportunity to



understand the risks and opportunities facing a wide range of industries all around the world. We learn from our customers – the challenges they face and the results they desire – and we use this knowledge to drive innovation and help them achieve their business and sustainability goals. What matters to our customers, matters to us. In addition to our daily interactions, we employed the following strategies to inform customer-specific risks and opportunities in 2017:

- Annual enterprise business reviews: Every year, we conduct a thorough review of our partnerships with each customer to measure our impact over the past year and assess key business drivers to shape future strategies.
- Active participation in industry organizations, including AISE, American Chemistry Council, American Cleaning Institute, American Hotel and Lodging Association (AHLA), Association for Iron and Steel Technology (AISTech), Corporate Eco Forum, Food Marketing Institute, Greenview, Grocery Manufacturers Association, Household and Commercial Products Association, International Tourism Partnership, National Association for Environmental Management, National Association of Manufacturers, National Restaurant Association, Society of Corporate Compliance and Ethics, Steel Manufacturers Association, and the Sustainable Purchasing Leadership Council.

### **Investment Community**

As a publicly traded company, we place a priority on the opinions of our shareholders. We engage in dialogue with our stakeholders each year at our annual shareholder meeting.

### **Society**

Our ability to provide and protect clean water, safe food, abundant energy and healthy environments is strengthened through our partnerships with reputable global NGOs. Through these partnerships, we strengthen our understanding of global trends impacting our business, customers and communities around the world. In 2017, we actively engaged with relevant organizations, and these partnerships influenced our assessment of our company's risks and opportunities related to society.

Our NGO partnerships in 2017 included the UN Global Compact and CEO Water Mandate, Alliance for Water Stewardship, The Nature Conservancy, The Project WET Foundation, World Resources Institute, and the Corporate Executive Board.

## **COMMITTED TO SUSTAINABLE OPERATIONS AND CONTINUOUS IMPROVEMENT**

### **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.

#### 2017 Environmental Performance

- GHG Emissions: -4.3 per \$MM sales, from 2015 baseline
- Water Consumption: +0 per \$MM sales, from 2015 baseline

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 expertise of our Nalco Water service engineers, unique auditing and monitoring capabilities, and customized solutions to deliver substantial reductions in water and energy consumption.

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.

Refer to page 23 of this document and page 30 of our [2017 GRI report](#) for more details on the projects completed in 2017.

### **OUR COMMITMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**

We are dedicated to supporting partnerships and programs that fulfill the United Nations Sustainable Development Goals. While we support several goals, our efforts are primarily devoted to Goal 6 – to ensure the availability and sustainable management of water and sanitation for all – where we believe we can have the greatest impact.

Our technologies help customers save billions of gallons of water each year. Our Water Risk Monetizer, a publicly available tool, helps businesses determine the true value of water so they can make the business case for water stewardship. And our In the Blue diagnostic tool helps customers assess where they are on a four-stage water maturity curve, so they can adopt smart water management strategies and get to a truly circular water model.

Our partnerships are aligned with these goals. We have close relationships with a range of NGOs, other organizations and programs that support water stewardship and access to safe, clean water,

including the Alliance for Water Stewardship, Project WET, the CEO Water Mandate, The Nature Conservancy and the Minnesota Headwaters Fund.

Ecolab sponsored the China Urban Water Blueprint, a report from The Nature Conservancy that analyzes the state of water resources in China's 30 largest and fastest growing cities and offers science-based recommendations for natural solutions. Ecolab's funding also supported The Nature Conservancy's efforts to protect key lands and waters in Minnesota, Shanghai, and Monterrey, Mexico. For more on these efforts, see page 27 in our [2017 Corporate Sustainability Report](#).

## SUPPLY CHAIN AND WATERSHED MANAGEMENT

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.

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 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)). Ecolab continues to actively refresh the tool with updated data as available and evaluate opportunities to improve the WRM with enhancements and new features.

In 2017, we evaluated 100 percent of our direct operations. We removed facilities where we estimate for water data and production 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 148 manufacturing and campus/technology center facilities, representing 95 percent of our total global water withdrawal 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 WRM. Based on this methodology, 24 facilities, representing less than 9 percent of our total water withdrawal and 15 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).

## OUR APPROACH TO PRODUCT STEWARDSHIP

**Ecolab’s Product Sustainability Position:** *Ecolab develops programs that reduce or prevent human and environmental exposure to hazards and risks in chemical products through safer solid and liquid chemistry, packaging and dispensing systems.*

Ecolab’s product Sustainability team (RD&E Corporate Scientist) and Regulatory affairs (Director Product Safety & Stewardship) closely partner to implement programs such as our Outcome Based Product Sustainability platform.

We are committed to safety in our operations and to developing products that are safe for our customers and their intended application. We pay careful attention to ingredient responsibility, human health and environmental impact, without compromising performance. 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.

Our health and safety procedures for product formulation start with raw materials. Ecolab’s Product Safety Team screens all raw materials for chemicals of concern and each raw material is reviewed for regional and global chemical inventory compliance, in addition to our beyond regulatory chemical reduction targets. This process informs final product safety analysis and safety data sheets (SDSs) for all Ecolab products.

We recognize the need to better understand the impacts of our products and to document and clearly communicate these impacts to key stakeholders. Through a range of programs and initiatives, we continuously work to identify opportunities for improvement. This work begins with our global chemical substance portfolio.

We collect information on the substance composition of all of our ingredients. Our state-of-the-art Enterprise Resource Planning (ERP) system is central to this effort, enabling us to store and manage complete product formulations in our database, down to parts per million (ppm):

- The system ensures that our products comply with all relevant regulations in the regions where they are sold and is supported by more than 200 subject matter experts in 35 countries.
- Products and ingredients are reviewed against regional and global restricted substance lists (RSLs) embedded in our ERP system.
- The broad group of RSLs includes more than 400 lists, both those associated with regulatory compliance requirements as well as lists that exceed compliance requirements, such as those specified by the Dow Jones Sustainability Index.

Our comprehensive database enables us to view, manage and report on our substance portfolio globally. To benchmark these efforts, Ecolab participates in the Chemical Footprint Project, a nonprofit effort with a mission to transform global chemical use by measuring and disclosing data on progress to safer chemicals.

Our outcome-based approach to product design is driving Ecolab beyond compliance and will support the increased transparency requested by customers, governments, investors and nongovernmental organizations (NGOs). Our solutions are evaluated according to key human health and safety criteria and based on clearly defined product stewardship principles so that they can be embedded in the product development process across our organization. For more information, please refer to pages 85-88 in our [2017 GRI Index](#).

## 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.

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.

At the end of 2017, we achieved our second and third AWS certifications for Ecolab's manufacturing facilities in City of Industry and Carson, both located in water-stressed southern California. In September 2015, our Taicang, China, plant became the first facility in the world to be certified under the AWS Standard.

## **\$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. In 2017, Ecolab continued its work with The Nature Conservancy. This 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. In 2017, this work continued. This fund has targeted conservation projects that protect 6000 acres of forests and wetlands, to provide clean water to more than 1.4 million people. The 2017 conservation work included focus in four primary watersheds: Anoka Sand Plain, Crow Wing River, Sauk River and the St. Croix River.
- 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 2017, volunteers from Ecolab joined TNC to plant 500 trees to help with reforestation of the pine forest, building on the successful tree planting the company supported in 2015 and 2016. 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. With Ecolab's support, The Nature Conservancy China, has made progress on groundbreaking work focused on sustainable water systems. This includes making headway on the development of source water protection programs for the Dongjiang River Basin and the Qiandao Lake Basin, and exploration of a 'sponge city' program in Shanghai.

## 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.



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.

## **PUBLIC POLICY**

Ecolab works with policy makers and legislators to identify and support key programs and policy agendas to improve water quality and water efficiency. We also support the development and voluntary implementation of international water standards to improve water stewardship and mitigate our customers' 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.

At the United States federal level, we have sought to advance provisions to support innovation and drive water reuse and energy efficiency. For example, Ecolab has sought to highlight the use of non-potable water for industrial water reuse programs to achieve greater water savings through legislation.

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 seeks to enhance our participation in the United States Department of Commerce online Environmental Toolkit, which communicates our most recent solutions with foreign environmental officials and customers attempting to tackle water scarcity and water quality concerns in their respective countries.

In 2017, we helped establish a CEO Water Alliance through the US India Partnership Forum, a program designed to drive public policy on water management and support the use of best practices and technology.

In 2017, Ecolab, through our Nalco Water business, continued to identify opportunities for smarter industrial water management throughout Europe. Ecolab worked with the European Commission, Parliament and Member States with the goal of boosting water efficiency and industrial water reuse, emphasizing both the quality and the quantity of reused water. For example, Ecolab helped support several revisions to the EU Energy Efficiency Directive and the Energy Performance of Buildings Directive to bring attention to the relationship between water and energy use and the opportunities for industry to reduce water and energy use.

## **COMMUNITY ENGAGEMENT**

Ecolab is an industry leader in the area of water stewardship. Our more than 48,000 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.

Since 1986, the Ecolab Foundation has implemented community impact programs to support the communities where our employees live and work, focusing on giving to local non-profit



organizations in the areas of youth and education, civic and community development, arts and culture and environment and conservation. Since the inception of the Ecolab Foundation, the company has contributed more than \$101 million to non-profit organizations. In 2017, Ecolab contributed more than \$14 million to local communities through corporate giving, in-kind donations and the value of employee volunteerism.

Through our Community Relations Council, 67 percent of our United States manufacturing locations have implemented local community engagement programs. Through corporate giving initiatives, 100 percent of our United States corporate facilities have implemented local community engagement programs. Globally, all Ecolab employees have access to team volunteer grants to implement community volunteer programs through approved partners. Specific examples of how our commitment to giving back impacts local communities include:

- Ecolab's Visions for Learning program provides grants to teachers to augment student curriculum in their classrooms to directly impact learning and achievement. Since the inception of this program in 1986, nearly \$15 million in grants have supported teachers and students in communities where Ecolab has significant operations. In 2017, \$1 million in grants was distributed to 571 classrooms in schools across the United States, positively impacting more than 154,000 students. Grant seekers are required to indicate demographics of their school's population including students who receive free and reduced lunch (the generally accepted marker for low-income households) as well as an ethnic breakdown of the school's student population. This information provides Ecolab's review committees with a snapshot of the socioeconomic status of the school population to help ensure funds are reaching students most in need.
- In St. Paul, Minn., the location of Ecolab's world headquarters, 53 percent of our local Youth and Education contributions directly supported the Saint Paul Public Schools (SPPS) in 2017 (Youth and Education programs represented 36 percent of the Foundation's total budget in 2017). Our significant partnership with St. Paul Public Schools helps drive improved graduation rates, as well as college preparation and access for local students. In a press release dated February 2018, SPPS reported, "Last year (in 2017) high school graduation rates increased nearly a full percentage point better than in 2016 (up to 77 percent graduating within four years).
- In 2017, Ecolab provided \$1.1 million of direct and indirect funding for grants to community partners that work with Saint Paul Public Schools where 70 percent of students are eligible for free or reduced-price lunch. Ecolab has targeted partnerships with schools on the West side of St. Paul where Ecolab supports programming at Humboldt Schools, Riverview West Side School of Excellence, and Cherokee Heights Elementary School. Examples of directly funded initiatives include college preparatory and access programs (AVID and College Possible), S.T.E.M. in class and out-of-class offerings and subsidized admission to Performing Arts Organizations.

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 25-26 of this report) and the Project WET Foundation.

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.

This free curriculum has reached more than 6.8 million individuals in 72 countries with its fun, hands-on lessons about water conservation and healthy hygiene practices. The Clean and Conserve curriculum is available in Spanish, Mandarin and German in addition to English and includes an activity guide for teachers (also in Canadian French and Brazilian Portuguese), a children's storybook, an activity book for elementary and middle school students and a science project guide for high school students. These resources along with training videos can be downloaded free of charge at [www.projectwet.org/cleanandconserve](http://www.projectwet.org/cleanandconserve). Additionally, "Soap and Water Science" teaches children how to protect themselves from germs with fun, online activities at [www.discoverwater.org](http://www.discoverwater.org).

## DISASTER RESPONSE

As the world's leading supplier of cleaning and sanitizing products and solutions, Ecolab is very proud of our in-kind donation program where we annually donate needed cleaning and health and sanitizing products to organizations in areas where natural disasters have occurred, benefiting thousands. In 2017, more than \$5 million worth of Ecolab product donations went to worldwide relief efforts in partnership with our disaster response partners World Emergency Relief and Good360. This included donations of more than 80 truckloads of clean-up supplies - including Ecolab products - to areas affected by the hurricanes and earthquakes. We set up and staffed supply pick-up centers at our offices in Texas, Florida, Bayamon and Mexico City. Other donations distributed around the globe: Angola, Argentina, British Virgin Islands, Cambodia, Moldova, Puerto Rico, Romania, and Sierra Leone.

## TRANSPARENCY

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.

In addition to our annual Communication on Progress, Ecolab's comprehensive [2017 Corporate Sustainability Report \(GRI Index\)](#), for reporting period 1 January through 31 December 2017, 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 <http://www.ecolab.com/sustainability/download-sustainability-reports>.

For 2017, Ecolab advanced its dedication to transparency by completing third-party verification by Bureau Veritas North America (BNVA) of its publicly reported 2017 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 CDP Water Information Request in 2016 and 2017. 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.