

# 2018 CORPORATE SUSTAINABILITY REPORT GRI INDEX

## 2018 KEY FIGURES

ECOLAB'S 2020 SUSTAINABILITY GOALS FROM 2015 BASELINE	2018 PERFORMANCE
Reduce water withdrawals by 25% per \$M sales	Water withdrawal: -1.4% per \$M sales
Reduce greenhouse gas emissions by 10% per \$M sales	GHG emissions: -8.4% per \$M sales

### GENERAL INFORMATION

	UNITS	2015	2016	2017	2018
Ratio denominator: Global sales	\$M (adjusted)	13,545	13,272	13,894	14,335
Global employees	Number	40,785	47,020	47,699	49,606

### WATER WITHDRAWAL AND DISCHARGE

	UNITS	2015	2016	2017	2018
Global water withdrawal	Cubic meters	9,232,810	9,227,996	9,329,077	9,637,271
Water withdrawal intensity	Cubic meter/ \$M	682	695	671	672
Total water recycled and reused	Cubic meters	104,175	112,893	132,926	131,937
Global water discharge	Cubic meters	6,549,316	6,996,354	6,737,093	7,114,678
Water discharge intensity	Cubic meter/ \$M	484	527	485	496

For more information, reference indicators 303-1, 306-1.

### GREENHOUSE GAS (GHG) EMISSIONS

	UNITS	2015	2016	2017	2018
Scope 1 (direct) emissions	MT CO <sub>2</sub> e	396,380	393,785	397,508	409,173
Direct and indirect emissions intensity	MT CO <sub>2</sub> e/\$M	53.9	53.5	51.0	49.5
Scope 1 (direct) emissions intensity	MT CO <sub>2</sub> e/\$M	29.3	29.7	28.6	28.5
Scope 2 (indirect) market-based emissions intensity	MT CO <sub>2</sub> e/\$M	21.4	20.5	19.4	17.9
Scope 3 (other indirect) emissions intensity	MT CO <sub>2</sub> e/\$M	3.25	3.31	2.95	3.05

For more information, reference indicators 305-1, 305-2, 305-4.

### ENERGY AND ELECTRICITY

	UNITS	2015	2016	2017	2018
Direct energy consumed	GJ	6,516,374	6,482,253	6,575,720	6,802,126
Indirect energy consumed	GJ	2,081,929	2,115,051	2,114,329	2,199,590
Energy use	GJ	8,598,310	8,597,304	8,690,050	9,001,716
Electricity use	GJ	1,665,460	1,655,869	1,661,341	1,726,456
Energy used intensity	GJ/\$M	635	648	625	628
Electricity used intensity	GJ/\$M	123	125	120	120

For more information, reference indicators 302-1, 302-3.

### WASTE AND MATERIALS

	UNITS	2015	2016	2017	2018
Nonhazardous solid waste	MT	30,721	31,485	29,351	28,368
Hazardous solid waste	MT	49,603	46,811	48,958	48,748
Nonhazardous solid waste intensity	MT/\$M	2.27	2.37	2.11	1.98
Hazardous waste intensity	MT/\$M	3.66	3.53	3.52	3.40
Solid recycled material	MT	10,345	6,157	6,119	6,224
Raw material used (nonrenewable)	MT	2,404,401	2,308,129	2,359,056	2,384,020

For more information on waste, reference indicators 306-2. For more information on materials, reference indicators 301-1, 301-3.

### NOX AND SOX EMISSIONS

	UNITS	2015	2016	2017	2018
NOx (Nitrogen oxides) emissions	MT	1,148	1,108	1,091	1,100
SOx (Sulfur oxides) emissions	MT	6.80	5.68	5.62	3.74
NOx emissions intensity	MT/\$M	0.085	0.084	0.079	0.077
SOx emissions intensity	MT/\$M	0.000503	0.000429	0.000404	0.000260

For more information, reference indicator 305-7.

### SAFETY METRICS

	UNITS	2017	2018	% CHANGE
Total recordable injury rate	Number of injuries and illnesses per 100 workers	1.17	1.13	-3%
Total vehicle accident rate	Per million miles driven	3.09	3.08	0%
Occupational illness frequency rate	Per million working hours	0.06	0.08	33%
Severe vehicle accident rate	Severe vehicular accidents per million miles driven	0.12	0.12	0%
Lost time injury rate*	Lost days per 100 workers	0.83	0.79	-5%

\*Includes North America only. For more information on safety metrics, reference indicator 403-2.

# GLOBAL REPORTING INITIATIVE (GRI) INDEX

This report was prepared in accordance with the Global Reporting Initiative's GRI Standards Core option. For more information, please visit [www.globalreporting.org](http://www.globalreporting.org).

## GRI 102: GENERAL DISCLOSURES

### ORGANIZATIONAL PROFILE

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
102-1	Name of the organization	Fully	Ecolab
102-2	Activities, brands, products, and services	Fully	Ecolab's 2018 Annual Report and Form 10-K, page 1
102-3	Location of headquarters	Fully	Ecolab Global Headquarters 1 Ecolab Place St. Paul, MN 55102
102-4	Location of operations	Fully	Ecolab's 2018 Annual Report and Form 10-K, page 21-22
102-5	Ownership and legal form	Fully	Ecolab's 2018 Annual Report and Form 10-K
102-6	Markets served	Fully	Ecolab's 2018 Annual Report and Form 10-K, pages 3-7
102-7	Scale of the organization	Fully	Page 18
102-8	Information on employees and other workers	Fully	Pages 19-20
102-9	Supply chain	Fully	Page 20
102-10	Significant changes to the organization	Fully	Page 20
102-11	Precautionary principle or approach	Fully	Page 21
102-12	External initiatives	Fully	Page 21
102-13	Membership of associations	Fully	Page 22

### STRATEGY

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
102-14	Statement from senior decision-maker	Fully	Ecolab 2018 Corporate Sustainability Report, page 1
102-15	Key impacts, risks, and opportunities	Fully	Page 22; Ecolab's 2018 Annual Report pages 16-20

### ETHICS AND INTEGRITY

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
102-16	Values, principles, standards, and norms of behavior	Fully	Page 23
102-17	Mechanisms for advice and concerns about ethics	Fully	Page 23

## GOVERNANCE

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
102-18	Governance structure	Fully	Page 24

## STAKEHOLDER ENGAGEMENT

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
102-40	List of stakeholder groups	Fully	Page 24
102-41	Collective bargaining agreements	Fully	Page 24
102-42	Identifying and selecting stakeholders	Fully	Page 24
102-43	Approach to stakeholder engagement	Fully	Page 24
102-44	Key topics and concerns raised	Fully	Page 24

## REPORTING PRACTICE

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
102-45	Entities included in the consolidated financial statements	Fully	Ecolab's 2018 Annual Report and Form 10-K
102-46	Defining report content and topic boundaries	Fully	Pages 11-16
102-47	List of material topics	Fully	Pages 11-16
102-48	Restatements of information	Fully	Page 17
102-49	Changes in reporting	Fully	Page 17
102-50	Reporting period	Fully	1 January - 31 December 2018
102-51	Date of most recent report	Fully	2017
102-52	Reporting cycle	Fully	Annual
102-53	Contact point for questions regarding the report	Fully	<a href="mailto:sustainability@ecolab.com">sustainability@ecolab.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	Fully	This report has been prepared in accordance with the GRI Standards: Core option
102-56	External assurance	Fully	Page 25

## GRI 200: ECONOMIC

### ECONOMIC PERFORMANCE (GRI 201)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
201-1	Direct economic value generated and distributed	Fully	Ecolab's 2018 Annual Report and Form 10-K, page 2
201-2	Financial implications and other risks and opportunities due to climate change	Fully	Ecolab's 2018 Annual Report and Form 10-K, pages 16-20
201-3	Defined benefit and other retirement plans	Fully	Ecolab's 2018 Annual Report and Form 10-K, pages 28
201-4	Financial assistance received from government	Fully	Page 25

## MARKET PRESENCE (GRI 202)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Fully	Page 26
202-2	Proportion of senior management hired from the local community	Fully	Page 26

## INDIRECT ECONOMIC IMPACTS (GRI 203)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
203-1	Infrastructure investments and services supported	Fully	Page 26
203-2	Significant indirect economic impacts	Fully	Page 26

## PROCUREMENT PRACTICES (GRI 204)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
204-1	Proportion of spending on local suppliers	Fully	Page 27

## ANTI-CORRUPTION (GRI 205)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
205-1	Operations assessed for risks related to corruption	Fully	Page 27
205-2	Communication and training about anti-corruption policies and procedures	Fully	Page 27
205-3	Confirmed incidents of corruption and actions taken	Not reported	Data unavailable

## ANTI-COMPETITIVE (GRI 206)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Fully	Page 27

## GRI 300: ENVIRONMENTAL

### MATERIALS (GRI 301)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
103-2	Environmental Management Approach	Fully	Pages 28-33
301-1	Materials used by weight or volume	Fully	Page 34
301-2	Recycled input materials used	Not reported	Data unavailable
301-3	Reclaimed products and their packaging materials	Fully	Page 34

## ENERGY (GRI 302)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
302-1	Energy consumption within the organization	Fully	Pages 35-36
302-2	Energy consumption outside of the organization	Fully	Page 36
302-3	Energy intensity	Fully	Page 36
302-4	Reduction of energy consumption	Fully	Page 37
302-5	Reductions in energy requirements of products and services	Fully	Pages 37-39

## WATER (GRI 303)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
303-1	Interactions with water as a shared resource	Fully	Pages 40-41
303-2	Management of water discharge-related impacts	Not reported	Not reported
303-3	Water withdrawal	Fully	Page 42
303-4	Water discharge	Fully	Page 43
303-5	Water consumption	Not reported	Not reported

## BIODIVERSITY (GRI 304)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Fully	Page 44
304-2	Significant impacts of activities, products, and services on biodiversity	Fully	Page 44
304-3	Habitats protected or restored	Fully	Pages 44-45
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Fully	Page 45

## EMISSIONS (GRI 305)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
305-1	Direct (Scope 1) GHG emissions	Fully	Page 45
305-2	Energy indirect (Scope 2) GHG emissions	Fully	Page 46
305-3	Other indirect (Scope 3) GHG emissions	Fully	Page 46
305-4	GHG emissions intensity	Fully	Page 47
305-5	Reduction of GHG emissions	Fully	Page 47
305-6	Emissions of ozone-depleting substances (ODS)	Fully	Page 47
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Fully	Page 48

## EFFLUENTS AND WASTE (GRI 306)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
306-2	Waste by type and disposal method	Fully	Pages 49-50
306-3	Significant spills	Fully	Page 50
306-4	Transport of hazardous waste	Fully	Page 50
306-5	Water bodies affected by discharges and/or runoff	Fully	Page 50

## ENVIRONMENTAL COMPLIANCE (GRI 307)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
307-1	Non-compliance with environmental laws and regulations	Fully	Page 51

## SUPPLIER ENVIRONMENTAL ASSESSMENT (GRI 308)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
308-1	New suppliers that were screened using environmental criteria	Fully	Page 51
308-2	Negative environmental impacts in the supply chain and actions taken	Fully	Page 51

## GRI 400: SOCIAL

### EMPLOYMENT (GRI 401)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
103-2	Social Disclosure of Management Approach	Fully	Pages 52-53
401-1	New employee hires and employee turnover	Fully	Pages 54-55
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Fully	Page 55
401-3	Parental leave	Fully	Page 55

### LABOR/MANAGEMENT RELATIONS (GRI 402)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
402-1	Minimum notice periods regarding operational changes	Fully	Page 56

### OCCUPATIONAL HEALTH AND SAFETY (GRI 403)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
403-1	Workers representation in formal joint management-worker health and safety committees	Data not available	Data not available

403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Fully	Page 56
403-3	Workers with high incidence or high risk of diseases related to their occupation	Fully	Page 57
403-4	Health and safety topics covered in formal agreements with trade unions	Fully	Page 57

## TRAINING AND EDUCATION (GRI 404)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
404-1	Average hours of training per year per employee	Fully	Page 57
404-2	Programs for upgrading employee skills and transition assistance programs	Fully	Pages 57-59
404-3	Percentage of employees receiving regular performance and career development reviews	Fully	Page 58

## DIVERSITY AND EQUAL OPPORTUNITY (GRI 405)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
405-1	Diversity of governance bodies and employees	Fully	Pages 59-61
405-2	Ratio of basic salary and remuneration of women to men	Partially	Page 61

## NON-DISCRIMINATION (GRI 406)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
406-1	Incidents of discrimination and corrective actions taken	Not reported	We do not report on this disclosure because the information is proprietary

## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (GRI 407)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Fully	Page 61

## CHILD LABOR (GRI 408)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
408-1	Operations and suppliers at significant risk for incidents of child labor	Fully	Pages 61-62



## FORCED OR COMPULSORY LABOR (GRI 409)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Fully	Page 62

## SECURITY PRACTICES (GRI 410)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
410-1	Security personnel trained in human rights policies or procedures	Fully	Page 63

## RIGHTS OF INDIGENOUS PEOPLES (GRI 411)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
411-1	Incidents of violations involving rights of indigenous peoples	Not reported	Data unavailable

## HUMAN RIGHTS ASSESSMENT (GRI 412)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
412-1	Operations that have been subject to human rights reviews or impact assessments	Fully	Page 64
412-2	Employee training on human rights policies or procedures	Fully	Page 64
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not reported	Data unavailable

## LOCAL COMMUNITIES (GRI 413)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
413-1	Operations with local community engagement, impact assessments, and development programs	Fully	Pages 64-65
413-2	Operations with significant actual and potential negative impacts on local communities	Fully	Page 66

## SUPPLIER SOCIAL ASSESSMENT (GRI 414)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
414-1	New suppliers screened using social criteria	Fully	Pages 66-67
414-2	Negative social impacts in supply chain and actions taken	Fully	Page 67

## PUBLIC POLICY (GRI 415)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
415-1	Political contributions	Fully	Page 68

## CUSTOMER HEALTH AND SAFETY (GRI 416)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
416-1	Assessment of the health and safety impacts of product and service categories	Fully	Page 68
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Fully	Page 68

## MARKETING AND LABELING (GRI 417)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
417-1	Requirements for product and service information and labeling	Fully	Page 68
417-2	Incidents of non-compliance concerning product and service information and labeling	Fully	Page 69
417-3	Incidents of non-compliance concerning marketing communications	Fully	Page 69

## CUSTOMER PRIVACY (GRI 418)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Fully	Page 69

## SOCIOECONOMIC COMPLIANCE (GRI 419)

GENERAL DISCLOSURES	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER
419-1	Non-compliance with laws and regulations in the social and economic area	Fully	Page 69

# MATERIALITY ASSESSMENT

## SUSTAINABILITY GOVERNANCE AND APPROACH

At Ecolab, sustainability is core to our business strategy. We deliver sustainable solutions that help companies around the world achieve business results while minimizing environmental and social impact. The work we do matters, and the way we do it matters to our employees, customers, investors and the communities in which we and our customers operate.

We know that our greatest impact is through our products and services. With that in mind, we focus on continuously innovating to optimize both our own operations and the solutions we provide to customers, aligning with our corporate strategy to address some of the world's most pressing and complex sustainability challenges.

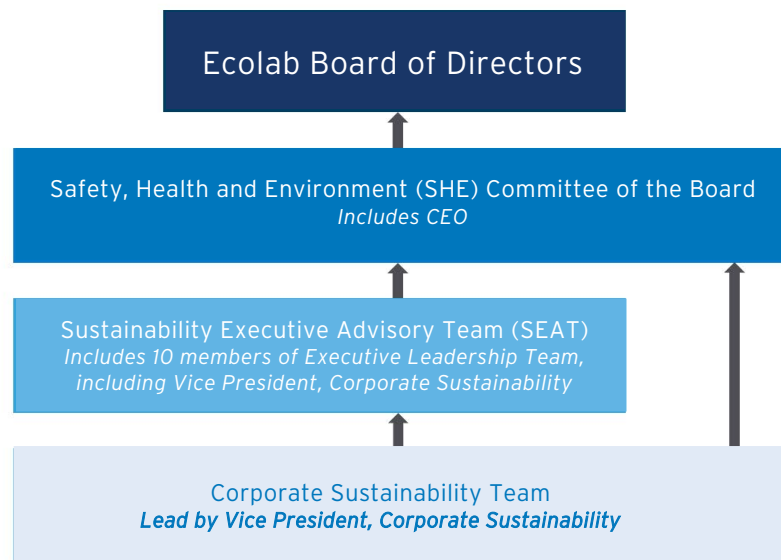
Ecolab's Safety, Health and Environment (SHE) Committee of the Board, of which the CEO is a member, oversees all sustainability matters. The SHE Committee is responsible for reviewing and overseeing the company's SHE and sustainability policies, programs and practices that affect, or could affect, Ecolab employees, customers, stockholders, and neighboring communities. This Committee reports to the Board of Directors and provides updates to the Board on the company's implementation of and progress against its sustainability goals.

Ecolab's sustainability strategy is governed by the Sustainability Executive Advisory Team (SEAT). The SEAT is made up of 10 members of the company's executive leadership including the Vice President of Corporate Sustainability.

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. Outputs of these quarterly meetings are reported by the Vice President of Corporate Sustainability to the SHE Committee of the Board.

The Board of Directors then receives an annual presentation from the SHE Committee on the company's progress against its sustainability goals, and implementation of projects and related activities.

The parameters of our 2018 Corporate Sustainability Report and GRI Index have been established based on a strategic assessment of the issues that our stakeholders care most about, are of greatest relevance to our business strategy and impact our ability to deliver on our promise to make the world cleaner, safer and healthier.



## SUSTAINABILITY MATERIALITY ASSESSMENT

### Materiality and Relevance Assessment Process

We employ a multifaceted process to determine material sustainability issues that align with our company's and customers' key business drivers and 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 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.

In 2016 and through the beginning of 2017, we conducted a formal process to reassess sustainability issues of material significance and relevance to our stakeholders to inform our corporate sustainability strategy and reporting activities. The scope of this work was designed to:

1. Update critical risk and opportunity drivers and issues across our businesses which may have changed over time,
2. Evaluate the nature of potential impacts, the level of stakeholder concern and our ability to affect and/or manage these issues,
3. Consider the disclosure topics in Sustainability Accounting Standards Board's (SASB) Chemicals Sustainability Accounting Standard in our business and reporting activities,
4. Differentiate between material and relevant topics for reporting in our financial and sustainability-focused reports, and
5. Refresh the ranking and prioritization of topics of relevance to our stakeholders for management action and disclosure.

## Differentiating Between Material and Relevant Risks and Opportunities

Using the results of our Assessment of Significant Business Risks as a foundation, Ecolab evaluated the materiality of the Sustainability Accounting Standards Board (SASB) topics to its business with a set of internal stakeholders from key segments across our business to determine the level of alignment with existing reporting coverage. Alignment was determined and differentiated using the SEC's definition of materiality<sup>1</sup> for inclusion in our 10-K and the GRI's definition of materiality and relevance<sup>2</sup> as used in this report, for inclusion in our GRI Index.

Ecolab uses the same definition framework for evaluating and reporting any climate-related risks and opportunities, which are assessed within our Enterprise Risk Management process and Annual Business Significance Risks Assessment and aligned with the recommendations of the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD).

Ecolab is evaluating further application of the recommendations of the TCFD over the next three to five years, in alignment with the recommended timeframe from the TCFD.

<sup>1</sup> Material issues are matters that "either individually or in the aggregate, are important to the fair representation of an entity's financial condition and operational performance... [information that is] necessary for a reasonable investor to make informed investment decisions. "Presenting a substantial likelihood that the disclosure of the omitted fact would have been viewed by a reasonable investor as having substantially altered the total mix of information made available." This definition is based on SASB and SEC's definition for materiality, which can be found on [SEC's website here](#).

<sup>2</sup> Material and relevant topics are those that may reasonably be considered important for reflecting the organization's economic, environmental and social impacts, or influencing the decisions of stakeholders, and, therefore, potentially merit inclusion in the report. This definition is based on the Global Reporting Initiative's (GRI) publicly-available guidance found on [GRI's website](#).

## Sustainability Aspects Material and Relevant to Ecolab

The materiality assessment process resulted in a discrete set of aspects financially material and relevant to shareholders and a larger set of aspects relevant to other stakeholders. The sustainability aspects that are material and relevant to Ecolab pertain to areas in which we have operational control. Aligned with disclosures in our 10-K and Annual Report, our three most material sustainability topics for Ecolab to manage are outlined below.

### #1: ENVIRONMENTAL INNOVATION & PRODUCT SUSTAINABILITY

Ecolab's Research, Development and Engineering scientists are at the front line of customer applications, developing solutions that improve water and energy management, increase operational efficiency, enhance safety and preserve natural resources. Our product systems and services are designed with intention across sourcing, manufacturing, use and post-use; and around the core product sustainability principles of: Performance; Health and Safety; Environment; and Cost.

More information is reported on this topic in our 2018 Annual Report (page 6) and within our GRI Index, specifically indicators 302-5, 102-44, 102-50 and 416-1.

### #2: VALUE CREATION WITH CUSTOMERS

Every day more than 25,000 Ecolab field representatives around the world provide services and solutions to help our customers perform while reducing their reliance on finite resources and achieve the best results at the lowest total cost.

Fundamental to our approach is an understanding that real and lasting change is accelerated when economic and environmental benefits align. Our proprietary eROI by Ecolab value approach measures the exponential value of improved economic, operational and environmental impact of our solutions. With performance outcomes uncompromised, we credibly deliver and document this exponential value to our customers, helping them achieve ambitious business and environmental goals. Measurement is a critical component of our process to deliver exponential outcomes. Using our eROI value approach, we measure our impact and quantify customers' return on investment.

More information is reported on this topic in our GRI Index within indicator 302-5, and throughout our 2018 Corporate Sustainability Report, specifically in the "Partnering" section.

### #3: HUMAN CAPITAL MANAGEMENT

We are committed to a culture that fully leverages our employees' talents by promoting an environment where all people can make a difference and be heard, supported, developed and rewarded for their contributions. We value the energy, ideas and ultimate success that diversity brings to our industry, our company and the global community we serve.

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

More information is reported on this topic in our GRI Index within sections 401-407.

## Sustainability Aspects Material and Relevant to Ecolab (CONTINUED)

All aspects listed in the diagram below are deemed to be relevant to Ecolab and its stakeholders, with impacts within and outside our organization.



## 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 use this knowledge to drive innovation to help them achieve their business and sustainability goals. What matters to our customers matters to us.

In addition to our daily interactions with our customers, we employed the following strategies to inform customer-specific risks and opportunities in 2018:

- **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. Ecolab is focused on constantly improving stockholder value. Every year, we work aggressively to improve our growth, profitability and market positions in order to provide our stockholders consistent, reliable, and superior earnings growth.

### Society

#### PARTNERSHIPS WITH NON-GOVERNMENTAL ORGANIZATIONS (NGOS)

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 2018, 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 2018 included the UN Global Compact and CEO Water Mandate, Alliance for Water Stewardship, The Nature Conservancy, The Project WET Foundation, and World Resources Institute.

## LOCAL COMMUNITY ENGAGEMENT

Ecolab also engages with the communities in which it operates in relevant and meaningful ways through the Ecolab Foundation. Since 1986, the Ecolab Foundation has implemented community impact programs to support 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, culture and environment and conservation. Since the inception of the Ecolab Foundation, the company has contributed more than \$114 million to non-profit organizations.

We are committed to empowering our employees to give back in communities where we have significant operations. To facilitate local engagement and impact, we have Community Relations Councils in 17 regional locations around the United States totaling 112 employees. Our local employees are most in touch with the needs of their communities. Community Relations Councils enable trained local Ecolab employee volunteers to administer Ecolab Foundation Nonprofit Grant program to deserving recipients in their communities where they believe our contributions can have the greatest impact. In 2018, these committees helped administer 454 grant applications, resulting in 384 grants to non-profits and schools totaling \$1.6 million. More information on specific activities, programs and impact can be found on page 62-64 of this report under indicator 413-1.

## ECOLAB SOLUTIONS FOR LIFE GLOBAL GIVING PROGRAM

Solutions for Life is our global giving program that enhances our mission to conserve water and improve hygiene around the world through collaborations with NGOs (non-governmental organizations), global philanthropy and employee volunteerism. Solutions for Life is funded by Ecolab through the Ecolab Foundation. Through Solutions for Life, Ecolab supports the work of two strategic global nonprofit partners:

- The Project WET Foundation
- The Nature Conservancy

### Project WET

Through our partnership with the Project WET (Water Education for Teachers) 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).

### The Nature Conservancy

Ecolab continues to support its partnership with The Nature Conservancy (TNC) "Securing and Restoring Water Sources Around the Globe." Region-specific examples of the impacts we help with through our partnership with TNC in the United States, Mexico and China are available on pages 42-43 of this report, within indicator 304-3.

## ONGOING ASSESSMENT

The risks and opportunities we face are constantly evolving. Accordingly, Ecolab will refresh its materiality and relevance assessment process and findings on a biannual basis, seeking to balance gathering input and engagement from internal stakeholders and the broader community.



# REPORTING CHANGES AND RESTATEMENTS FOR 2018 REPORTING PERIOD

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## ADJUSTMENTS

Ecolab developed an inventory of greenhouse gas (GHG) emissions as part of our commitment to reducing our carbon footprint in 2007. In 2009, we expanded the primary inventory to include other key operational environmental impacts including water withdrawal, wastewater discharge, and waste disposal. During completion of these 2018 inventories, data gaps were identified and corrected, which impacted historical inventories. In some cases, this resulted in a restating of our 2015 baseline to measure progress against our corporate goals.

We also continue to implement many new data-management collection processes to maintain our energy and water invoices for all owned and operationally controlled fixed facilities. This serves as another way to perform internal and third-party auditing of this data. Globally, Ecolab had a 73 percent invoice-compliance rate in 2018, meaning that 73 percent of all energy and water invoices from all owned and operationally controlled fixed facilities were used to compile 2018 data.

Net sales are adjusted to constant 2015 dollars to factor out inflation when normalizing Ecolab's emissions performance against the baseline year, following best-practice guidance from the GHG Protocol and EPA Climate Leaders. Ecolab's net sales are adjusted for inflation using Producer Price Indexes (PPI) from the Bureau of Labor Statistics. Ecolab has had its 2018 global scope 1, 2 and 3 (United States and Europe business travel only) GHG emissions and global water consumption verified by a third party using the ISO 14064-3: Greenhouse Gases –Part 3 specification standard and the International Standard on Assurance Engagements (ISAE) 3000 for water consumption.

## GREENHOUSE GAS INVENTORY CHANGES

We have changed the accounting method we use to report GHG emissions, from location-based to market-based. Primarily, this will allow us to account for the renewable electricity purchases we are making in Europe and in the U.S. (e.g. at the Ecolab Schuman campus in Eagan, Minn.). This has resulted in updates to our historical inventories, including summary data for 2015.

## WATER, WASTEWATER AND WASTE INVENTORY CHANGES

No significant changes impacting our 2015 summary data were identified during completion of the 2018 water, wastewater and waste inventory.

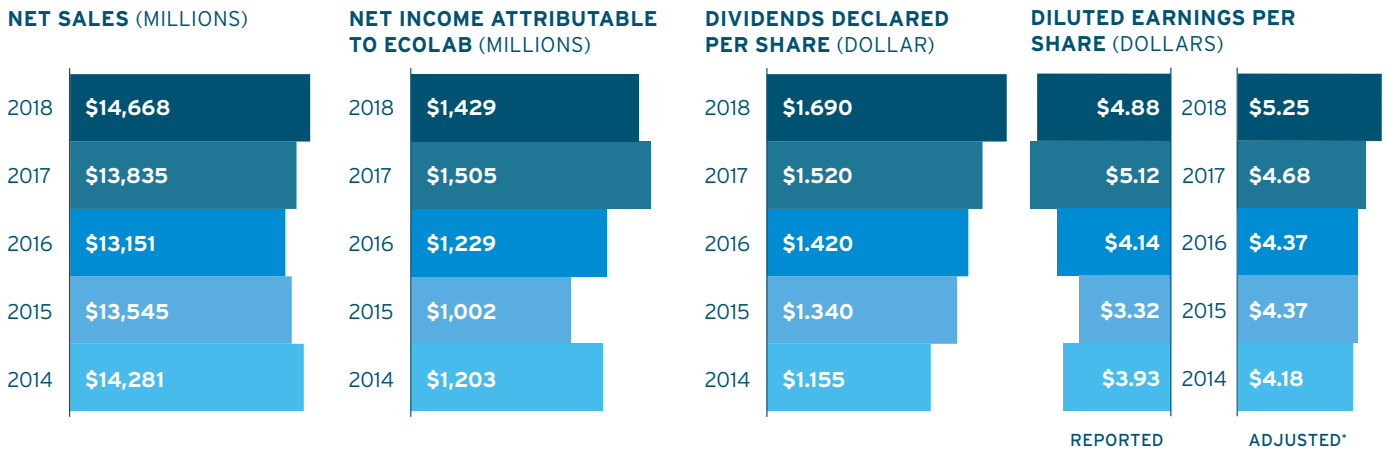
# GRI STANDARD DISCLOSURES

## SCALE OF THE ORGANIZATION (102-7)

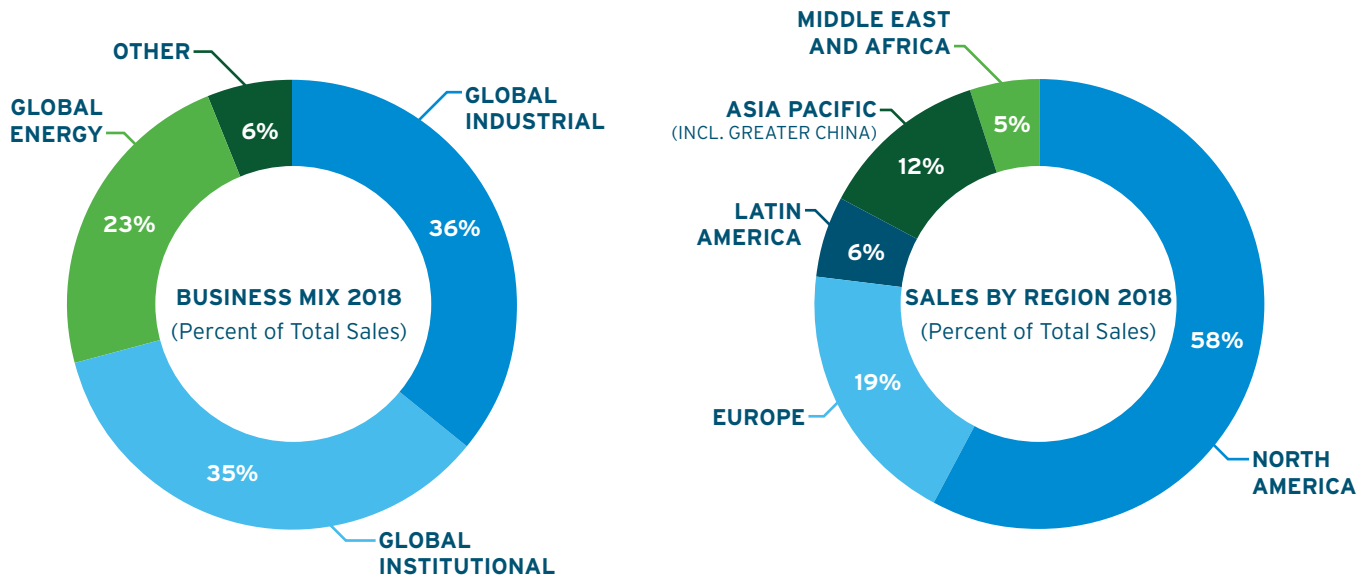
### Total number of employees

As reported in Ecolab's 2018 Annual Report, Ecolab has 49,000 total employees. A more detailed and accurate breakdown of this total number - showing our total employee count of 49,606 employees - can be found within this GRI report within indicator 102-8.

### Revenue, Income, Dividends Declared, Earnings per Share



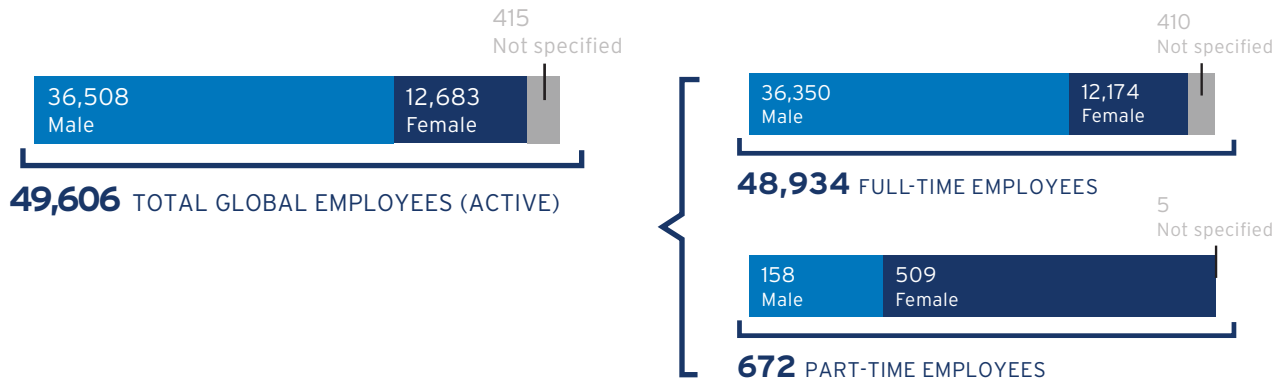
### Sales and revenues by business and region



More information on the number of our operations, total capitalization and types of products and services provided can be found in our [2018 Annual Report and Form 10-K](#).

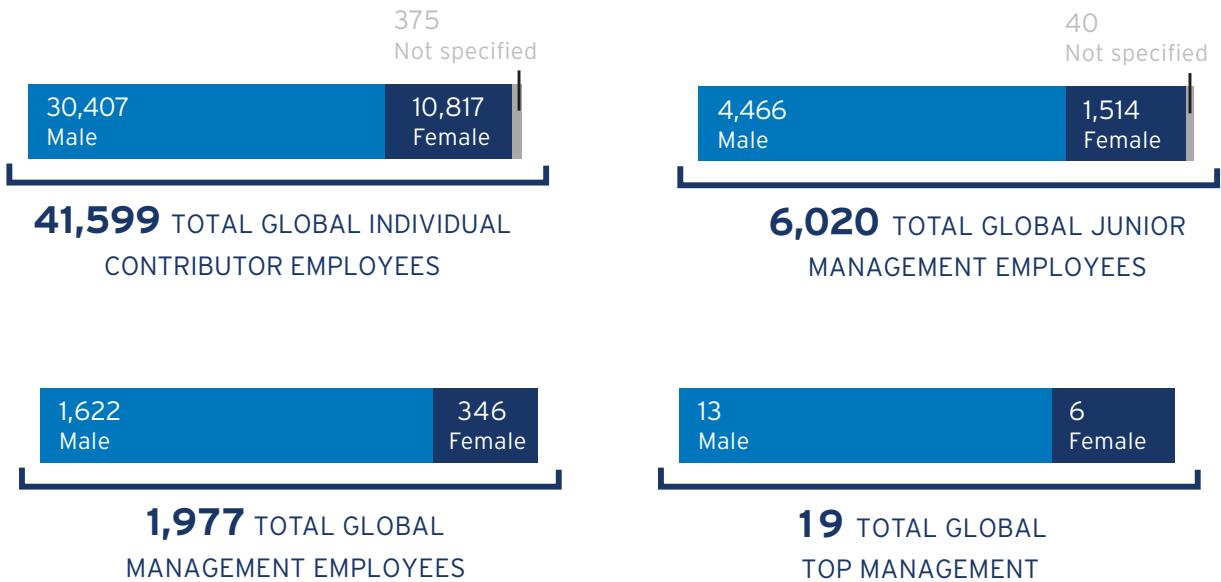
## INFORMATION ON EMPLOYEES AND OTHER WORKERS (102-8)

### TOTAL ACTIVE GLOBAL EMPLOYEES AND WORKFORCE BY EMPLOYMENT TYPE\*



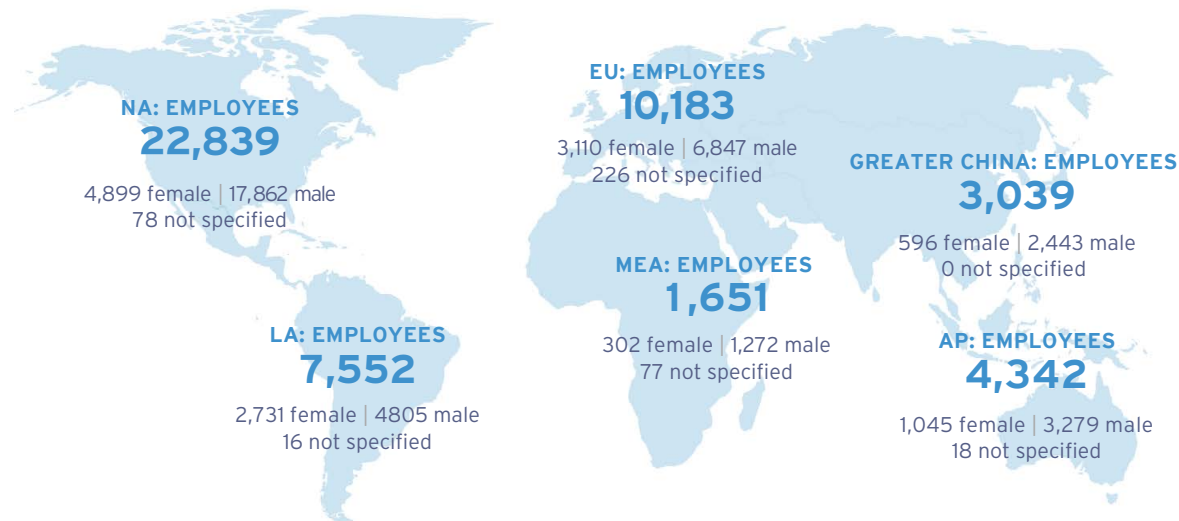
\*This employment data does not include temporary employees, interns or coops.

### TOTAL GLOBAL EMPLOYEES BY CATEGORY AND GENDER



## INFORMATION ON EMPLOYEES AND OTHER WORKERS (102-8) (CONTINUED)

### TOTAL GLOBAL WORKFORCE BY REGION AND GENDER



### SUPPLY CHAIN (102-9)

Ecolab operates an extensive, integrated Global Supply Chain with more than 12,000 associates worldwide. Our manufacturing operations and supplier base serve the needs of customers across 170 countries. The company procures more than \$4.4 billion of direct raw material, contracts manufacturing and equipment from more than 12,000 suppliers worldwide and manages distribution through various channels to external customers across 1.3 million locations. Our Global Supply Chain is a network of more than 300 manufacturing plants, distribution centers and other facilities designed and located to support the company's direct sales, marketing and distribution activities. With a strong global reach, the supply chain organization enables the company's growth by delivering savings through more efficient operations and high levels of service that create competitive advantage while earning and keeping customers' trust.

In supply chain, we approach water reduction from a total water management perspective, focusing on the top 13 plants that use the most water. These 13 plants make up 70 percent of manufacturing's water impact and will aim to achieve a 32 percent water reduction per ton of product by 2020. The remaining plants will aim to achieve a 10 percent water reduction per ton of product by 2020. Together, these savings driven by our facilities will contribute to achieving Ecolab's 2020 goal to reduce water withdrawal by 25 percent.

### SIGNIFICANT CHANGES TO THE ORGANIZATION AND ITS SUPPLY CHAIN (102-10)

In 2018, we continued to invest in and build our business through various acquisitions that complement our strategic vision. Below is a summary of significant 2018 changes:

- **Acquired Cascade Water Services:** With 2017 sales of approximately \$35 million, Cascade broadens the range of water treatment services we provide to commercial building, lodging and healthcare facilities in the eastern U.S.
- **Acquired Holchem Group Limited:** We acquired this U.K.-based supplier of hygiene and cleaning products and services for the food and beverage, foodservice and hospitality industries. With operations in the U.K. and Ireland, Holchem's 2017 sales were approximately \$56 million.
- **Acquired Bioquell PLC:** We offered to acquire this leading provider of hydrogen peroxide vapor bio-decontamination systems and services for the life sciences and healthcare industries. The transaction was completed January 2019. Headquartered in Andover, U.K., Bioquell's 2017 sales were approximately \$37M.
- **Food Protection Services LLC, Royal Pest Solutions, Inc., and Research Fumigation Company, LLC.:** With combined sales of \$36 million in 2016, this trio of pest services business expand our solutions for the food and beverage industry.

## PRECAUTIONARY PRINCIPLE OR APPROACH (102-11)

Ecolab identifies hazards, risks and impacts of our products through multiple mechanisms. For select products, we conduct testing to identify pertinent hazards. In instances where testing is not feasible, we follow applicable regulatory requirements and recommendations to identify and assign classifications. This approach is based on identifying pertinent hazards of our products' ingredients, which is used to identify product hazards.

### Globally Harmonized System of Classification and Labeling of Chemicals

We follow the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) criteria for classifying our ingredients and products. The Globally Harmonized System of Classification and Labeling of Chemicals (GHS) provides a common approach to classifying chemicals and communicating product-safety information. Ecolab has been planning and implementing GHS, incorporating the standard into the nearly 200,000 Safety Data Sheets (SDSs) issued annually in approximately 72 different country-specific templates and 44 languages.

To thoroughly assess ingredients, we review publicly available information from reputable sources such as the United States Environmental Protection Agency (EPA), United States Agency for Toxic Substance and Disease Registry (ATSDR), World Health Organization (WHO) and European Chemicals Agency (ECHA). We obtain proprietary information from our chemical ingredient suppliers to enable proper handling and classification of our materials and products. Additionally, we carefully evaluate all the substance comprising the raw materials in our portfolio. Since 2012, we have evaluated more than 2,205 substances using GHS criteria and these evaluations have resulted in our products having technically robust classifications. Our product risks are evaluated by multiple groups within Ecolab, including Toxicology, Industrial Hygiene, Sustainability, Transportation and Package Engineering. If risks are identified, appropriate mitigation measures are implemented. Finally, we use customer feedback to continuously assess our products. Customer feedback includes direct feedback from field representatives' interactions with customers and customer input received from our technical call centers and third-party health and safety call centers.

### Participation in the Chemical Footprint Project

In 2018, we continued our participation 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. Through our participation with CFP, we established a defined process for accessing and proactively eliminating substances of concern from the Ecolab product and substance portfolio. We plan to focus on reducing or eliminating the small number of Substances of Very High Concern as designated by the candidate European Union (EU SVHCs) within our portfolio.

## EXTERNAL INITIATIVES (102-12)

Ecolab subscribes to or endorses externally developed economic, environmental and social charters/principles, including the following:

- **UN Global Compact and CEO Water Mandate:** Ecolab became a signatory in 2012.
- **CDP:** Ecolab has participated in and reported to CDP since 2006.
- **Alliance for Water Stewardship (AWS):** Since 2010, Ecolab has partnered with WWF and AWS to develop and launch the International Water Stewardship Standard. Ecolab is a founding partner of the AWS Standard.
- **The Nature Conservancy:** In 2015, Ecolab, through the Ecolab Foundation, made a \$2 million pledge to support The Nature Conservancy's Securing and Restoring Water Sources Around the Globe initiative. Ecolab continued to support its partnership with The Nature Conservancy in 2018.
- **Other notable associations we support include:** American Chemistry Council, American Cleaning Institute (ACI), American Hotel and Lodging Association (AHLA), the Chemical Footprint Project, International Organization for Standardization (ISO), National Association of Manufacturers, and Sustainable Purchasing Leadership Council. More information is available under the "Customers" section on page 15 of this report.

## MEMBERSHIP OF ASSOCIATIONS (102-13)

### Industry Working Groups

Industry and policy groups have a unique ability to influence standards, regulations and practices. Ecolab engages with a broad range of industry groups, sharing expertise and insights to help these membership organizations enhance sustainability leadership across their respective industries.

In 2018, Ecolab actively participated in sustainability-related work groups within the following: AISE (International Association for Soaps, Detergents and Maintenance Products); American Chemistry Council; American Cleaning Institute; American Hotel & Lodging Association; Beverage Industry Environmental Roundtable; Chemical Footprint Project; Consumer Goods Forum; Household and Commercial Products Association; Corporate Eco Forum; Council of Great Lakes Industries; Food Marketing Institute; Global Food Safety Initiative; Grocery Manufacturers Association; National Association for Environmental Management; National Association of Manufacturers; National Restaurant Association; Steel Manufacturers Association; Sustainable Purchasing Leadership Council; United States Council for International Business; and World Travel and Tourism Council.

### Public Policy

As stated on [Ecolab's website](#), legislation, including public policies regarding water, food safety, energy, and healthcare can directly affect Ecolab's ability to provide products and services for its customers. Therefore, we believe it is important for the Corporation and its associates to participate in the political process, which includes advocating for legislative and public policy decisions grounded in principles of sound science and free market enterprise, to advance Ecolab's interest in promoting a cleaner, safer, healthier environment. In addition, our associates have the opportunity to support the Corporation's political action committee, the Ecolab Inc. Political Action Committee (ECOPAC). The Corporation may also make, upon occasion and if legally permissible, corporate contributions. These activities must always comply with applicable law, Ecolab's Code of Conduct and Political Contribution Policy.

### ECOPAC

ECOPAC, which is funded by voluntary contributions from Ecolab associates, is a non-partisan committee that supports candidates for Congress who share our basic philosophies and values, by contributing to legislators from both the Democratic and Republican parties representing a wide number of states where the company transacts business. Contributions are determined by a board of Ecolab executives based on criteria including representation of Ecolab facilities and/or significant base of employees, committee membership, committee leadership, positions on the issues and partisan balance. ECOPAC does not support candidates for state, local or Presidential office, or candidates based on non-business issues. For more information on Ecolab's political contributions and policies, please reference indicator 415-1 on page 66 of this report.

## KEY IMPACTS, RISKS, AND OPPORTUNITIES (102-15)

Ecolab has a rigorous process of analyzing risks and opportunities related to social factors from employee engagement to human rights across business operations and our value chain. A comprehensive review, "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 each year. The results are presented to the Ecolab board of directors. Our chairman of the board and CEO is responsible for appropriate strategy adjustments.

The most significant business risks are reported publicly through the company's annual 10-K filing, and specific business risks and opportunities are disclosed herein. The various indicators that we measure and report on in our annual Corporate Sustainability Report are material to our success. In addition, the principles of our company (available on our website: [www.ecolab.com](http://www.ecolab.com)) reflect how we conduct business daily with a focus on economic, environmental, safety and social areas. For more information, see pages 16-20 in Ecolab's 2018 Annual Report and Ecolab's CDP submission in sections 2, 5 and 6.

## VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOR (102-16)

### 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.

### 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.

### Code of Conduct

Ecolab's Code of Conduct serves as a guide for how to act and make decisions as an employee of Ecolab. 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. 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. 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. The Code of Conduct is available in 27 languages and is available online on Ecolab's website: [Ecolab Code of Conduct](#).

## MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS (102-17)

At Ecolab, 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 re-certified by employees as part of the annual training process to certify completion and compliance to follow the human rights requirements. Ecolab's Code of Conduct hotline is also utilized by internal and external callers to report sourcing related concerns. All concerns are fully investigated, and mitigation steps are put in place to ensure compliance with Ecolab's expectations. This can include removal from Ecolab's approved supplier list.

## **GOVERNANCE STRUCTURE (102-18)**

For detailed corporate governance information, refer to Ecolab's 2018 Annual Report and Form 10-K. While the full board of directors monitors the company's progress regarding sustainability, including climate change, the Safety, Health, Environment (SHE) and Sustainability Committee has the highest level of direct responsibility for sustainability matters, including environmental and social impacts and those relating to climate change. The board of directors receives a presentation from this committee annually on the company's progress regarding its sustainability goals, which include climate-change impacts as appropriate. 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. To monitor such compliance, the board has established the committee. The committee is appointed by the board to review and oversee the corporation's SHE policies, programs and practices that affect, or could affect, the corporation's employees, customers, stockholders and neighboring communities.

Ecolab's sustainability strategy (which includes environmental, social and governance components) is governed by a Sustainability Executive Advisory Team (SEAT) that is made up of 10 members of the company's executive leadership team. The SEAT meets with the Corporate Sustainability Team (comprised of research and development, communication, marketing and supply chain) on a quarterly basis and is responsible for operationalizing sustainable business practices and policies across the company; coordinating and communicating policy and decision-making related to sustainability; setting goals and metrics for key sustainability priorities; and assessing sustainability outlook and risk management. More information is available on page 11 of this report.

## **LIST OF STAKEHOLDER GROUPS (102-40)**

Ecolab's stakeholders include employees, customers, investors and relevant external groups. For more information about who our stakeholders are and how we engage with them, reference our "Stakeholder Engagement" section within our Materiality Assessment on pages 15-16 of this report.

## **COLLECTIVE BARGAINING AGREEMENTS (102-41)**

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, 624 employees are covered by collective-bargaining agreements. This is approximately 2.9 percent of the U.S. employees. Approximately 26 percent of employees covered by a collective-bargaining agreement are in Texas. Approximately 60 percent of employees covered by a collective-bargaining agreement are in Illinois. Approximately 14 percent of employees covered by a collective-bargaining agreement are in Georgia.

## **IDENTIFYING AND SELECTING STAKEHOLDERS (102-42)**

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. For more information about who our stakeholders are and how we engage with them, reference our "Stakeholder Engagement" section within our Materiality Assessment on pages 15-16 of this report.

## **APPROACH TO STAKEHOLDER ENGAGEMENT (102-43)**

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. More information about who our stakeholders are and how we engage with them, is found within the "Stakeholder Engagement" section within our Materiality Assessment on pages 15-16 of this report.



## KEY TOPICS AND CONCERNS RAISED (102-44)

Refer to the Materiality Narrative on pages 11-16 of this report. Ecolab's key stakeholders include its customers, investors, community organizations (including NGOs and partners and employees). Key topics and concerns consistently raised by these stakeholder groups are represented in our Materiality diagram, and correspondingly are addressed throughout our 2018 Corporate Sustainability Report.

## EXTERNAL ASSURANCE (102-56)

Ecolab has completed third-party verification by Bureau Veritas North America (BVNA) of its publicly reported 2018 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 Standards 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 2018 reporting period; the Report has not been prepared in accordance with the GRI Standards and includes appropriate consideration of the profile disclosures, management approach disclosures and performance indicators to meet the requirements of GRI Standards 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.

## GRI 200: ECONOMIC

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### FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT (201-4)

#### Tax Responsibility

As stated on [Ecolab's website](#), the tax we pay is an integral part of our wider economic and social impact; it plays a key role in the advancement of the countries in which we operate. We act at all times in accordance with the applicable laws and are guided by appropriate international standards. Paying the correct amount of tax at the right time is essential to the overall success of our organization. The tax strategy of the company has been reviewed to ensure it aligns with our business. We establish entities in jurisdictions suitable for our global business operations, and that support the tax structure of our organization. We pay tax on our income in those countries where activities take place. Our structures have economic substance and adhere to the arm's-length standard in accordance with the current transfer pricing principles outlined by the Organization of Economic Co-operation and Development (OECD).

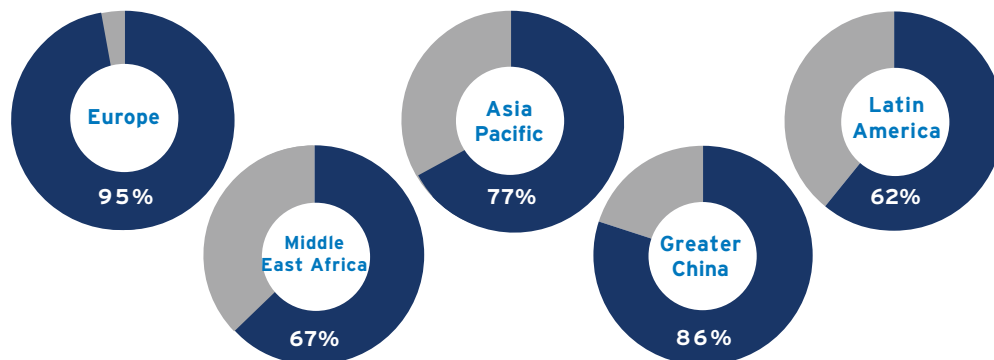
#### Financial Support Received

In 2018, Ecolab received nominal monetary support, awards, tax reliefs or subsidies directly from the government. We received federal and state tax credits in the United States to support our research and development initiatives and work opportunity credits totaling approximately \$17,200,000 (R&D and Work Opportunity Tax Credit (WOTC) received in 2018 related to 2017 tax returns). Ecolab also received a federal fuel credit totaling approximately \$526,000 and a hurricane credit of \$5,500,000. Ecolab received a Dominican Republic tax holiday of \$6,700,000 in 2018 (valued benefit equals the difference in the statutory tax rate applied to Ecolab's income for 2018 compared to the zero-tax paid). Additionally, the Singapore government allows a reduced income tax rate on certain income for which Ecolab anticipates a tax reduction of \$18,900,000 in 2018. Anticipated tax deductions by the Australian government for R&D expenditures in Australia will total approximately AUD \$744,000 for 2018.

## RATIO OF ENTRY LEVEL WAGE BY GENDER COMPARED TO MINIMUM WAGE (202-1)

At Ecolab we require a variety of high demand, unique vocational and technical skills in entry level roles. Consequently, our entry level wages are on average two to three times higher than minimum wage regardless of gender across our significant locations of operation. Significant locations of operations are defined as our manufacturing facilities and operation centers.

## PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY\* (202-2)



*\*Senior management is defined as N-2 levels in the regions in which we operate (positions directly report to regional leader). Local community is defined as the major regions outside of the United States in which we operate: Europe, Latin America, Greater China, Asia Pacific and Middle East/Africa. Significant locations of operations are defined as our manufacturing facilities and operation centers.*

## INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED (203-1)

In 2018, Ecolab signed an agreement to support Clearway Energy Group's 419-MW wind farm, Mesquite Star, in Fisher County, Texas. Construction of the Mesquite Star wind farm is scheduled to begin in the first half of 2019. Through a virtual power purchase agreement (VPPA), we will support construction of 100 MW of new renewable electricity capacity within the Mesquite Star wind farm. The renewable electricity generated under Ecolab's 100-MW VPPA is expected to cover 100 percent of the company's annual domestic energy use and builds upon the 5 MW of community solar subscriptions in Minnesota that Ecolab signed with Clearway in 2015. Mesquite Star is one of more than 60 utility-scale wind and solar projects that Clearway is developing in the U.S. to help utility and corporate purchasers achieve renewable energy goals. Clearway's footprint of renewable energy projects, including assets owned through affiliate Clearway Energy, Inc., totals 4.1 gigawatts (GW), including 2.8 GW of wind, 1.1 GW of utility solar and more than 300 MW of distributed and community solar. Ecolab continues to identify more opportunities for renewable energy applications, renewable energy certificates, and renewable subscriptions.

## SIGNIFICANT INDIRECT ECONOMIC IMPACTS (203-2)

Ecolab solutions improve the productivity of organizations and reduce environmental impacts on communities around the world where people live and work. Every day, we help make the world cleaner, safer and healthier. Our products and services help companies across dozens of industries operate more efficiently, delivering better results at lower total costs of operations. With solutions that enable customers to produce more products and services using fewer natural resources, Ecolab helps customers meet business goals, conserving limited water and energy resources and minimizing waste and emissions. Our [2018 Corporate Sustainability Report](#) highlights examples where our partnerships with customers led to exponential outcomes for businesses and the communities in which we operate on pages 10-21. Our eROI counter, [available online](#), also demonstrates the impact we deliver to our customers around the world. This includes saving our customers 188 billion gallons of water, 19 trillion BTUs, 2.4 billion pounds of greenhouse gas emissions and 54 million pounds of waste. More information is available within indicator 302-5 in this report, found in the "Customer Impact" section.

## PROPORTION OF SPENDING ON LOCAL SUPPLIERS (204-1)

We do not have a specific proportion of budget spend on local suppliers within each region, but fundamentally, we choose to buy from suppliers within the regions in which we operate that abide by the ethical and sustainability goals set forth by our company (posted on [www.ecolab.com](http://www.ecolab.com)). We base our purchasing decisions on safety, quality, service and price, opting to purchase within the region whenever possible to minimize shipping of materials overseas. More than 90 percent of our purchases are from suppliers within our regions.

Ecolab has also expanded its efforts to engage small and diverse local companies via their membership in diversity organizations such as the National Minority Supplier Development Council (NMSDC). Ecolab's corporate headquarters in St. Paul has engaged in supplier diversity events, participated in supplier fairs, and coordinate efforts with other large corporations via a Twin Cities Diversity Corporate Round Table. Ecolab utilizes a similar approach in their larger regional markets as well. Indirect procurement, the non-customer goods and services required to run Ecolab, are largely locally sourced, many times within the local city.

*"Local" is defined as the major regions in which we operate: North America, Europe, Latin America, Asia Pacific, Greater China and Middle East/Africa. Significant locations of operations are defined as our manufacturing facilities and operation centers.*

## OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION (205-1)

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 2018 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.

## COMMUNICATION & TRAINING ABOUT ANTI-CORRUPTION POLICIES (205-2)

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 anticorruption 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 anticorruption 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 anticorruption training, including managers in the Energy Services business unit.

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

## LEGAL ACTIONS FOR ANTI-COMPETITIVE, ANTI-TRUST, & MONOPOLY PRACTICES (206-1)

In 2018, there were no legal actions pending or completed regarding anti-competitive behavior.

# GRI 300: ENVIRONMENTAL

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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 have a history of strong environmental performance and have made significant strides in recent years to reduce our environmental impact.

## MANAGEMENT APPROACH

The following Disclosure of Management Approach covers environmental aspects material to Ecolab as disclosed in this report.

Ecolab is exploring a new framework to track revenues from our products and services that specifically enable our customers to adapt to, mitigate or remediate the impacts of climate change, resource depletion and environmental erosion. We see an opportunity to measure, and a demand from investors and other stakeholder to report, how Ecolab is helping its customers transition to a more sustainable economy with transparent data that enables them to evaluate, translate and couple our business growth activity with the 'green' economy and into the financial performance of their investments.

Until recently, the transition to a sustainable and "green" economy has been a loose concept rather than a defined, investable, measurable system. This lack of definition and data has led to the impression that it is of limited size; small cap dominated; lacking diversification and that investors give up financial performance in exchange for environmental benefits. While the definitions for 'green revenue' or 'clean revenue' continue to evolve, leading ESG investors and partners like TCFD and CDP have dispelled this assumption: they've proven that the market is significant; is backed by global efforts, policies and national level commitments to combat climate change and broader environmental challenges, and that the opportunity is diversified across company size, geography and sector and continues to outperform the global equity markets.

Key metrics that we will consider include, but are not limited to (and are built upon leading research by FTSE and Corporate Knights):

- Energy efficiency
- Packaging
- Hazardous substances and bio-based ingredients
- Weight
- Product certifications and eco-labels
- Circularity (refurbished, reconditioned or remanufactured, recycled content, etc.)
- Lifetime reliability and serviceability
- Sales by industry sub-segment

## Policies

**Safety, Health, Environment:** Ecolab's [Global Safety Health & Environmental Position](#) can be found on Ecolab's website. Guided by Our Principles, Ecolab is committed to excellence in safety, health and environmental (SH&E) practices and performance across our global operations. This position formalizes our commitment to global SH&E.

**Water Stewardship:** Our [Water Stewardship Position](#) can be found on Ecolab's website. This policy 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.

**Climate Change:** Ecolab's [Climate Change Position](#) can be found on Ecolab's website. This position formalizes our global commitment to reduce greenhouse gas emissions by identifying opportunities for our company and our customers to reduce use of resources that relate directly to aspects of climate change.

**Public Policy:** Legislation, including public policies regarding water, food safety, energy, and healthcare can directly affect Ecolab's ability to provide products and services for its customers. Therefore, we believe it is important for the Corporation and its associates to participate in the political process, which includes advocating

for legislative and public policy decisions grounded in principles of sound science and free market enterprise, to advance Ecolab's interest in promoting a cleaner, safer, healthier environment. In addition, our associates have the opportunity to support the Corporation's political action committee, the Ecolab Inc. Political Action Committee (ECOPAC). The Corporation may also make, upon occasion and if legally permissible, corporate contributions. These activities must always comply with applicable law, Ecolab's Code of Conduct and Political Contribution Policy. More information is available on [Ecolab's investor website](#).

## Commitments

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.

## Goals, Targets and Evaluation

In 2015, we reevaluated our footprint and made great strides to institutionalize practices that will enable us to deliver greater efficiencies throughout our operations while meeting increasing demand for our solutions and services. As we look to 2020 and our ability to help customers do even more with less, we will also hold ourselves to higher environmental standards. The sustainability goals introduced in 2015 align with our business strategy and aim to further reduce our environmental impact as we expand our capacity to meet growing customer needs. Using the company's 2015 metrics as an operational baseline, we aim to achieve a 25 percent reduction in water use and a 10 percent reduction in greenhouse gas (GHG) emissions, measured by intensity per million dollars in sales. We are proud of the improvements we have made in the past year and are excited to continue on an intentional path that will further our leadership as a responsible global enterprise.

## Responsibilities

Ecolab's sustainability strategy is governed by a Sustainability Executive Advisory Team (SEAT) made up of 10 members of the company's executive leadership. 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.

## 2018 Environmental Performance

Our impact through customers is exponentially larger than the savings we achieve at our own facilities. In 2018, we helped our partners around the world save 188 billion gallons of water, equivalent to the drinking water needs of 650 million people. We are on track to make our goal of saving 300 billion gallons annually - equal to the water needs of one billion people - by 2030. We also helped our customers conserve more than 19 trillion BTUs of energy and avoid 2.4 billion pounds of greenhouse gas emissions.

In our own operations in 2018, we reduced water withdrawals on an intensity basis by 1.4 percent from a 2015 baseline towards our goal of a 25 percent intensity-based reduction by 2020. We have identified further water-saving projects which we plan to complete by the end of 2020 to accelerate our progress towards that goal.

In 2018, we also reduced our greenhouse gas emissions on an intensity basis by 8.4 percent from a 2015 baseline, close to our goal of a 10 percent intensity-based reduction by 2020. Of note in 2018, we shifted our reporting from a location-based method to a market-based one, aligned with best practice standards, so we could account for our growing renewable electricity purchases and on-site generation activity. The key drivers for our emissions reductions are renewable electricity purchases in Europe and increased overall water efficiency. Because we use less water in our operations, we also use less energy, reducing our greenhouse gas emissions. A North American renewable electricity deal we signed in 2018 (see page 34 of our [2018 Corporate Sustainability Report](#)), will set us on track to surpass our global greenhouse gas emissions goal significantly.

ECOLAB'S 2020 SUSTAINABILITY GOALS*	2018 PERFORMANCE
Reduce water withdrawals by 25% per \$M sales	Water withdrawal: -1.4% per \$M sales
Reduce greenhouse gas emissions by 10% per \$M sales	GHG emissions**: -8.4% per \$M sales

\* Measured by intensity per million U.S. dollars in sales.

\*\* For GHG emissions reported performance, Ecolab uses the market-based method to calculate and report its Scope 2 emissions.

## Environmental Impacts

In 2018, we received one potentially material grievance about environmental impacts. The prosecution office of Liu He district, Nanjing City, Jingsu Province, China, brought charges alleging violation of environmental laws relating to waste disposal against the Company's Nalco subsidiary in Nanjing City, China on November 26, 2018. Prior to these charges being alleged, related charges were brought against certain individual employees of the subsidiary. The case, which is seeking to assess monetary penalties, is pending for trial before the People's Court of Liu He District. The subsidiary could also be subject to a separate civil penalty. We anticipate that this matter will not have a material adverse effect on our consolidated results of operations, financial position or cash flows.

## Committed to Continuous Improvement

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 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.

In 2018, we completed 41 process improvement projects that delivered resource reduction outcomes across our global footprint. For example:

- At our plant in Clearing, Illinois, we installed a top-of-the line water reclaim system. When that system is fully operational, the plant, which is the largest water user in Ecolab's inventory, will save 100 million gallons per year.
- Our plant in Garyville, Louisiana, has reduced its daily water intake by 13 percent, reusing filtered Mississippi river water in the production process.

In addition, 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.

## 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. We are 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 pilot site for the Standard, Ecolab China partnered with the World Wildlife Fund (WWF) to address the unique challenges of the Taihu watershed area in China and designed the Ecolab Taicang, China, plant for environmental sustainability. Ecolab engineers, plant operations managers and associates, along with the WWF, systematically worked through the AWS Standard's six-step continual improvement framework to achieve responsible water stewardship status for the Taicang plant, which opened in 2012. In September 2015, our Taicang, China, plant became the first facility in the world to be certified under the AWS Standard. 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. Thanks to steps taken during the AWS certification process and

Ecolab's own water-saving technologies, including 3D TRASAR™ Technology, these 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.

The Alliance for Water Stewardship certification requires collaboration with other local businesses in the watershed. All our facilities that received certification worked with other users in the same watershed to drive collective action on water stewardship. The California Water Action Collaborative (CWAC) allowed the City of Industry and Carson plants to share best practices and current projects with other large companies in the same local watershed.

## Water Stewardship

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. Our [Water Stewardship Position](#) can be found on Ecolab's website. This policy 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. As part of our water stewardship work, we have developed two publicly available tools: The Water Risk Monetizer and the Smart Water Navigator.

### WATER RISK MONETIZER

In 2014, Ecolab partnered with Trucost, the global leader in valuing natural capital, to develop the Water Risk Monetizer. In 2015, the tool was enhanced to enable businesses to evaluate potential revenue at risk due to water scarcity. In 2017, the tool was further enhanced in partnership with Microsoft, and continued partnership with Trucost, to deliver a new level of water risk assessment. 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. 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 where 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 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. The tool is publicly available at no cost to users at [www.waterriskmonetizer.com](http://www.waterriskmonetizer.com).

### SMART WATER NAVIGATOR

Many companies have corporate water targets, but all too often they don't know how to translate them into real water reductions. From a 2017 Ecolab and GreenBiz survey, we know that 82 percent of companies lack the tools and expertise to achieve tangible results and according to numbers compiled by S&P Trucost, corporate water use is increasing globally. That trend must be reversed, because the U.N. projects that under a business-as-usual scenario, the world will face a 40 percent freshwater deficit by 2030. To ensure continued growth in an increasingly water-scarce world - and to help avoid a global water crisis - companies must decrease their water use and build smart, circular water management practices. The Ecolab Smart Water Navigator will help make that happen by bridging the gap between good intentions and effective action. To achieve that, the Smart Water Navigator focuses on the individual facility level. That's where real waters savings must happen, because all water is local. Depending on factors such as weather patterns, geography and local soil conditions, every location is different, and every individual facility requires solutions tailored to its own situation. Launched in March 2019, the Ecolab Smart Water Navigator is a free online tool that offers companies a practical roadmap for sustainable water management. The tool is publicly available at [www.smartwaternavigator.com](http://www.smartwaternavigator.com).

## Product Sustainability

### ECOLAB'S PRODUCT SUSTAINABILITY POSITION AND OUTCOME BASED APPROACH

Ecolab develops products and 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/Senior 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 take an outcome-based approach to ingredient responsibility, human health and environmental impact, without compromising performance. Ecolab products and services touch people every day in nearly every corner of the world and as such we have a responsibility to embed natural resource conservation and product 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. Additionally, our global innovation product regulatory team reviews all new products for human health impact. This process informs final product safety analysis and safety data sheets (SDSs) for all Ecolab products.

### GOALS, TARGETS AND EVALUATION

In 2016, we initiated a refresh of our approach to product sustainability with the goal to bolster our Outcomes Based Approach by further integrating and aligning voice of the customer with product responsibility and innovation during the earliest phases of product development. This work is designed to further define the safety, health and environmental impacts of our products. It centers around a set of nine measurable human health, environmental and safety product attributes relevant to our products as used in customer operations. These nine criteria are detailed below:

- **No Personal Protective Equipment (PPE) at Use Solution when used as directed:** Makes it simple to train employees on effective use and safer handling. No GHS pictogram for acute dermal toxicity as used; No GHS pictogram for skin irritation as used; No GHS health hazard classification as used; Not categorized as a sensitizer as used.
- **Closed Product Dispensing System:** Product and dispenser designed to reduce exposure making the product easier to handle, store and deliver.
- **Fragrance Free, or IFRA Compliant Fragrance:** Fosters peace of mind for user and comfort for occupant.
- **Low Volatile Organic Compounds (VOC):** Minimal air impacts due to volatile compounds as defined by CARB (Californian Air Resources Board)
- **Product is biodegradable as used:** Compatible with low impact at sewer discharge
- **Ultimately or Readily biodegradable surfactants, or product contains no added surfactants:** Compatible with low impact at sewer discharge
- **Not toxic to aquatic life as used:** Not toxic to aquatic life per GHS criteria. Compatible with low impact at sewer discharge
- **Concentrated Product:** Reduced packaging and minimized transportation impacts.
- **Low phosphorus, or no added phosphorous ingredients:** Compatible with low impact at sewer discharge.

Providing this information helps to explain and measure the impacts of our solutions as they are used by our customers. The technical information supporting these attributes is supported by our enterprise chemical management database, and thus, is consistent with our Safety Data Sheet literature. As our Outcome Based Product Sustainability platform evolved and gained support within the organization throughout 2016, we pivoted away from completing CIPP (Customer Impact Product Profile) reviews and instead focused on completing product assessments against these new Outcome Based Product Sustainability criteria. We are currently implementing digital access to make product level data readily available through our sales associates, as well as educating our sales team to help customers better understand and manage impacts of purchasing decisions on their operations.



## TARGETS AND PERFORMANCE

Our targets and performance – outlined in the table below – are based on two key performance indicators related to product sustainability:

1. Product and SKU evaluations
2. Chemical Footprint project

	PRODUCT EVALUATIONS	CHEMICAL FOOTPRINT PROJECT (CFP)
<b>2018 TARGET</b>	Complete formulation and product (SKU) reviews as requested by the business.	Participate in the Chemical Footprint Project (CFP).
<b>2018 PERFORMANCE</b>	In 2018, we completed 370 product evaluations on one or more of the nine product sustainability criteria defined by Ecolab in the outcome-based approach.	In 2018, we continued our participation 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.
<b>2019 TARGET</b>	<p>Our 2019 targets are to complete a review of the new products added to the core North American Institutional product portfolio as an update to the work done in 2018 and to complete additional product evaluations as requested by the business, with a focus of expansion on global product portfolios.</p> <p>In addition, we are updating raw material and finished cleaning product evaluations to address our expanded ingredient communication standards in line with new criteria adopted in California and New York. This initiative will update ingredient communication for 1,500+ cleaning products marketed across the U.S.</p>	<p>Through our participation with CFP, we established a defined process for accessing and proactively eliminating substances of concern from the Ecolab product and substance portfolio. We plan to focus on reducing or eliminating the small number of Substances of Very High Concern as designated by the candidate European Union (EU SVHCs) within our portfolio. Our goal is to execute the following in 2019 and beyond:</p> <ul style="list-style-type: none"> <li>- Immediately prioritize away from using components containing EU SVHCs in new products, during earliest phases of the development process.</li> <li>- Work rapidly to make low volume or low business value formulas containing EU SVHCs obsolete.</li> <li>- Where replacement technology gap exists, establish projects and partnerships to define global alternatives to most significant candidate EU SVHCs.</li> </ul>

## REACH (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 met the final 2018 compliance deadline for 200+ chemical substances utilized in 875+ formulated products. 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.

## Total Impact Approach

Ecolab takes a "Total Impact Approach" to delivering our products and systems as an alternative approach to Life Cycle Assessment (LCA) that assesses product environmental impacts throughout the life cycle. We consider how every one of our solutions increases efficiency, minimizes use of natural resources and improves safety – from sourcing, to manufacturing, to use, and through disposal. This ecological footprint is considered for over 90% of our products and systems during the development process, with a focus on use phase impacts. In 2017, Ecolab participated as a stakeholder in the Chemical Life Cycle Collaborative (CLiCC) project taking place at the University of California Santa Barbara. This will result in an open-access, online tool that will enable users to evaluate the lifecycle impacts of chemicals and materials at an early stage of the chemical product development process. To date, complete product formulations are out of scope for the CLiCC project. However, we believe we can use this tool to better understand and evaluate our ingredient selections. For this reason, Ecolab invested time and resources to be one of the organizations pilot testing the tool in 2018.

## MATERIALS (GRI 301)

### MATERIALS USED BY WEIGHT OR VOLUME (301-1)

	Units	2015	2016	2017	2018
Raw material used (nonrenewable)	Metric tons (MT)	2,404,401	2,308,129	2,359,056	2,384,020

The scope of raw material data is limited to global supply-chain manufacturing facilities and does not include 2018 acquisition sites.

### RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS (301-3)

	Units	2015	2016*	2017	2018
Total recycled materials use in packaging	MT	1,530	3,023	3,405	3,367
Total packaging used	MT	11,126	20,332	21,834	23,134
<b>Percentage of recycled material used in packaging</b>	<b>MT</b>	<b>13.8%</b>	<b>14.9%</b>	<b>15.6%</b>	<b>14.6%</b>

\*The scope of 2016 data has been expanded to include Legacy Champion. Prior year data only includes Legacy Nalco.

	Units	2015	2016	2017	2018
Reconditioned Drums Purchased	MT	1,189	1,770	1,412	1,098
Reconditioned IBCs** purchased	MT	Data unavailable	165	608	331
Containers returned for reuse	MT	Data unavailable	Data unavailable	6,005	5,238

\*\*Intermediate Bulk Container (IBC)

Ecolab purchases reconditioned drums to avoid the use of virgin plastic. The scope of reconditioned drum and Intermediate Bulk Container (IBC) data is North America Legacy Ecolab. We are unable to provide consistent reconditioned IBC purchase data prior to 2016 or returned containers for reuse data prior to 2017.

## ENERGY (GRI 302)

### ENERGY CONSUMPTION WITHIN THE ORGANIZATION (302-1)

#### DIRECT ENERGY CONSUMED BY SOURCE

	Units	2015	2016	2017	2018
Biodiesel	GJ	1	-	5	106
Diesel	GJ	956,423	870,635	881,810	871,255
Distillate Fuel Oil (#1, 2, 4)	GJ	92,150	74,535	72,723	42,081
Ethanol	GJ	23,735	1,493	1,098	2,150
Gasoline	GJ	2,081,175	2,083,016	2,001,180	2,036,378
LNG	GJ	1	1	-	-
LPG	GJ	42,969	37,324	28,828	38,467
Natural Gas	GJ	3,315,994	3,412,128	3,586,721	3,808,952
Residual Fuel Oil (#5, 6)	GJ	3,908	3,086	3,335	2,737
Towngas	GJ	18	35	20	-
<b>Total</b>	<b>GJ</b>	<b>6,515,374</b>	<b>6,482,253</b>	<b>6,575,720</b>	<b>6,802,126</b>

#### INDIRECT ENERGY CONSUMED BY SOURCE

	Units	2015	2016	2017	2018
Electricity	GJ	1,665,460	1,655,155	1,661,341	1,726,457
Purchased chilled water	GJ	12,156	14,116	11,847	11,514
Purchased hot water	GJ	52,235	56,035	58,529	170,111
Steam	GJ	352,078	389,032	382,612	291,508
Solar	GJ	0	714	-	-
<b>Total</b>	<b>GJ</b>	<b>2,081,929</b>	<b>2,115,051</b>	<b>2,114,329</b>	<b>2,199,590</b>

#### ELECTRICITY SOLD

	Units	2015	2016	2017	2018
Electricity sold	GJ	3,041	5,122	12,508	1,736

Our Legacy Nalco Water headquarters/RD&E facility in Naperville, Illinois, has an onsite tri-generation facility that produces the majority of the electricity used by the facility and all the chilled water and steam used for cooling and heating the building. Any unused electricity is sold back to the grid.

#### ENERGY USE BY REGION

	Units	2015	2016	2017	2018
Asia Pacific	GJ	805,080	795,417	813,962	730,750
Europe, Middle East and Africa	GJ	1,225,061	1,229,411	1,310,638	1,292,799
Latin America	GJ	256,513	310,865	301,480	353,238
North America	GJ	6,311,656	6,261,611	6,263,970	6,624,929
<b>Global</b>	<b>GJ</b>	<b>8,598,310</b>	<b>8,597,304</b>	<b>8,690,050</b>	<b>9,001,716</b>

## ELECTRICITY USE BY REGION

	Units	2015	2016	2017	2018
Asia Pacific	GJ	242,686	218,997	215,002	222,697
Europe, Middle East and Africa	GJ	282,160	286,247	289,095	276,972
Latin America	GJ	111,136	123,034	126,058	153,494
North America	GJ	1,029,477	1,027,592	1,031,185	1,073,293
<b>Global</b>	<b>GJ</b>	<b>1,665,460</b>	<b>1,655,869</b>	<b>1,661,341</b>	<b>1,726,457</b>

United States Environmental Protection Agency Climate Leaders conversion factors were used.

## ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION (302-2)

SOURCES OF SCOPE 3 EMISSIONS	MWh	METRIC TONNES CO <sub>2</sub> e
Fuel and energy-related activities	610,997	141,783

**Methodology:** Upstream emissions from purchased fuels, electricity, steam and hot and chilled water, include generation and T&D emissions, and any other losses in this category. Data quality is considered to be consistent with inputs from our global database on sustainability metrics. Upstream emissions of purchased electricity are calculated for the US and other countries by multiplying electricity activity data by country or region-specific emission factors from UK Defra 2017 Guidelines for GHG Reporting. Upstream emissions from purchased fuels, steam, hot and chilled water are calculated using emissions factors from UK Defra 2017 Guidelines for GHG Reporting. Emissions associated with losses were calculated for the US and other countries by multiplying the energy use by type by emission factors from UK Defra 2017 Guidelines for GHG Reporting. All GWPs are from the IPCC Fourth Assessment Report (GWP for CH<sub>4</sub> = 25, GWP for N<sub>2</sub>O = 298), consistent with reporting under the United Nations Framework Convention on Climate Change (UNFCCC).

## ENERGY INTENSITY (302-3)

	Units	2015	2016	2017	2018
Ratio denominator: Global sales	\$M (adjusted)	13,545	13,272	13,894	14,335

Fixed currency USD. Sales figures represented are globally adjusted for inflation using the Producer Price Index. This ratio denominator was used for all intensities shown for the environmental indicators and is used for our corporate operational goal reporting.

	Units	2015	2016	2017	2018
Energy used intensity*	GJ/\$M	635	648	625	628
Electricity used intensity**	GJ/\$M	123	125	120	120

\*All energy use within the organization is included.

\*\*All electricity used within the organization is included.

## REDUCTION OF ENERGY CONSUMPTION (302-4)

	Units	2018
Asia Pacific	kWh	1,959,600
Europe, Middle East and Africa	kWh	2,230,000
Latin America	kWh	None reported
North America	kWh	677,800
<b>Global</b>	<b>kWh</b>	<b>4,867,400</b>

The scope of reduction of energy consumption data is global supply chain manufacturing facilities that reported energy efficiency projects. Energy savings represent a combination of direct measurements and estimations using best-practices methodologies, as reported. This is a voluntarily reported metric and therefore may not represent all projects completed in 2018.

## REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES (302-5)

### Energy-saving Technologies Delivered to Customers

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 2018 include:

**PARETO™ MIXING TECHNOLOGY:** In 2018, we helped customers globally save an estimated 6.2 trillion BTUs globally using 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 2018, we helped customers in the United States and Canada save an estimated 201 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 waste from 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, cooling capacity of the system is improved by 50 percent (based on internal national energy data). This coil-cleaning service is supported 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 quarterly calculated energy savings delivered by the technology based on historical and forecasted marketing and sales data.

**APEX™:** In 2018, we helped customers in North America and Latin America save an estimated 3.1 trillion BTUs using our APEX warewashing program. Restaurant owners can minimize rewash while maintaining cleaning performance and operating 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 2018, we helped customers in North America and Latin America save an estimated 1.78 trillion BTUs. By using the Aquanomic program, lodging owners can 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 2018, we helped customers in North America save an estimated 1.0 billion 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 2018, we helped customers globally save an estimated 7.5 trillion BTUs through the use of our Nalco Boiler Treatment Technology. By using Nalco Boiler Treatment Technology, customers are able to improve boiler safety and reliability while achieving significant energy savings by reducing scale deposits in firetube 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 2018, we helped customers in North America and Latin America save an estimated 319 billion BTUs using 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 2018, we helped customers in the United States save an estimated 70.7 billion BTUs using 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 2018, we helped customers save an estimated 12.7 billion BTUs globally using 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 2018, we helped customers in the United States save an estimated 204 billion BTUs using 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 2018, we helped customers save an estimated 147 billion BTUs globally using 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.

**ADVANTIS FC PROGRAM:** In 2018, we helped customers save an estimated 2.58 billion BTUs of energy globally using our Advantis FC program. This program is a high foaming, chlorinated alkaline cleaner specially formulated for use with reduced temperature water. Advantis FC provides food and protein processing facilities with excellent cleaning performance against protein and fat soils on stainless steel processing equipment and plant environmental surfaces. Previous processes required sanitation water to be heated to temperatures as high as 145 degrees Fahrenheit. When used as directed, Advantis FC effectively cleans protein and fat soils at temperatures as low as 105 to 110 degrees Fahrenheit.

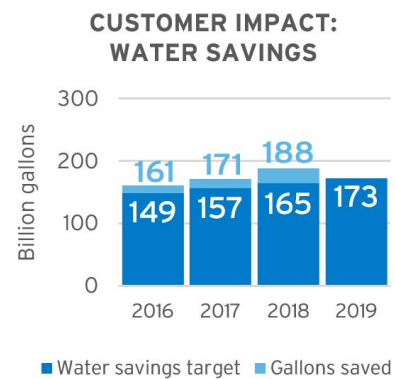
## Customer Impact

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 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. 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:

ECOLAB'S 2030 CUSTOMER IMPACT GOAL	2018 PERFORMANCE
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.	We helped our customers save 188 billion gallons of water, equivalent to the annual drinking water needs of more than 650 million people


Every year, we measure our progress against this goal using our eROI Customer Impact Counter available [online](#). 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. Our water savings target is based on the amount needed to reach our customer impact goal by 2030.

- **2018 target:** Help our customers conserve 165 billion gallons of water.
- **2018 performance:** We helped our customers save 188 billion gallons of water, equivalent to the annual drinking water needs of more than 650 million people
- **2019 target:** Help our customers conserve 173 billion gallons of water.




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

In 2018, we helped our customers save:

  
**188 billion**  
 Gallons of water

  
**19 trillion**  
 BTUs of energy

  
**2.4 billion**  
 Pounds of CO2 emissions

  
**54 million**  
 Pounds of waste

## VALIDATION OF METHODOLOGY

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.

## DELIVERING VALUE TO CUSTOMERS

Throughout our [2018 Corporate Sustainability Report](#) we showcase various real-life customer eROI case studies, demonstrating the value we delivered to our customers. The impacts and savings data presented within the case studies are aligned with either anticipated outcomes or the actual realized savings confirmed with the customer at that time and have been approved by each respective customer. These case studies in our Corporate Sustainability Report showcase how Ecolab delivers outcomes through technology, insights, service and training.

# WATER (GRI 303)

## INTERACTIONS WITH WATER AS A SHARED RESOURCE (303-1)

### Our Vision for Clean Water

The demand for fresh water is expected to surpass supply by 40 percent within the next two decades - placing urgent pressure on businesses to rethink the way water resources are managed, for their own good and for the good of their customers and communities. To address these challenges, businesses around the world are setting ambitious water conservation goals, and Ecolab helps them achieve those goals by doing more with less - improving the heating and cooling, industrial processing, wastewater treatment, and cleaning and sanitizing processes. We employ innovative water technologies, real-time data and monitoring, water management software tools, water treatment services and chemistries to help customers implement industrial water conservation efforts to reduce fresh water use, re-use and recycle water to increase operational efficiency and reduce cost of operation, pretreat water to meet environmental discharge standards, treat water for public health and safety, and to protect and prolong asset life.

### Collective Action and Water Stewardship

#### DRIVING WATER STEWARDSHIP

We are 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. The objective of the AWS Standard is to drive water stewardship, which we define as: *the use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site-and catchment-based actions.*

Good water stewards understand their own water use, catchment context and shared concerns in terms of water governance; water balance; water quality; Important Water-Related Areas (IWRAs); Water, Sanitation and Hygiene (WASH), and then engage in meaningful individual and collective actions that benefit people, the economy and nature. Members of the Alliance for Water Stewardship unite behind the organizational intention in developing the AWS Standard - to provide a common, credible, globally-applicable framework for major water users to understand their own water use and impacts, and to work collaboratively and transparently with others for sustainable water management within the wider water catchment context.

#### STRUCTURE OF THE AWS INTERNATIONAL WATER STEWARDSHIP STANDARD

As stated on [AWS's website](#), the AWS standard is built around five steps:

1. Gather and understand
2. Commit and plan
3. Implement
4. Evaluate
5. Communicate and disclose

Implementation of the AWS standard is intended to achieve five outcomes:

- Good water governance
- Sustainable water balance
- Good water quality status
- Important water-related areas
- Safe water, sanitation and hygiene for all (WASH)

More information on collective action and water stewardship can be found on pages 30-31 of this report under the "Collective Action" and "Water Stewardship" section. For water withdrawal and discharge data, reference indicators 303-3 and 303-5 on pages 42-43 of this report.





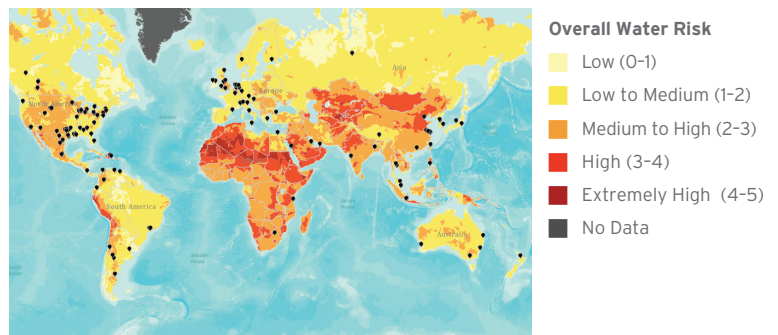
## Water Risk Assessment

### OVERVIEW

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 (WRM) tool as a means to inform decisions at an operational level. The WRM 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 WRM utilizes leading, publicly available datasets such as those developed by the WRI and WWF. Ecolab released the WRM 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 2018 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. Ecolab continues to actively refresh the tool with updated data as available and evaluate opportunities to improve the WRM with enhancements and new features.

### METHODOLOGY DETAIL

In 2018, 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 139 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 Water Risk Monetizer. *Photo source: World Resources Institute Aqueduct Tool.*



### RESULTS

Using GRI's definition of water stress<sup>1</sup>, 52 percent of Ecolab's total water withdrawal is sourced from areas with "high" or "extremely high" current baseline water stress. To further evaluate our water risk, we also assessed sites in these areas against the following criteria:

- Future baseline water stress is expected to remain the same or increase (based on IEA 450 climate scenario to 2030 in WRI's Aqueduct Water Risk Atlas),
- 10-year potential Revenue at Risk is greater than 10 percent (based on Water Risk Monetizer tool)<sup>2</sup>, and
- Production volume (i.e. the percentage of each sites' production out of total production) is greater than 1 percent.

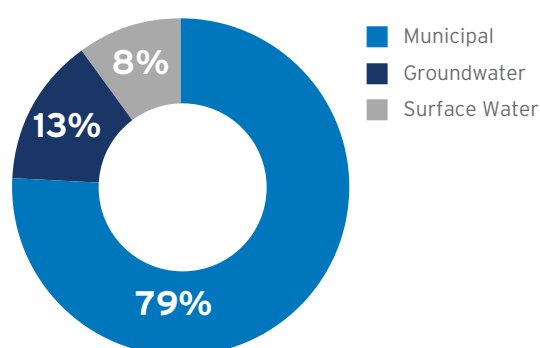
Based on these criteria, only three sites representing 8.2 percent of total production volume, and 27 percent of total water withdrawal have been identified as operating in river basins with current and/or future water stress and may be affected by Ecolab's withdrawal of water. All three of these sites are working hard to mitigate this risk. For example, our City of Industry plant in California received Alliance for Water Stewardship International Water Stewardship Standard certification in 2017, and our Clearing plant in Illinois installed a top-of-the line water reclaim system in 2018 that when fully operational, will save 100 million gallons per year.

<sup>1</sup> GRI uses the following indicator and thresholds to define water stress in an area: "the ratio of total annual water withdrawal to total available annual renewable water supply (i.e. baseline water stress) is high (40-80%) or extremely high (>80%)". Baseline water stress is assessed using the World Resources Institute's Aqueduct Water Risk Atlas: [www.wri.org/our-work/project/aqueduct/](http://www.wri.org/our-work/project/aqueduct/)

<sup>2</sup> Revenue at risk compares the estimated amount of water a business requires to generate revenue (m3 per USD of revenue) to the business' share of water available in the water basin if water were allocated among water users based on economic activity (contribution to basin-level GDP). If more water is required than the basin share of water allocated, then a proportion of the business' revenue is potentially at risk. Industry type, local water stress and competition (basin level economic activity) are all variables that impact the amount of revenue at risk.

## WATER WITHDRAWAL (303-3)

### WATER WITHDRAWAL BY SOURCE



	Units	2018
Municipal water or other water utility	Cubic meters	7,313,068
Groundwater	Cubic meters	1,165,235
Surface water	Cubic meters	739,218
Rainwater	Cubic meters	4,718
<b>Total</b>	<b>Cubic meters</b>	<b>9,222,239</b>

The scope of water withdrawal by source data includes global manufacturing and headquarters/RD&E facilities, whereas water withdrawal by region includes all Ecolab sites.

### WATER WITHDRAWAL BY REGION

	Units	2015	2016	2017	2018
Asia Pacific	Cubic meters	921,841	874,998	844,085	829,186
Europe, Middle East and Africa	Cubic meters	1,787,255	1,881,636	1,842,083	1,790,555
Latin America	Cubic meters	491,895	517,507	498,048	454,627
North America	Cubic meters	6,031,819	5,953,855	6,144,861	6,562,903
<b>Global</b>	<b>Cubic meters</b>	<b>9,232,810</b>	<b>9,227,996</b>	<b>9,329,077</b>	<b>9,637,271</b>

	Units	2015	2016	2017	2018
Water withdrawal intensity (within the organization)	Cubic meter/ \$M	682	695	671	672

The scope of water withdrawal by region and intensity data includes global facilities.

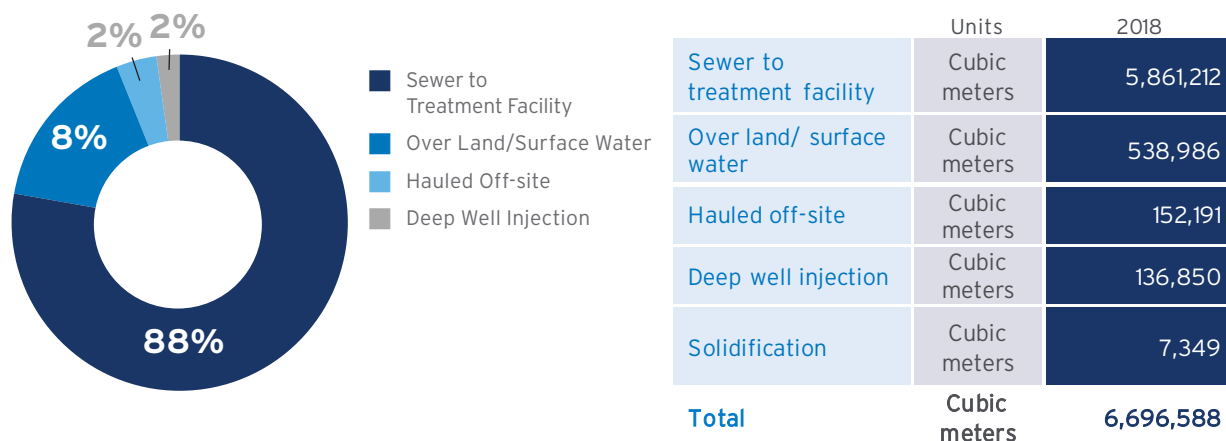
### TOTAL WATER RECYCLED AND REUSED

	Units	2015	2016	2017	2018
Total water recycled and reused	Cubic meters	104,175	112,893	132,926	131,937
Total water recycled and reused as a percent of total water withdrawal	%	1.13%	1.22%	1.48%	1.43%

The scope of water recycled and reused data includes global supply chain manufacturing sites.

## WATER DISCHARGE BY QUALITY AND DESINATION (303-4)

### WATER DISCHARGE BY DESTINATION



The scope of water discharge by destination is global manufacturing facilities and headquarters/RD&E facilities, whereas water discharge by region includes all Ecolab sites.

### WATER DISCHARGE BY REGION

	Units	2015	2016	2017	2018
Asia Pacific	Cubic meters	605,433	528,491	519,411	509,580
Europe, Middle East and Africa	Cubic meters	1,284,880	1,350,873	1,303,533	1,363,012
Latin America	Cubic meters	279,821	303,842	289,855	285,138
North America	Cubic meters	4,379,182	4,813,148	4,624,294	4,956,947
<b>Global</b>	<b>Cubic meters</b>	<b>6,549,316</b>	<b>6,996,354</b>	<b>6,737,093</b>	<b>7,114,678</b>

	Units	2015	2016	2017	2018
Water discharge intensity	Cubic meter/ \$M	484	527	485	496

The scope of water discharge by region and intensity is global facilities.

### WATER DISCHARGE BY QUALITY

	Units	2015	2016	2017	2018
Biological oxygen demand (BOD)	MT	1,680	2,579	1,579	1,736
Total suspended solids (TSS)	MT	2,363	2,428	2,960	2,900

- The scope of water quality data is global supply chain manufacturing facilities.
- In 2015, 91 percent of supply chain manufacturing water discharge is represented in BOD volume and 93 percent of supply chain manufacturing water discharge is represented in TSS volume.
- In 2016, 78 percent of supply chain manufacturing water discharge is represented in BOD volume and 70 percent of supply chain manufacturing water discharge is represented in TSS volume.
- In 2017, 64 percent of supply chain manufacturing water discharge is represented in BOD and TSS volume.
- In 2018, 68 percent of supply chain manufacturing water discharge is represented in BOD volume and 61 percent of supply chain manufacturing water discharge is represented in TSS volume.

## BIODIVERSITY (GRI 304)

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### OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY (304-1)

Ecolab owns one manufacturing facility in Garyville, Louisiana, that has protected wetlands on its property. The protected area on the premises comprises 220 acres or 0.89 km<sup>2</sup>. It is not developed and contains no buildings. This is the only known operational site that has owned or leased land that is in or adjacent to protected areas and areas of high biodiversity value outside of protected areas.

### SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, SERVICES ON BIODIVERSITY (304-2)

Ecolab's direct operations, activities, products and/or services do not have a significant impact on biodiversity in protected areas or areas of high biodiversity value outside of protected areas.

### HABITATS PROTECTED OR RESTORED (304-3)

Ecolab continues to support its partnership with The Nature Conservancy (TNC) "Securing and Restoring Water Sources Around the Globe." Below are region-specific examples of the impacts we help with through our partnership with TNC.

#### Global

Sponsor of The Nature Conservancy's Urban Water Blueprint: analyzed 2,000 water sources and 530 cities worldwide. 71,354 views to-date.

#### United States

##### MINNESOTA HEADWATERS FUND

Ecolab was an initial funder of the work with The Nature Conservancy's (TNC) Minnesota Headwaters Fund, that began in 2014, to support high-impact conservation projects to protect clean water in Minnesota's lake and rivers which has a 10-year goal to protect 200,000 acres, impacting 1.4 million people. To date the fund has helped protect 759-acres made possible through the support of Ecolab, and the work in 2018 included the three top watersheds (Pine River, Rum River and Crow Wing River) in the Mississippi headwaters, a critical water source to the Twin Cities of Minneapolis and St. Paul. Work also focused on the Saul River, St. Croix River and additional waterways in Southeast Minnesota in 2018.

#### Mexico

##### MONTERREY METROPOLITAN WATER FUND

In Monterrey, Mexico, support from Ecolab Foundation helped implement reforestation, soil restoration, and other upstream conservation activities that are improving water infiltration and regulating surface water flows to reduce flood risk and protect the water supply for 4.5 million people downstream through the Monterrey Metropolitan Water Fund (FAMM). Ecolab support established a tree nursery that is critical for providing enough high-quality plants for the restoration in the Cumbres de Monterrey National Park (CMNP). In 2018 the nursery provided 60,000 saplings to support reforestation activities in the CMNP and generated local job opportunities and being self-sustaining. The main geographical focus is CMNP, prioritized based on hydrological modelling because it provides over 60 percent of the water used Monterrey's metropolitan area, both surface water and groundwater.

#### China

With Ecolab's support TNC made progress on groundbreaking work focused on sustainable water systems in China. This includes making headway on the development of source water protection programs for the Dongjiang River Basin, the Qiandao Lake Basin and the exploration of a "sponge city" program in Shanghai. These projects use nature to create a more resilient water system in regions across the globe and will serve as critical demonstration sites, showing not only the physical connections between nature and cleaner water, but also how to engage stakeholders around a common purpose through innovative funding and governance frameworks.

## CHINA URBAN WATER BLUEPRINT

Ecolab supported the development and publication of the groundbreaking China Urban Water Blueprint report, which analyzed the state of water in China's 30 largest and fastest growing cities which informed TNC China's decision to start two new water funds. The report offers science-based recommendations for natural solutions - including reforestation and improving agricultural practices - that can be integrated alongside traditional infrastructure to improve water security for people and nature. It provides a roadmap for action for water security through natural solutions, paving the way for new partnerships and subsequent work on source water protection.

## IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS (304-4)

We are not aware of any operations that affect IUCN red-list species or national conservation list species.

## EMISSIONS (GRI 305)

### DIRECT (SCOPE 1) GHG EMISSIONS (305-1)

	Units	2015	2016	2017	2018
Scope 1 (direct) emissions	MT CO <sub>2</sub> e	396,380	393,785	397,508	409,173

- Scope 1 emissions reported are independent of any GHG trades, such as purchases, sales or transfers of offsets or allowances. The inventory includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emissions from fuel consumption and HFC emissions from refrigerant use.
- PFCs, NF<sub>3</sub> and SF<sub>6</sub> are not included since Ecolab does not use these compounds.
- Emissions factors used for electricity and other fuels are subregion-, country- or region-specific where applicable, using the latest databases from governmental sources (i.e., EPA's eGRID, UK's Defra and the International Energy Association).

	Units	2015	2016	2017	2018
Biogenic emissions	MT CO <sub>2</sub> e	1,219	76.7	56.7	118

- Biogenic emissions include biodiesel and ethanol (E85) fuel use. Chosen base year for GHG emissions is 2015. United States Environmental Protection Agency's Climate Leaders Emissions factors were used to calculate direct emissions. Chosen consolidation approach for emissions is operational control.

### Emissions-limiting Regulations

As reported on page 12 of our 2018 Annual Report, various laws and regulations pertaining to climate change have been implemented or are being considered for implementation at the international, national, regional and state levels, particularly as they relate to the production of GHG emissions. None of these laws and regulations directly apply to Ecolab at the present time; however, as a matter of corporate policy, we support a balanced approach to reducing GHG emissions while sustaining economic growth.

### Reducing Our Greenhouse Gas Emissions

Our current global sustainability targets were established in 2016, which include a 10 percent reduction in greenhouse gas (GHG) emissions by 2020 (measured by intensity per million dollars in sales). In 2018, we reduced our greenhouse gas emissions on an intensity basis by 8.4 percent from a 2015 baseline, close to our goal of a 10 percent intensity-based reduction by 2020. Key drivers for our emissions reductions are renewable electricity purchases in Europe and increased overall water efficiency. A North American renewable electricity deal signed in 2018 will set us up to surpass our 2020 GHG goal. More information on our renewable energy deal can be found within indicator 203-1 on page 26, along with our 2018 Environmental Performance on page 29 of this report.

## ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS (305-2)

	Units	2015	2016	2017	2018
Scope 2 (indirect) emissions: location-based*	MT CO <sub>2</sub> e	270,104	262,309	247,187	254,767
Scope 2 (indirect) emissions: market-based**	MT CO <sub>2</sub> e	289,621	271,657	269,450	256,468

\*Scope 2 emissions reported represent location-based emissions, and are independent of any GHG trades, such as purchases, sales or transfers of offsets or allowances. The inventory includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emissions from electricity, heating and cooling consumption. Chosen base year for GHG emissions is 2015. Emissions factors used for electricity and other fuels are subregion-, country- or region-specific where applicable, using the latest databases from governmental sources (i.e., United States Environmental Protection Agency's eGRID, UK's Defra and the International Energy Association). Chosen consolidation approach for emissions is operational control.

\*\*Scope 2 emissions reported represent market-based emissions, including current year and historical years reported. The inventory includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emissions from electricity, heating and cooling consumption. Chosen base year for GHG emissions is 2015. Emissions factors used for electricity and other fuels are subregion-, country- or region-specific where applicable, using the latest databases from governmental sources (i.e., United States Environmental Protection Agency's eGRID, UK's Defra and the International Energy Association) and market-based sources from utilities and residual mix where available. Chosen consolidation approach for emissions is operational control.

## OTHER INDIRECT (SCOPE 3) GHG EMISSIONS (305-3)

	Units	2015	2016	2017	2018
Gross indirect business travel (scope 3) GHG emissions <sup>1</sup>	MT CO <sub>2</sub> e	44,801	43,977	40,948	43,676
Purchased goods and services <sup>2</sup>	MT CO <sub>2</sub> e	6,711,304	4,253,032	6,040,547	6,792,970
Fuel and energy related activities <sup>3</sup>	MT CO <sub>2</sub> e	126,231	127,518	140,580	141,783
Waste generated in operations <sup>4</sup>	MT CO <sub>2</sub> e	37,629	18,821	40,829	39,376

<sup>1</sup> The scope of business-travel emissions is travel by U.S.-based and European-based employees only. Data availability for European business travel varies by country. It is estimated that 70 percent of all business travel emissions are represented. Defra 2015 emissions factors were used to calculate Scope 3 business-travel GHG emissions.

<sup>2</sup> Ecolab has used Environmentally Extended Economic Input Output (EEIO) analysis for a portion of its annual supplier and procurement spend data. This is a categorization model to convert \$USD spend based on relevant NAICS sector categories into carbon emissions associated with the extraction, production and transport of purchased goods and services acquired or purchased by Ecolab in the reported year. We annually evaluate all suppliers in our three most material supplier categories: raw material chemical suppliers, packaging suppliers and equipment suppliers. For each, we have incorporated 100 percent of the global spend data. In total, this represents more than 50 percent of our total global supplier spend and corresponding purchased goods and services related emissions.

<sup>3</sup> Upstream emissions from purchased fuels, electricity, steam and hot and chilled water, include generation and T&D emissions, and any other losses in this category. Data quality is consistent with inputs from our global database on sustainability metrics. Upstream emissions of purchased electricity are calculated for the US and other countries by multiplying electricity activity data by country or region-specific emission factors from UK Defra 2017 Guidelines for GHG Reporting. Upstream emissions from purchased fuels, steam, hot and chilled water are calculated using emissions factors from UK Defra 2017 Guidelines for GHG Reporting. Emissions associated with losses were calculated for the US and other countries by multiplying the energy use by type by emission factors from UK Defra 2017 Guidelines for GHG Reporting. All GWPs are from the IPCC Fourth Assessment Report (GWP for CH<sub>4</sub> = 25, GWP for N<sub>2</sub>O = 298), consistent with reporting under the United Nations Framework Convention on Climate Change (UNFCCC).

<sup>4</sup> This waste figure represents global waste emissions from waste disposed via landfill, incineration, recycling, anaerobic digestion and composting based on actual destination sources for Ecolab's 2017 hazardous and non-hazardous waste streams. Data quality is consistent with inputs from our global database on sustainability metrics. Data on waste quantity are obtained and reported from global sites. Emissions from waste are calculated using methodologies and emission factors from the EPA's Waste Reduction Model (WARM), version 14, March 2016. Landfill emissions factors are used directly from WARM. This model bases its emissions calculations on a life-cycle analysis, including emissions from the long-term decomposition of waste in a landfill and upstream sources/sinks. GWPs are from the IPCC (2007) Fourth Assessment Report. For all categories except landfill, the WARM method has been adjusted to align with the GHG Protocol's Corporate Value Chain (Scope 3) Standard, based on emissions for transport to destination and processing of materials prior to reaching the end destination (be it recycling, incineration or other).

## GHG EMISSIONS INTENSITY (305-4)

	Units	2015	2016	2017	2018
Direct and indirect GHG emissions intensity*	MT CO <sub>2</sub> e/\$M	53.9	53.5	51.0	49.5
Scope 1 (direct) emissions intensity	MT CO <sub>2</sub> e/\$M	29.3	29.7	28.6	28.5
Scope 2 (indirect) emissions intensity: market-based	MT CO <sub>2</sub> e/\$M	21.4	20.5	19.4	17.9
Scope 3 (other indirect) emissions intensity**	MT CO <sub>2</sub> e/\$M	3.25	3.31	2.95	3.05

\* Gases included: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O. Includes Scope 1, 2 and business travel.

\*\*The scope of Other Indirect (Scope 3) Emissions Intensity includes only business travel.

## REDUCTION OF GHG EMISSIONS (305-5)

	Units	2018
Asia Pacific	GJ	611
Europe, Middle East and Africa	GJ	670
Latin America	GJ	-
North America	GJ	159
<b>Global</b>	<b>GJ</b>	<b>1,440</b>

- The scope of reduction of emissions consumption data is global supply chain manufacturing facilities that reported energy efficiency projects. The inventory includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emissions from fuel consumption and HFC emissions from refrigerant use. This includes both Scope 1 and 2 emissions, as reported.
- PFCs, NF<sub>3</sub> and SF<sub>6</sub> are not included, since Ecolab does not use these compounds. Reduction data is calculated by our plant engineers and are annualized for 2016 savings only.
- This is a voluntarily reported metric and therefore may not represent all projects completed in 2018.

## EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS) (305-6)

	Units	2015	2016	2017	2018
Asia Pacific	MT CFC-11 equivalents	0.0089	0.005	0.00011	0.0005
Europe, Middle East and Africa	MT CFC-11 equivalents	-	-	-	-
Latin America	MT CFC-11 equivalents	0.0007	0.0004	-	-
North America	MT CFC-11 equivalents	0.130	0	0.00103	-
<b>Global</b>	<b>MT CFC-11 equivalents</b>	<b>0.140</b>	<b>.0054</b>	<b>0.00114</b>	<b>0.0005</b>

No ODS are used in the production of Ecolab products. The ODS reported are used in chiller and HVAC systems in Ecolab manufacturing facilities. The scope of this metric is all supply-chain manufacturing facilities, as reported. Substances included in this calculation include R22, R123 and R124A. Emissions factors from the Montreal Protocol were used.

## NITROGEN OXIDES (NOX), SULFUR OXIDES (SOX), & OTHER EMISSIONS (305-7)

### NOx BY REGION

	Units	2015	2016	2017	2018
Asia Pacific	MT	24	21	24	24
Europe, Middle East and Africa	MT	75	70	76	75
Latin America	MT	10	8	7	8
North America	MT	1,039	1,009	984	993
<b>Global</b>	<b>MT</b>	<b>1,148</b>	<b>1,108</b>	<b>1,091</b>	<b>1,100</b>

### SOx BY REGION

	Units	2015	2016	2017	2018
Asia Pacific	MT	0.86	0.70	0.72	0.76
Europe, Middle East and Africa	MT	5.00	4.12	3.96	2.14
Latin America	MT	0.30	0.24	0.28	0.05
North America	MT	0.65	0.63	0.65	0.78
<b>Global</b>	<b>MT</b>	<b>6.80</b>	<b>5.68</b>	<b>5.62</b>	<b>3.74</b>

### NOx AND SOx EMISSIONS INTENSITIES

	Units	2015	2016	2017	2018
NOx Emissions Intensity	MT/\$M	0.085	0.084	0.079	0.077
SOx Emissions Intensity	MT/\$M	0.000503	0.000429	0.000404	0.000260

The scope of NOx and SOx reporting is global facility and fleet fuel use.



## EFFLUENTS AND WASTE (GRI 306)

### WASTE BY TYPE AND DISPOSAL METHOD (306-2)

#### SOLID RECYCLED MATERIAL

	Units	2015	2016	2017	2018
Solid recycled material	MT	10,345	6,157	6,119	6,224

The scope of solid recycled material data is global supply chain manufacturing facilities excluding 2018 acquisition sites.

#### TOTAL WASTE AND WASTE INTENSITIES

	Units	2015	2016	2017	2018
Nonhazardous solid waste	MT	30,721	31,485	29,352	28,368
Hazardous solid waste	MT	49,603	46,811	48,958	48,749
Nonhazardous solid waste intensity	MT/\$M	2.27	2.37	2.11	1.98
Hazardous waste intensity	MT/\$M	3.66	3.53	3.52	3.40

#### NONHAZARDOUS SOLID WASTE BY REGION

	Units	2015	2016	2017	2018
Asia Pacific	MT	1,496	1,117	965	1,158
Europe, Middle East and Africa	MT	4,853	4,270	4,318	4,973
Latin America	MT	1,050	1,130	949	902
North America	MT	23,322	24,968	23,119	21,335
<b>Global</b>	<b>MT</b>	<b>30,721</b>	<b>31,485</b>	<b>29,351</b>	<b>28,368</b>

#### HAZARDOUS WASTE BY REGION

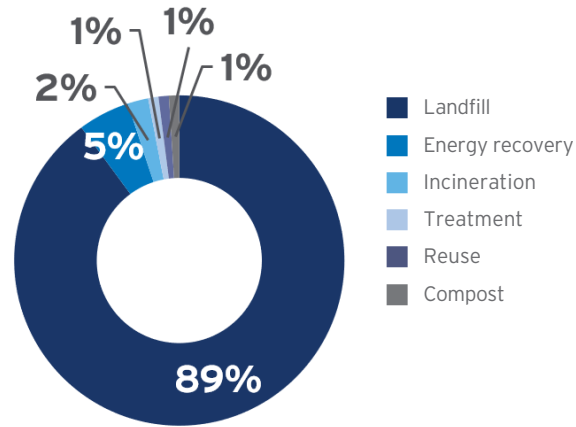
	Units	2015	2016	2017	2018
Asia Pacific	MT	5,183	5,297	5,712	6,145
Europe, Middle East and Africa	MT	22,471	17,883	18,273	19,091
Latin America	MT	3,857	4,480	5,090	3,346
North America	MT	18,092	19,151	19,883	20,166
<b>Global</b>	<b>MT</b>	<b>49,603</b>	<b>46,811</b>	<b>48,958</b>	<b>48,748</b>

All waste is disposed of directly by the organization or otherwise directly confirmed by the waste disposal contractor. The primary type of hazardous waste that Ecolab produces is process waste from vessel washouts, equipment cleaning, etc. Generally, this waste is corrosive or flammable, which is why it is deemed hazardous.

The scope of hazardous and nonhazardous solid waste by region and intensity is globally owned and leased facilities.

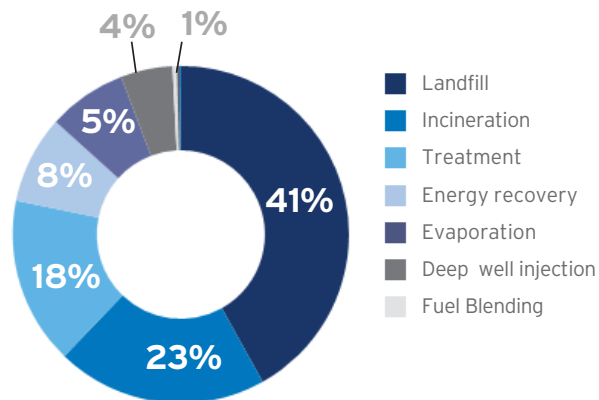
## NONHAZARDOUS SOLID WASTE BY DESTINATION

	Units	2018
Landfill	MT	24,625
Energy recovery	MT	1,402
Incineration	MT	642
Treatment	MT	385
Reuse	MT	303
Compost	MT	252
<b>Global</b>	<b>MT</b>	<b>27,609</b>



## HAZARDOUS WASTE BY DESTINATION

	Units	2018
Landfill	MT	18,753
Incineration	MT	10,768
Treatment	MT	8,219
Energy recovery	MT	3,744
Evaporation	MT	2,194
Deep well injection	MT	1,894
Fuel blending	MT	512
Reuse	MT	120
Compost	MT	27
<b>Global</b>	<b>MT</b>	<b>46,231</b>



The scope of nonhazardous and hazardous waste by destination is global manufacturing facilities and headquarters/RD&E facilities.

## SIGNIFICANT SPILLS (306-3)

In 2018, our operations did not experience spills of material significance to our company or the communities in which we operate.

## TRANSPORT OF HAZARDOUS WASTE (306-4)

All hazardous waste that leaves Ecolab facilities is shown in 306-2, along with any treated hazardous waste by weight, type and region.

## WATER BODIES AFFECTED BY WATER DISCHARGES AND/OR RUNOFF (306-5)

No facilities were identified or reported which may significantly impact water bodies from discharges of water and runoff. None of the river basins and water sources where Ecolab has operations are designated as protected areas (nationally or internationally). For more information about Ecolab's approach to water management, identification of facilities where water risk may exist and how Ecolab is managing these risks and opportunities as they relate to water, please refer to our CDP Water submission, available at [www.cdp.net](http://www.cdp.net).

## ENVIRONMENTAL COMPLIANCE (GRI 307)

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### NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS (307-1)

Ecolab is aware of a relatively small number of noncompliance issues and has a proactive and robust compliance program to address them promptly and completely. None of these issues resulted in material fines or penalties to the company under applicable reporting requirements. Additional information is provided in Ecolab's Form 10-K for the fiscal year ending December 31, 2018 in Part 1, Item 1, under Environmental Remediation and Proceedings and in Note 15 ("Litigation and Environmental Matters"). In 2018, Ecolab was not subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations.

## SUPPLIER ENVIRONMENTAL ASSESSMENT (GRI 308)

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### NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA (308-1)

All (100 percent) new suppliers go through a methodical process to be added to our portfolio, which includes a detailed risk assessment around legal, financial, operational, or reputational damage. The supplier must pass the screenings prior to conducting business with Ecolab. Our Supplier Code of Conduct is the standard for suppliers in screening for environmental criteria. Suppliers are encouraged to conserve natural resources, avoid use of hazardous materials where possible, and engage in reuse and recycling activities. Environmental elements include:

- **Environmental Authorizations:** Suppliers shall comply with all applicable environmental laws and regulations. All required environmental permits, licenses, information registrations and restrictions shall be obtained, be active and their operational and reporting requirements followed.
- **Waste and Emissions:** Suppliers shall have systems in place to ensure safe handling, movement, storage, recycling, reuse, or management of waste. Any generation and disposal of waste, emissions to air and discharges to water with the potential to adversely impact human health or the environment shall be appropriately minimized, and properly managed, controlled or treated prior to release into the environment.
- **Spills and Releases:** Suppliers shall have systems in place to prevent and mitigate accidental spills and releases to the environment.
- **Sustainability and Efficiency of Resources:** Suppliers shall have systems in place to optimize the use of all relevant resources sustainably, such as energy, water and materials.

To reinforce expectations internally, Ecolab launched an on-line annual training for Supply Chain and R&D associates to help them identify conflicts of interest, environmental, ethics, and labor concerns when interacting with suppliers. This training encourages associates to report concerns to be investigated via the Code of Conduct hotline. Results from the training are shared with Leadership and utilized to identify additional training areas.

### NEGATIVE ENVIRONMENTAL IMPACTS IN SUPPLY CHAIN AND ACTIONS TAKEN (308-2)

Suppliers must meet our Ethical Sourcing Standards regarding forced labor, child labor, health and safety in the workplace, fair pay, harassment, diversity, ethics and environmental policies. Our supplier requirements are based on international standards including the U.N. Declaration of Human Rights, the U.N. Convention on the Rights of the Child and the Conventions of the International Labor Organization, including its Fundamental Principles and Rights at Work. In 2014, we initiated the process to expand the scope of our sourcing requirements to consider the carbon emissions footprint of our individual suppliers, as well as the total impact of this component of our value chain. In addition to the detailed supplier ethical assessment that our top suppliers must complete in order to verify compliance with Ecolab's ethical sourcing requirements, Ecolab has extended a carbon impact analysis to its global suppliers in the chemical, packaging, and equipment categories (the sum total of which make up nearly 50 percent of our total global supplier spend), which represents more than 5,000 suppliers. Through this analysis we found that this component of our supply chain has a carbon footprint that is 10 times the size of our own scope 1 and 2 combined footprint, meaning there are significant actual and potential negative environmental impacts associated with our supply chain. We continue to expand the number and scope of suppliers that we evaluate, report and engage with to enhance their performance and identify opportunities to mitigate and reduce their environmental impacts, while also seeking to support our suppliers to meet the requirements of our Ethical Sourcing Standards.

# GRI 400: SOCIAL

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## DISCLOSURE OF MANAGEMENT APPROACH

The following Disclosure of Management Approach covers labor practices and decent work aspects material to Ecolab as disclosed in this report.

### Commitments

We are committed to a culture that fully leverages our employees' talents by promoting an environment where all people can make a difference, be heard, be supported, be developed and be rewarded for their contributions. We value the energy, ideas and ultimate success that diversity brings to our industry, our company and the global community we serve.

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

The safety of our employees, contractors and customers is our number one priority. From the way we operate to the products we develop to the customers we serve, our commitment to safety is uncompromised.

### Policies

- **Ecolab Code of Conduct:** Our Code of Conduct guides the way we conduct business internally and with our customers, suppliers and within the communities in which we operate. The Code of Conduct applies to all Ecolab officers, directors and employees.
- **Ecolab Human Rights Policy:** 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 and the Universal Declaration of Human Rights.
- **Supplier Code of Conduct:** The Supplier Code of Conduct includes expectations around human rights, ethics, labor rights, employment law, health and safety, environment, fair competition, and supplied materials. This applies to the selection and retention of all suppliers that provide goods or services to Ecolab worldwide, including raw material suppliers, semi-finished or finished goods suppliers, packaging suppliers, contractors, contract manufacturers and service providers/suppliers.
- **Anti-Human Trafficking Policy:** Ecolab 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 combatting human trafficking.
- **Conflict Minerals Policy:** Ecolab supports and has a policy regarding 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.
- **California Transparency in Supply Chains Policy:** In compliance with new legal requirements, Ecolab published a policy to address the implications of the UK Modern Slavery Act and the California Transparency in Supply Chain Act.
- **Global Safety, Health and Environment Position:** Our overarching safety goal is zero incidents. But Goal Zero is not just a number, it is a journey. On the way there, Ecolab places great value on training and education. Both at our own facilities and customer locations, we assess risk before we start work, identify and address safety issues, and remedy hazardous situations.

## Goals, Targets and Evaluation

Our goals are simple: zero accidents, zero injuries and zero violations. This is a collective goal in which each employee must commit to, own and deliver on safety – 24 hours a day, seven days a week, 365 days a year. We're supporting employees with proven safety programs, processes and platforms to help them achieve those goals. Our training and onboarding programs help us achieve these goals and provide leading metrics upon which to measure company performance.

Understanding underlying and potential risks is a critical component to improving safety outcomes. Our Global Safety Dashboard tracks our performance on a range of leading and lagging safety indicators. This level of transparency helps us focus on areas of greatest needs and measure the effectiveness of our safety programs. Our approach to safety communications is aimed at encouraging employees in the field, offices and plants to embrace safety as a personal issue. As part of those communications, we highlight different topics to encourage positive safety behaviors and awareness and eliminate risks. Safety is fully embedded into our company values. Below are a few examples of targets and performance around training activities promoting safety:

### SAFETY LEADERSHIP TRAINING

Safety Leadership is a half-day course designed to support managers as they become more actively engaged as safety leaders. The course is delivered by the Safety, Health and Environmental (SH&E) team with support of business leaders. Training is given to 100 percent of managers and other employees that are engaged in improving safety performance.

### DRIVER SAFETY TRAINING

Behind-the-Wheel (BTW) training is a course designed to teach vehicle control and accident avoidance techniques. Course and vendor suitability are determined by regional and market SH&E resources.

- 2018 target: 100 percent of the driver population that have not completed BTW within the past three years
- 2018 performance: 100 percent of the driver population that have not completed BTW within the past three years (2018 target achieved)
- 2019 target: 100 percent of the driver population that have not completed BTW within the past three years

### SAFETY ONBOARDING

Divisional safety onboarding processes are designed to provide newly hired sales and service personnel with basic safety training. The training includes eight modules of cross-divisional training (SOS@Core) and additional division-specific content. Metric is percent of employees that complete training within their first 30 days of their employment.

- 2018 target: 100 percent of metric achieved
- 2018 performance: 96 percent of metric achieved in 2018
- 2019 target: 100 percent of metric achieved

### SAFETY ACCOMPLISHMENTS

Our proactive approach to risk identification enhances our comprehensive safety program and improves results. We continuously identify, assess and address risks at our locations and customer facilities. Our achievements in 2018 include:

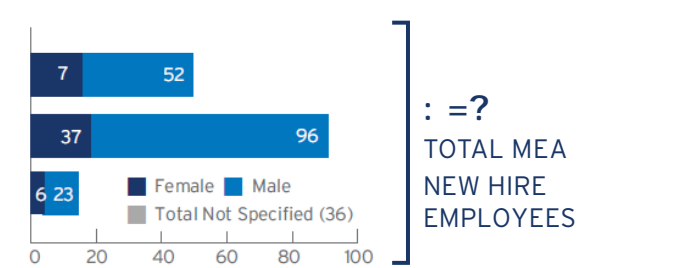
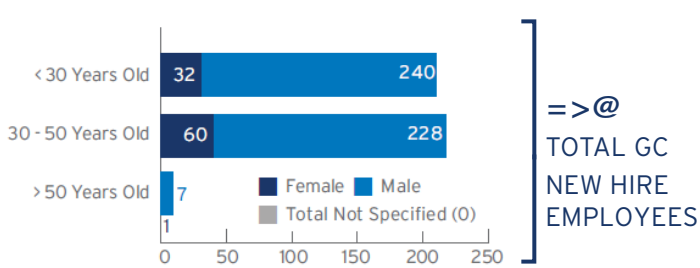
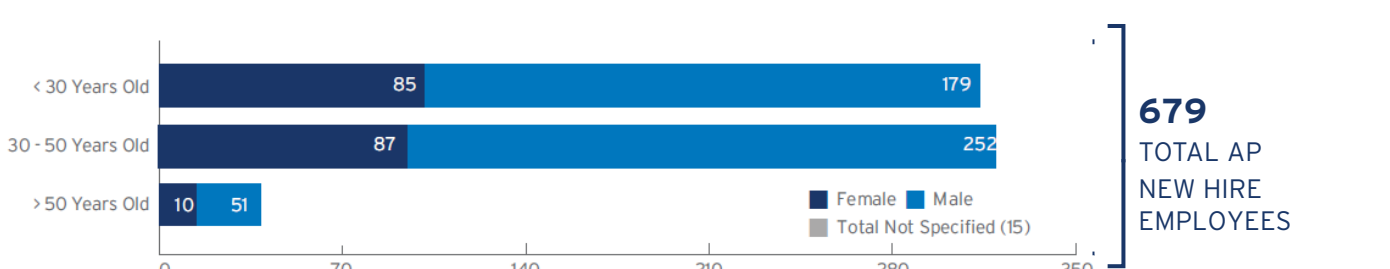
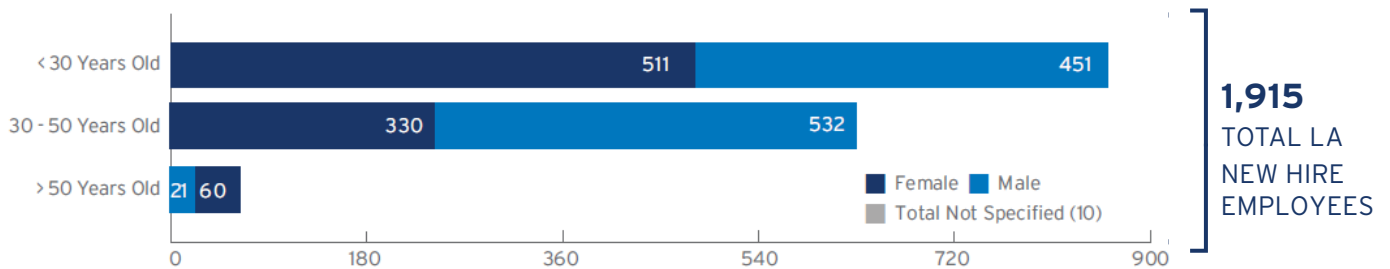
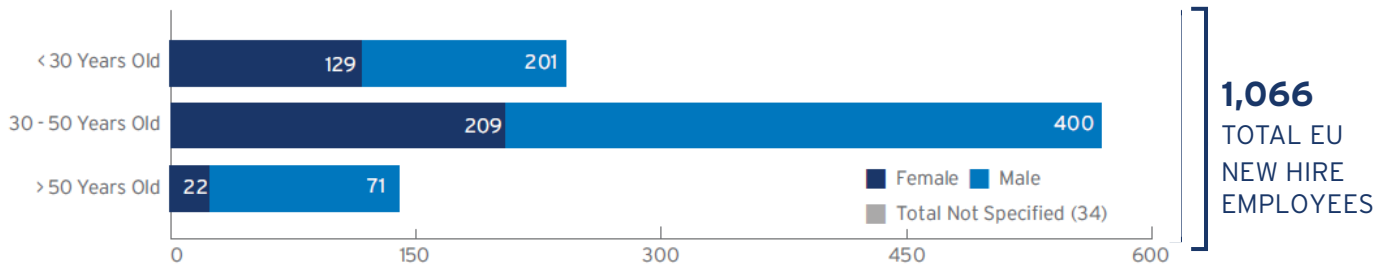
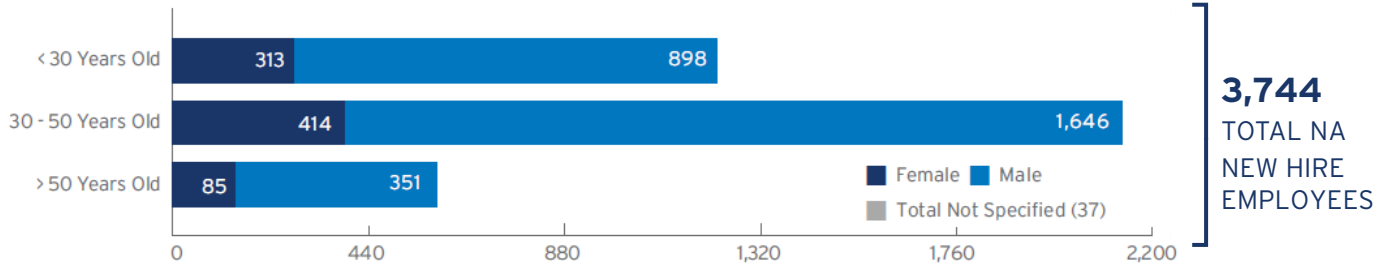
- More than 200,000 safety observations
- More than 100,000 commentary drives
- 306 safety audits
- Expansion of the safety mobile apps to include 'Be Safe' and incident submission in order to better support the global field teams

## Responsibilities

Our commitment is supported by an engaged Executive Safety Leadership Council, active Regional Safety Leadership Councils in all regions and large markets, and a Board of Directors Safety, Health and Environment Committee.

# NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER (401-1)

## NEW HIRES BASED ON REGION, AGE GROUP AND GENDER



**@4 : A** TOTAL NEW HIRE GLOBAL EMPLOYEES

## EMPLOYEE VOLUNTARY TURNOVER RATE BASED ON AGE, REGION AND GENDER

### NORTH AMERICA

	Female	Male	Total
< 30 Years Old	14.0%	15.8%	15.3%
0 - 50 Years Old	10.5%	9.5%	9.7%
> 50 Years Old	10.5%	10.9%	11.4%
<b>NA Total</b>	<b>11.1%</b>	<b>10.8%</b>	<b>11.0%</b>

### LATIN AMERICA

	Female	Male	Total
< 30 Years Old	13.5%	11.3%	12.3%
30 - 50 Years Old	8.4%	6.1%	6.8%
> 50 Years Old	10.2%	9.4%	9.8%
<b>LA Total</b>	<b>10.7%</b>	<b>7.7%</b>	<b>8.8%</b>

### EUROPE

	Female	Male	Total
< 30 Years Old	15.3%	12.2%	12.7%
0 - 50 Years Old	8.3%	7.3%	7.5%
> 50 Years Old	6.8%	7.5%	8.1%
<b>EU Total</b>	<b>9.0%</b>	<b>7.8%</b>	<b>8.2%</b>

### ASIA PACIFIC

	Female	Male	Total
< 30 Years Old	17.6%	16.5%	16.5%
30 - 50 Years Old	12.8%	11.8%	12.0%
> 50 Years Old	13.2%	11.1%	11.6%
<b>AP Total</b>	<b>14.0%</b>	<b>12.4%</b>	<b>12.8%</b>

### GREATER CHINA

	Female	Male	Total
< 30 Years Old	21.8%	27.3%	26.4%
0 - 50 Years Old	14.2%	10.6%	11.3%
> 50 Years Old	34.5%	14.8%	17.7%
<b>GC Total</b>	<b>16.4%</b>	<b>14.7%</b>	<b>15.0%</b>

### MIDDLE EAST AND AFRICA

	Female	Male	Total
< 30 Years Old	18.8%	11.4%	9.9%
30 - 50 Years Old	11.7%	8.8%	9.4%
> 50 Years Old	28.1%	12.5%	26.3%
<b>MEA Total</b>	<b>14.6%</b>	<b>9.5%</b>	<b>11.1%</b>

The global combined voluntary turnover rate in 2018 was 10.5 percent.

## BENEFITS PROVIDED TO FULL-TIME EMPLOYEES NOT PROVIDED TO PART-TIME EMPLOYEES (401-2)

Ecolab provides market-competitive benefits based on country-specific needs and government requirements. All United States employees scheduled to work 20 hours or more per week are eligible for Ecolab's benefits package. Excluded employees include temporary, intern, co-op and seasonal employees. (Excluded employees account for approximately 1 percent of total workforce).

## PARENTAL LEAVE (401-3)

Effective January 1, 2018, Ecolab began offering paid parental leave that provides U.S. employees time off with pay for baby bonding or parental leave within twelve (12) months of the date of birth or adoption of a minor child under the terms and condition set forth in our U.S. Paid Parental Leave policy. This policy applies to all U.S. employees. In 2018, 588 employees (433 males and 155 females) utilized this new offering with 97 percent of both male and female employees returning to work at the end of leave. Data on year over year retention rates will be available as the offering completes the second full year in 2019. Globally, parental leaves and time away are handled in accordance with each country's local laws pertaining to time away from work.

## MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES (402-1)

Ecolab had four U.S.-based collective-bargaining agreements in 2018. 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.

## TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES (403-2)

Ecolab has a corporate-wide goal of zero accidents and injuries. In 2018, there were five fatalities. Data for 2018 was amended to account for acquisitions and divestitures. All global operations conform to OSHA injury reporting standards. The data below cannot be broken down by gender and does not include independent contractors.

### TOTAL RECORDABLE INJURY RATE (TRIR)

(Number of injuries and illnesses per 100 workers)

	2017	2018	% change
North America	1.77	1.54	-13%
Europe	0.68	0.90	32%
Asia Pacific	0.31	0.50	61%
Greater China	0.27	0.23	-15%
Latin America	0.67	0.99	48%
Middle East & Africa	0.63	0.35	-44%
<b>Ecolab Total</b>	<b>1.17</b>	<b>1.13</b>	<b>-3%</b>

### TOTAL VEHICLE ACCIDENT RATE (TVAR)

(Per million miles driven)

	2017	2018	% change
North America	2.77	2.8	1%
Europe	4.94	5.02	2%
Asia Pacific	2.26	2.06	-9%
Greater China	1.91	1.8	-6%
Latin America	2.82	2.88	2%
Middle East & Africa	2.71	2.49	-8%
<b>Ecolab Total</b>	<b>3.09</b>	<b>3.08</b>	<b>0%</b>

### OCCUPATIONAL ILLNESS FREQUENCY

RATE (OIFR) (Per million working hours)

	2017	2018	% change
North America	0.08	0.06	-25%
Europe	0.11	0.16	45%
Asia Pacific	0.00	0.00	0%
Greater China	0.00	0.00	0%
Latin America	0.00	0.18	--
Middle East & Africa	0.00	0.00	0%
<b>Ecolab Total</b>	<b>0.06</b>	<b>0.08</b>	<b>33%</b>

There was an increase of 2 Occupational Illnesses in 2018 versus 2017.

### SEVERE VEHICLE ACCIDENT RATE (SVAR)

(Number of severe vehicular accidents per million miles driven)

	2017	2018	% change
Global	0.12	0.12	0%

Our SVAR definition includes fatalities, bodily injury, vehicle rollover, incident involved drugs and/or alcohol and environmental spill to ground or waterway.

### LOST TIME INJURY RATE (LTIR)

(Lost days per 100 workers)

	2017	2018	% change
North America	0.83	0.79	-5%

As Ecolab transitioned to a web-based platform for injury and incident reporting, we identified opportunities to improve the consistency of tracking lost time injury rates outside of North America. This improvement will continue in 2019.



## **WORKERS WITH HIGH RISK OF DISEASES RELATED TO OCCUPATION (403-3)**

None.

## **HEALTH AND SAFETY TOPICS COVERED IN FORMAL TRADE UNION AGREEMENTS (403-4)**

All (100 percent or four out of four contracts) formal collective-bargaining agreements between Ecolab and U.S.-based trade unions cover health and safety topics. The employees participate in health and safety training. All formal collective-bargaining agreements between Ecolab and U.S.-based trade unions contain mechanisms for complaints. All employees covered by collective-bargaining agreements may also report complaints through Ecolab's Code of Conduct hotline.

## **AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE (404-1)**

Of the many key performance indicators tracked to measure the strength of our human capital development and training programs, average hours of Training & Development per FTE provide an indicative metric for our business. In 2018, the global weighted average Training & Development hours per FTE was 45. The global weighted average Training & Development hours per field based (sales & service) and directly customer-facing FTE was 57. These numbers are extrapolated from training rosters from our Industrial, Energy and Institutional global divisions which represents 46 percent of our global employees.

Beyond rigorous technical, functional and business-specific training courses, more than 1,600 associates participated in our new global flagship leadership development program, Manager Essentials. This 18-week long program is designed to support all first-line managers to make the effective transition from Leading Self to Leading Others. More than 56 percent of participants were from outside of the United States. While executing our Manager Essentials cohorts, we also started to develop another flagship development program, Leader Coach, that will be targeted to senior leaders (leaders of leaders) and is going to focus on the coaching habit, to further support and strengthen the behaviors that are developed in the Manager Essentials cohorts. The Leader Coach program will be piloted in 2019. In addition, Leadership Excellence program served 90 of our nominated high-performing and high-potential executive leaders in 2018.

In 2018 we continued the deployment of our cross-divisional OneLMS platform to migrate and unify our 15 disparate Learning Management Systems that have historically been supporting the various divisions across the globe. This integrated enterprise learning technology platform was rolled out in December 2018 to our industrial business sector (20% of our global associates). In 2019 we will continue to migrate our Energy, Healthcare, QSR/FRS, Life Sciences, Ecosure, Pest, Textile Care, and Supply Chain groups to the unified platform which will provide us even more powerful capabilities to deploy ongoing learning to our employees and provide more comprehensive training record keeping. We have scheduled the last wave of migration with our global Institutional Business group for the first half of 2020.

## **PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE (404-2)**

Our global Performance Planning and Development (PP+D) process aims to provide a framework to guide employee performance and development. The Ecolab Leadership Model, which articulates a set of expected behaviors for leaders at all levels, has been embedded into all elements of our integrated talent system. These expectations include: Envision, Empower, Energize, Execute and Embody. Other activities and programs include:

- Our CEO-led Talent Council Meetings, as well as Talent Councils throughout our businesses and regions, provide an ongoing forum to review key talent and discuss critical roles and strategic talent issues.
- Our Global Corporate Flagship Development Programs are designed to support employees while making turns in their career to lead others and lead the enterprise. These programs include Manager Essentials, Leadership Excellence, Marketing & Sales Experience, and several functional rotational programs. The objective of these flagship programs is to provide a toolset, skillset and mindset to deepen leadership capability. These offerings are supplemented with an extensive catalog of online training provided by Harvard Business Publishing called Harvard ManageMentor. As a supplement to the corporate offerings, divisions and functions provide additional development opportunities specific to the unique needs of the business.

- Own Your Future: Ecolab Development Week was created in May 2018 to provide practice-oriented workshops tailored to managers and associates to grow their skills and advance the development of their careers. The weeklong program saw over 200 events spread across the globe and over 6,000 active participants.
- Ecolab believes in supporting the continuous learning and development of employees and offers an educational assistance program in the United States. This program provides eligible employees an opportunity to receive financial reimbursement upon successful completion of approved educational programs and courses offered by colleges, business schools or technical schools that are accredited according to the U.S. Department of Education.

Employees retiring voluntarily do not receive a specific package but do receive generous payout of vacation (greater than voluntary separations). In circumstances in which employment is involuntarily terminated as a result of a number of circumstances such as restructuring, redundancy, change in business strategy or other reason, a severance package is provided. The severance calculation considers the years of service of the employee, providing greater benefit to those with greater seniority. Employees and their immediate families maintain the benefits of the Employee Assistance Program through their severance period to address questions and concerns with their nonworking life as well as their care. Employees who receive a severance package continue their medical and dental benefits and group life insurance through their severance period at the same cost. If vested, their pension benefits will be calculated for them. Severance-eligible employees receive access to outplacement services ranging from one month to one year based on their organizational level. This service aids with dealing with transition, defining career objectives, resume and interview preparation, access to career fairs and job postings with other companies.

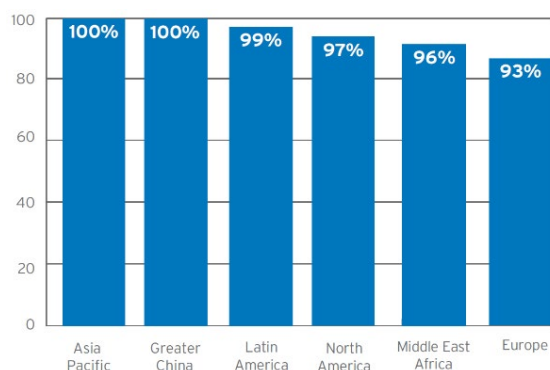
## EMPLOYEES RECEIVING PERFORMANCE AND CAREER DEVELOPMENT REVIEWS (404-3)

Ecolab is committed to providing an effective performance-planning and development system that provides employees and their managers with the tools and processes to help employees optimize their performance. All Performance Planning and Development (PP+D) tools are housed and accessible to all employees in nine languages, with the forms available in 25 languages. Annual performance reviews for 2018 were completed in 2019, and consist of three sections:

1. Past-year results summary
2. Performance objectives for the new year
3. Coaching and development goals

Globally, 97 percent of our employees' 2018 annual performance reviews have been recorded, with gender and regional distribution displayed below. Male and female identified associates receive performance reviews at nearly the same rate. In 2017, as the global transition to our Ecolab OneHR platform continued, there was a 25 percent increase of employees who received performance review, goal setting, and individual development planning using our online applications on our OneHR platform. 2018 saw an additional 5 percent increase of approximately 8,500 participants. This has further streamlined our core performance management and development planning processes and given us even more timely and robust reporting capabilities.

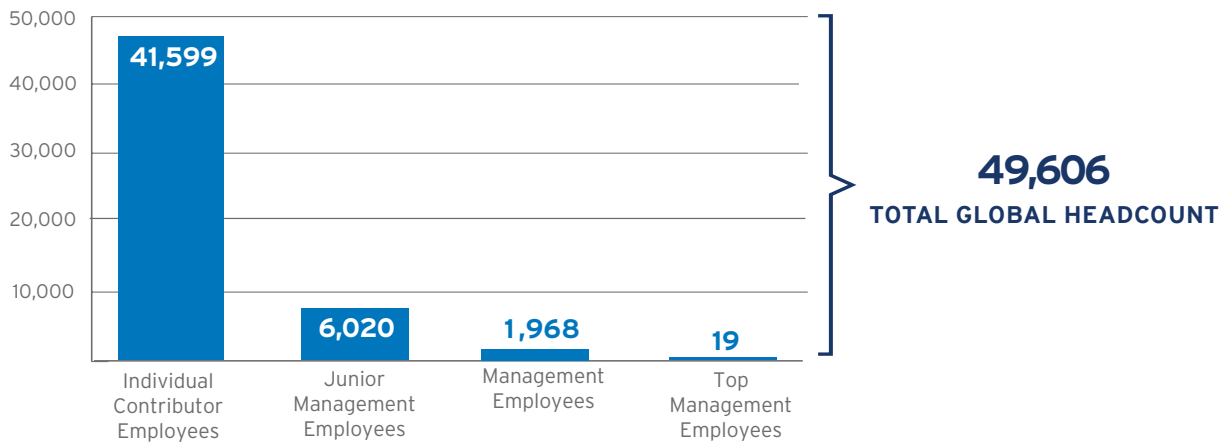
### ANNUAL PERFORMANCE REVIEW COMPLETION RATE BY REGION AND GENDER



Gender	2018 Completion Rate
Male	97.3%
Female	96.7%
Not Declared	88.9%

## DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES (405-1)

### GLOBAL HEADCOUNT BY EMPLOYEE CATEGORY



### GLOBAL HEADCOUNT BY EMPLOYEE CATEGORY, GENDER AND AGE

#### INDIVIDUAL CONTRIBUTORS: 41,599

Gender as a percent of total	Female	26%
	Male	73%
	Not specified	1%
Age group as a percent of total	< 30 years old	20%
	30 - 50 years old	59%
	> 50 years old	21%

#### JUNIOR MANAGEMENT: 6,020

Gender as a percent of total	Female	25%
	Male	74%
	Not specified	1%
Age group as a percent of total	< 30 years old	5%
	30 - 50 years old	73%
	> 50 years old	22%

#### MANAGEMENT EMPLOYEES: 1,968

Gender as a percent of total	Female	18%
	Male	82%
Age group as a percent of total	< 30 years old	1%
	30 - 50 years old	58%
	> 50 years old	41%

#### TOP MANAGEMENT: 19

Gender as a percent of total	Female	32%
	Male	68%
Age group as a percent of total	< 30 years old	0%
	30 - 50 years old	5%
	> 50 years old	95%

## DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES (405-1) (CONTINUED)

### U.S. HEADCOUNT BY EMPLOYEE CATEGORY AND MINORITY GROUP



#### INDIVIDUAL CONTRIBUTORS: 17,777

Minority	29%
Non-minority	68%
Undefined	3%

#### JUNIOR MANAGEMENT: 2,189

Minority	19%
Non-minority	80%
Undefined	1%

#### MANAGEMENT EMPLOYEES: 1,332

Minority	13%
Non-minority	85%
Undefined	2%

#### TOP MANAGEMENT: 18

Minority	17%
Non-minority	83%
Undefined	0%

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. Creating workplaces where every associate can thrive is central to our plan for growth and our overarching focus on attracting, retaining and growing talent.

Our Board of Directors formally reviews our global representation metrics twice a year. Ecolab's senior leaders are accountable for driving improvement in external hiring and promotions. On a quarterly basis, Talent Councils come together to create differentiated development plans for diverse talent, review talent scorecards for each business, function and region, discuss areas of progress and opportunity, and advise on action plans to drive further advancement.

Our 10 Employee Resource Groups (ERGs) represent Ecolab's diverse culture. They provide opportunities for associates to develop professionally, share business insights, drive engagement and experience a sense of belonging. With nearly 6,000 members and 72 global chapters, our ERG membership grew by 25 percent in 2018.

In 2017, Ecolab Chairman and Chief Executive Officer Doug Baker joined more than 150 CEOs from some of the world's leading companies who affirmed their commitment to advancing diversity and inclusion in the workplace by signing the CEO Action for Diversity & Inclusion™ on 12 June 2017. Along with the other signatories, Baker pledged to take action to cultivate a workplace where diverse perspectives and experiences are welcomed and respected, and where employees feel encouraged to discuss diversity and inclusion.

In 2018, we enhanced our recruiting strategy to increase the diversity of our talent pool. We insist on diverse candidate slates to continue growing our talent pipelines and have begun to embed diversity and inclusion into all aspects of the employee experience.

## 2018 Diversity and Inclusion Milestones

- Signed the Business Statement for Transgender Equality
- Celebrated one year of partnership and progress for our Executive Diversity and Inclusion Council, made up of senior leadership
- Marked the first anniversary of signing the CEO Action Pledge for Diversity and Inclusion
- Participated for the first time in the Twin Cities, Minnesota, (U.S.) Pride Parade, with CEO Doug Baker and Chief Human Resources Officer Laurie Marsh leading the Ecolab contingent

## RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN (405-2)

At Ecolab, pay equity is at the core of our compensation philosophy. We design our pay programs to ensure equity in alignment with like jobs and individual performance. We regularly analyze pay data to ensure equity with respect to gender as well as other elements and demographics. We do not report specific ratios on this disclosure because the information is proprietary.

## OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK (407-1)

We adhere to National Labor Relations Board protocols to support employee rights to exercise freedom of association and collective bargaining. We recognize employees' right to form or join unions and encourage them to make an informed decision on the matter. Where employees have chosen to be represented by a labor union, we fulfill our bargaining obligations as defined by law. We have not identified any U.S.-based operations at which freedom of association and collective bargaining may be violated or at risk. We are unable to report on violations or risks of our suppliers.

## OPERATIONS & SUPPLIERS AT RISK FOR INCIDENTS OF CHILD LABOR (408-1)

In 2018, 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. The Supplier Code of Conduct includes expectations around human rights, ethics, labor rights, employment law, health and safety, environment, fair competition, and supplied materials. This Supplier Code applies to the selection and retention of all suppliers that provide goods or services to Ecolab worldwide, including raw material suppliers, semi-finished or finished goods suppliers, packaging suppliers, contractors, contract manufacturers and service providers/suppliers. Suppliers are expected to comply with all local country labor and employment laws and regulations, including those related to wages, hours worked, working conditions and child labor. Suppliers are instructed to utilize a Supplier Code of Conduct hotline to facilitate reporting by anyone concerned about potential violations. To ensure full understanding of these expectations, Ecolab publishes this policy in ten languages. Ecolab's Code of Conduct hotline is utilized by internal and external callers to report sourcing related concerns. All concerns are fully investigated, and mitigation steps are put in place to ensure compliance with Ecolab's expectations. This can include removal of the supplier from Ecolab's approved list. Our Supplier Code of Conduct can be found online at: [Ecolab Supplier Code of Conduct](#)

Ecolab has also published and communicated to its suppliers its expectations around Slavery and Human Trafficking. The policy statement is a reaffirmation of Ecolab's approach to combatting human trafficking. 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: [Ecolab Anti-Human Trafficking Policy](#)

Ecolab supports and has a policy regarding 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. New suppliers are asked about their conflict mineral status upon set-up. While our data for the 2018 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 2018 supplier response for Conflict Minerals has been further refined, and the response rate has increased significantly from previous years. Our Conflict Mineral policy can be found online at: [Ecolab Conflict Mineral Policy](#).

In compliance with new legal requirements, Ecolab published a policy to address the implications of the UK Modern Slavery Act and the California Transparency in Supply Chain Act. Our [California Transparency in Supply Chains policy](#) can be found online.

To reinforce expectations internally, Ecolab launched an on-line annual training for its Supply Chain and Research and Development associates to help them identify conflicts of interest, environmental, ethics, and labor concerns when interacting with suppliers. This training encourages associates to report concerns to be investigated via the Code of Conduct hotline. Results from the training is shared with Leadership and utilized to identify additional training areas.

## **OPERATIONS & SUPPLIERS AT RISK FOR FORCED LABOR INCIDENTS (409-1)**

In 2018, 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.

The Supplier Code of Conduct includes expectations around human rights, ethics, labor rights, employment law, health and safety, environment, fair competition, and supplied materials. This Supplier Code applies to the selection and retention of all suppliers that provide goods or services to Ecolab worldwide, including raw material suppliers, semi-finished or finished goods suppliers, packaging suppliers, contractors, contract manufacturers and service providers/suppliers. Suppliers are expected to comply with all local country labor and employment laws and regulations, including those related to wages, hours worked, working conditions and child labor. Suppliers are instructed to utilize a Supplier Code of Conduct hotline to facilitate reporting by anyone concerned about potential violations. To ensure full understanding of these expectations, Ecolab publishes this policy in ten languages. Ecolab's Code of Conduct hotline is utilized by internal and external callers to report sourcing related concerns. All concerns are fully investigated, and mitigation steps are put in place to ensure compliance with Ecolab's expectations. This can include removal of the supplier from Ecolab's approved list. Our Supplier Code of Conduct can be found online at: [Ecolab Supplier Code of Conduct](#)

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## **SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES (410-1)**

Security of Ecolab facilities is performed by Ecolab employees and third-party personnel. All (100 percent) Ecolab employees serving as security personnel are required to complete Ecolab's Code of Conduct training yearly. The Code of Conduct does not apply to third-party organizations providing security personnel to Ecolab facilities.

## **OPERATIONS SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS (412-1)**

At Ecolab, 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 re-certified by employees as part of the annual training process to certify completion and compliance to follow the human rights requirements.

Our annual goal is to have 100 percent of employees globally provide a signature to certify completion and compliance. In 2018, we had a 99 percent global online completion rate.

Our Code of Conduct is available at: [Ecolab Code of Conduct](#).

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.

Ecolab's compliance and ethics assessment methodology is based on the need to assess risks that have the greatest potential for legal, financial, operation, or reputational damage. The assessment process is led by Ecolab's Global Compliance Department and is specifically designed to identify legal and regulatory compliance risks in fourteen risk areas, including the assessment of Human Rights issues.

The assessment is separate from the enterprise-wide risk assessment led by Audit Services to allow for more focused meetings but is aligned and reported to Audit Services as a part of their roll-up reporting. The results of the compliance and ethics assessment are also separately reported to the Audit Co-Committee of the Board of Directors on an annual basis by Ecolab's Chief Compliance Officer.

In addition, Ecolab has developed a detailed supplier ethical assessment that suppliers in parts of Ecolab's business where there is an elevated risk of slavery and human trafficking must complete to verify compliance with Ecolab's ethical sourcing requirements.

## **EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES (412-2)**

Ecolab's Code of Conduct contains detailed human-rights aspects of relevance to our operations. All new employees participate in a facilitated two-hour training session on the Code of Conduct. On an annual basis, 100 percent Ecolab employees are required to participate in a 45-minute Code of Conduct online or in person training module and provide a signature of completion and compliance.

## OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS (413-1)

Since 1986, the Ecolab Foundation has implemented community impact programs to support 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, culture and environment and conservation. Since the inception of the Ecolab Foundation, the company has contributed more than \$114 million to non-profit organizations.

In 2018, Ecolab committed \$16.9 million to local communities through corporate giving, in-kind donations and the value of employee volunteerism. \*

Through our Community Relations Council, 60 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:

- Through a \$250,000 grant to the Saint Paul Public Schools district, whereas St. Paul is home to Ecolab's global headquarters, and we have more than 30 years of partnership with the district, Ecolab supported the Ecolab Teacher Grants Program. The Ecolab Teacher Grants Program is a continuation of the previous Ecolab Foundation Visions for Learning grant program that provided \$2.1 million over the past 10 years to educators throughout the district, positively impacting 1,220 classrooms. The Ecolab Teacher Grants Program encourages projects that align with the district's new Strategic Plan Focus Areas and Student Outcomes, such as college and career paths, effective and culturally relevant instruction, increasing academic growth in reading and math for all students, and decreasing disparities in achievement based on race, ethnicity, culture and identity. 23,733 students benefited from these grants in 2018.
- 58 percent of the Foundation's funds in 2018, more than \$7.4 million, was committed to organizations that support youth education and development, one of the Foundation's focus areas. 239 grants were awarded to organizations that support youth through such well-known organizations as Boys and Girls Clubs and Junior Achievement, but also to local after-school and in-school programs in the 18 major communities where our employees live and work. Additional youth outreach globally is mentioned below through our partnership with Project WET.
- In 2018, the Ecolab Foundation awarded a \$5 million grant to the University of Minnesota in support of environmental sustainability research and education. This as an investment in our future innovators and leaders and a model for public-private partnerships that can make measurable progress on sustainability and help address a fast-changing world that is increasingly strapped for resources.
- In 2018, Ecolab provided \$1.2 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.

As part of Ecolab's global philanthropic program, Solutions for Life, Ecolab and the Project WET Foundation co-created the Clean and Conserve Education Program. Since launching the partnership in 2014, this free curriculum has reached more than 7.47 million individuals in 88 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). In 2018, Ecolab Foundation staff in partnership with Project WET,



created an Employee Activity Guide, available in seven languages, tailored to employees so they can easily take a handful of the Clean and Conserve activities into schools and community organizations where they live to share about healthy hygiene and water conservation practices. Additionally, Ecolab signed on as the lead sponsor for the interactive online site [www.discoverwater.org](http://www.discoverwater.org) (currently available in English and Mandarin) that helps teach children about the role of water in our lives. The “Soap and Water Science” activity is one of the Clean and Conserve program lessons that teaches children how to protect themselves from germs with fun, online activities.

Our grantmaking through the Ecolab Foundation impacting our four areas of strategic giving: Youth & Education, Civic & Community Development, Arts & Culture, Environment & Conservation, positively impacts the clients served by nonprofit grantees. In 2018, 100 percent of grantees who received operating grants noted that they serve ethnically diverse populations.

## Local Community Development Programs Based on Local Communities' Needs

We are committed to empowering our employees to give back in communities where we have significant operations. To facilitate local engagement and impact, we have Community Relations Councils in 17 regional locations around the United States totaling 112 employees. Our local employees are most in touch with the needs of their communities. Community Relations Councils enable trained local Ecolab employee volunteers to administer Ecolab Foundation Nonprofit Grant program to deserving recipients in their communities where they believe our contributions can have the greatest impact. In 2018, these committees helped administer 454 grant applications, resulting in 384 grants to non-profits and schools totaling \$1.6 million.

Ecolab recognizes the contributions our individual employees make in their communities through Matching Gift, Dollars for Doers and Community Leadership programs, where applicants apply for a grant for their volunteer work and board leadership involvement at qualifying non-profit agencies.

In 2018, 477 grants were distributed under these programs totaling more than \$207,675.

Ecolab's Team Volunteer Grants encourage associates worldwide to gather in groups of five or more to volunteer with select global NGOs that help provide basic needs support to individuals and families in need (housing, food), as well as educational initiatives. In 2018, the seventh year of the program, the number of Team Volunteer projects grew by 27 percent. The Ecolab Foundation matched these volunteer efforts with grants to these organizations totaling more than \$420,000 (44 percent increase from 2017). In 2018, Ecolab associates around the globe volunteered more than 66,370 hours, which has a value of more than \$1.6 million.\*\*

## 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 2018, more than 617 pounds worth of Ecolab product donations went to worldwide relief efforts in partnership with World Emergency Relief and Good360, our disaster response partners, to areas affected by the hurricanes and earthquakes. We set up and staffed supply pick-up centers at our offices in Florida. Donations were distributed in Alaska, Arizona, Arkansas, California, Florida, Georgia, Illinois, North Carolina, Pennsylvania, Tennessee, Texas as well as distributed around the globe to locations such as Indonesia and Moldova.

## Measurement and Metrics

Annually we solicit grants feedback via our Impact Survey to nonprofit grantees. The survey gathers information to assess the effectiveness of Ecolab Foundation grants. This process measures the overall difference Ecolab's grants make for the organizations and communities served, such as: how the grant helps grantees expand program reach, improve outcomes, develop new programs and enhance internal capacity. Results will be utilized by Ecolab Foundation staff to better understand how our investments are making a difference in our communities. Results for the 2018 grants are still being gathered and will be available in the 2019 GRI Report next year.

## Volunteer Metrics

In 2018, Ecolab employees around the globe volunteered in their communities:

- Total 2018 volunteer hours globally: 66,500
- Total 2018 volunteer events globally: 280

For additional information, refer to [www.ecolab.com/about/corporate-responsibility/community-involvement](http://www.ecolab.com/about/corporate-responsibility/community-involvement).

*\*According to the Independent Sector*

*\*\* Value of volunteerism per Independent Sector*

## OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES (413-2)

In 2018, there were no operations with significant actual and potential negative impacts on local communities. Additional information is provided in Ecolab's Form 10-K for the fiscal year ending December 31, 2018 in Part 1, Item 1, under Environmental Remediation and Proceedings and in Note 15 ("Litigation and Environmental Matters").

## NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA (414-1)

All (100 percent) of new suppliers go through a methodical process to be added to our portfolio, this includes detailed risk assessment around legal, financial, operational, or reputational damage. The supplier must pass the screenings prior to conducting business with Ecolab.

The Supplier Code of Conduct includes expectations around human rights, ethics, labor rights, employment law, health and safety, environment, fair competition, and supplied materials. This Supplier Code applies to the selection and retention of all suppliers that provide goods or services to Ecolab worldwide, including raw material suppliers, semi-finished or finished goods suppliers, packaging suppliers, contractors, contract manufacturers and service providers/suppliers. Suppliers are expected to comply with all local country labor and employment laws and regulations, including those related to wages, hours worked, working conditions and child labor. The entire code is published on [www.Ecolab.com](http://www.Ecolab.com) and suppliers are instructed to utilize a Supplier Code of Conduct hotline to facilitate reporting by anyone concerned about potential violations.

To ensure full understanding of these expectations, Ecolab publishes this policy in ten languages. Ecolab's Code of Conduct hotline is utilized by internal and external callers to report sourcing related concerns. All concerns are fully investigated, and mitigation steps are put in place to ensure compliance with Ecolab's expectations. This can include removal of the supplier from Ecolab's approved list. Our Supplier Code of Conduct can be found online at: [Ecolab Supplier Code of Conduct](#).

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Ecolab supports and has a policy regarding 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. New suppliers are asked about their conflict mineral status upon set-up. While our data for the 2018 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 2018 supplier response for Conflict Minerals has been further refined and the response rate has increased significantly from previous years. Our Conflict Mineral policy can be found online at: [Ecolab Conflict Mineral Policy](#).

In compliance with new legal requirements, Ecolab published a policy to address the implications of the UK Modern Slavery Act and the California Transparency in Supply Chain Act. Our [California Transparency in Supply Chains policy](#) of 2010 and United Kingdom Modern Slavery Act of 2015 policy can be found online.

To reinforce expectations internally, Ecolab launched an on-line annual training for its Supply Chain and Research and Development associates to help them identify conflicts of interest, environmental, ethics, and labor concerns when interacting with suppliers. This training encourages associates to report concerns to be investigated via the Code of Conduct hotline. Results from the training is shared with Leadership and utilized to identify additional training areas.

## **NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN (414-2)**

In 2018, Ecolab did not identify any operations or suppliers with actual or potential negative impacts for labor practices in our supply chain. We continue to evaluate our suppliers for any negative labor impacts.

The Supplier Code of Conduct includes expectations around human rights, ethics, labor rights, employment law, health and safety, environment, fair competition, and supplied materials. This Supplier Code applies to the selection and retention of all suppliers that provide goods or services to Ecolab worldwide, including raw material suppliers, semi-finished or finished goods suppliers, packaging suppliers, contractors, contract manufacturers and service providers/suppliers. Suppliers are expected to comply with all local country labor and employment laws and regulations, including those related to wages, hours worked, working conditions and child labor. The entire code is published on Ecolab.com and suppliers are instructed to utilize a Supplier Code of Conduct hotline to facilitate reporting by anyone concerned about potential violations. To ensure full understanding of these expectations, Ecolab publishes this policy in ten languages. Ecolab's Code of Conduct hotline is utilized by internal and external callers to report sourcing related concerns. All concerns are fully investigated, and mitigation steps are put in place to ensure compliance with Ecolab's expectations. This can include removal of the supplier from Ecolab's approved list. Our Supplier Code of Conduct can be found online at: [Ecolab Supplier Code of Conduct](#)

Ecolab has also published and communicated to its suppliers its expectations around Slavery and Human Trafficking. The policy statement is a reaffirmation of Ecolab's approach to combatting human trafficking. 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: [Ecolab Anti-Human Trafficking Policy](#)

Ecolab supports and has a policy regarding 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. New suppliers are asked about their conflict mineral status upon set-up. While our data for the 2018 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 2018 supplier response for Conflict Minerals has been further refined, and the response rate has increased significantly from previous years. Our Conflict Mineral policy can be found online at: [Ecolab Conflict Mineral Policy](#)

In compliance with new legal requirements, Ecolab published a policy to address the implications of the UK Modern Slavery Act and the California Transparency in Supply Chain Act. Our [California Transparency in Supply Chains policy](#) can be found online.

To reinforce expectations internally, Ecolab launched an on-line annual training for its Supply Chain and Research and Development associates to help them identify conflicts of interest, environmental, ethics, and labor concerns when interacting with suppliers. This training encourages associates to report concerns to be investigated via the Code of Conduct hotline. Results from the training is shared with Leadership and utilized to identify additional training areas.

## **POLITICAL CONTRIBUTIONS (415-1)**

As disclosed on the [Ecolab website](#), Ecolab did not make any corporate political contributions in 2018.

Our associates have the opportunity to support the company's political action committee, the Ecolab Inc. Political Action Committee (ECOPAC). ECOPAC, which is funded by voluntary contributions from Ecolab associates, is a nonpartisan committee that supports candidates for Congress who share our basic philosophies and values, by contributing to legislators from both the Democratic and Republican parties representing a wide number of states where the company transacts business. Contributions are determined by a board of Ecolab executives based on criteria including representation of Ecolab facilities and/or significant base of employees, committee membership, committee leadership, positions on the issues and partisan balance.

ECOPAC does not support candidates for state, local or presidential office based on "nonbusiness" issues. ECOPAC complies with all federal laws regarding reporting by political action committees and Ecolab complies with all federal and state laws relating to the reporting of political contributions. A list of all political contributions by ECOPAC and Ecolab will be posted semiannually to the Ecolab website under Political Contribution Reporting. Additionally, a list of contributions for the current election cycle made by ECOPAC is available at the Federal Election Commission's website.

## **HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES (416-1)**

All 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 continuing to evaluate 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.

## **INCIDENTS OF NON-COMPLIANCE CONCERNING HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES (416-2)**

Ecolab is aware of a relatively small number of noncompliance issues and has a proactive and robust compliance program to address them promptly and completely. None of these issues resulted in material fines or penalties to the company under applicable reporting requirements. Additional information is provided in Ecolab's Form 10-K for the fiscal year ending December 31, 2018 in Part 1, Item 1, under Environmental Remediation and Proceedings and in Note 15 ("Litigation and Environmental Matters").

## **REQUIREMENTS FOR PRODUCT AND SERVICE INFORMATION AND LABELING (417-1)**

Suppliers of our components or ingredients are required to meet our detailed technical specifications, disclose substance composition, and provide hazards, handling safety and disposal data. This is received in the form of Safety Data Sheets and Technical datasheets which are housed in our specifications database.

- We provide human health and environmental safety information on the top five components of each product via the SDS.
- Safe-use and disposal instructions for all our products on the label and/or through our sales and service associates for all our products. Globally, Ecolab distributes more than 1 million SDSs to customers annually in approximately 66 different country-specific templates and 43 languages.

Entirely 100 percent of our products are reviewed for appropriate ingredient disclosure and accurate use and application instructions. We proactively transitioned to the Globally Harmonized Systems (GHS), and in countries where GHS policies have been adopted and implemented, Ecolab provides products that are classified and labeled according to GHS rules.

## **INCIDENTS OF NON-COMPLIANCE FOR PRODUCT, SERVICE & LABELING (417-2)**

Ecolab is aware of a relatively small number of noncompliance issues and has a proactive and robust compliance program to address them promptly and completely. None of these issues resulted in material fines or penalties to the company under applicable reporting requirements.

Additional information is provided in Ecolab's Form 10-K for the fiscal year ending December 31, 2018 in Part 1, Item 1, under Environmental Remediation and Proceedings and in Note 15 ("Litigation and Environmental Matters").

## **INCIDENTS OF NON-COMPLIANCE CONCERNING MARKETING COMMUNICATIONS (417-3)**

None. Additional information is provided in Ecolab's Form 10-K for the fiscal year ending December 31, 2018 in Part 1, Item 1, under Environmental Remediation and Proceedings and in Note 15 ("Litigation and Environmental Matters").

## **SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA (418-1)**

None. Additional information is provided in Ecolab's Form 10-K for the fiscal year ending December 31, 2018 in Part 1, Item 1, under Environmental Remediation and Proceedings and in Note 15 ("Litigation and Environmental Matters").

## **NON-COMPLIANCE WITH LAWS & REGULATIONS IN SOCIAL AND ECONOMIC AREA (419-1)**

Ecolab is aware of a relatively small number of noncompliance issues and has a proactive and robust compliance program to address them promptly and completely. None of these issues resulted in material fines or penalties to the company under applicable reporting requirements. Additional information is provided in Ecolab's Form 10-K for the fiscal year ending December 31, 2018 in Part 1, Item 1, under Environmental Remediation and Proceedings and in Note 15 ("Litigation and Environmental Matters").

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## VERIFICATION STATEMENT GREENHOUSE GAS EMISSIONS

Bureau Veritas North America (BVNA) was engaged to provide Limited Assurance and conduct an independent verification of the greenhouse gas (GHG) emissions reported by Ecolab Inc. (Ecolab) for calendar year 2018. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Ecolab. BVNA was not involved in determining the GHG emissions. Our sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

### **Boundaries of the reporting company GHG emissions covered by the verification:**

- Operational Control
- Worldwide

### **Emissions data verified:**

- **Scope 1:** 409,173 metric tons of CO<sub>2</sub>e
- **Scope 2 (Location-based):** 254,767 metric tons of CO<sub>2</sub>e
- **Scope 2 (Market-based):** 256,468 metric tons of CO<sub>2</sub>e
- **Scope 3:** 43,676 metric tons of CO<sub>2</sub>e (Business Travel: Air Travel, Rental Cars, and Business Use of Personal Vehicles)
- **Total Scope 1 and Scope 2 (Market-Based):** 665,641 metric tonnes of CO<sub>2</sub>e
- **Scope 1 & 2 Year on Year Change in Emissions (2017 to 2018):** -1,316 metric tonnes of CO<sub>2</sub>e

Data and information supporting the Scope 1 and Scope 2 GHG emissions assertion were historical in nature and were in some cases estimated rather than historical in nature.

Data and information supporting the Scope 3 GHG emissions assertion were in some cases estimated rather than historical in nature.

### **Period covered by GHG emissions verification:**

- January 1, 2018 to December 31, 2018

### **GHG Reporting Protocols against which verification was conducted:**

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard
- WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard

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**GHG Verification Protocols used to conduct the verification:**

- ISO 14064-3: Greenhouse gases -- Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions

**Level of Assurance and Qualifications:**

- Limited
- Materiality Threshold:  $\pm 5\%$

**GHG Verification Methodology:**

- Interviews with relevant personnel of Ecolab and their consultant;
- Review of documentary evidence produced by Ecolab;
- Review of Ecolab data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of samples of data used by Ecolab to determine GHG emissions.

**Assurance Opinion:**

Based on the verification process and procedures conducted to a limited assurance level of the GHG emissions assertion shown above, BVNA found no evidence that the GHG emissions assertion:

- is not materially correct;
- is not a fair representation of the GHG emissions data and information; and
- is not prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard.

It is our opinion that Ecolab has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of GHG emissions for the stated period and boundaries.



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### **Statement of independence, impartiality and competence**

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services.

No member of the verification team has a business relationship with Ecolab, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

BVNA has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of BVNA standard methodology for the verification of greenhouse gas emissions data.

### **Attestation:**

Trevor A. Donaghu, Lead Verifier  
Program Manager  
Sustainability and Climate Change Services  
Bureau Veritas North America, Inc.

May 24, 2019

*This verification statement, including the opinion expressed herein, is provided to Ecolab and is solely for the benefit of Ecolab in accordance with the terms of our agreement. We consent to the release of this statement by you to the CDP in order to satisfy the terms of CDP disclosure requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this statement.*





## VERIFICATION STATEMENT WATER WITHDRAWAL

Bureau Veritas North America (BVNA) was engaged to conduct an independent verification of the water withdrawal reported by Ecolab Inc. (Ecolab) calendar year 2018. The verification was carried out to provide a limited level of assurance. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the water withdrawal is the sole responsibility of Ecolab. BVNA was not involved in determining the water withdrawal. Our sole responsibility was to provide independent verification on the accuracy of the water withdrawal information reported, and on the underlying systems and processes used to collect, analyze and review the information.

### **Boundaries of the reported data covered by the verification:**

- Operational Control
- Worldwide

### **Data verified:**

- **Water Withdrawal:** 9.6 million cubic meters

Data and information supporting the water withdrawal assertion were historical in nature.

### **Period covered by verification:**

- January 1, 2018 through December 31, 2018

### **Reporting Protocols against which verification was conducted:**

- CDP Guidance for Companies, for Corporate Reporting on Water on Behalf of Investors and Supply Chain Members (**Water Withdrawal**)

### **Verification Protocols used to conduct the verification:**

- Bureau Veritas Assurance Procedures
- International Standard on Assurance Engagements (ISAE) 3000 (basis for Bureau Veritas assurance procedures)

### **Level of Assurance and Qualifications:**

- Limited
- Materiality Threshold:  $\pm 5\%$

### **GHG Verification Methodology:**

- Interviews with relevant personnel of Ecolab and their consultant;
- Review of documentary evidence produced by Ecolab;
- Review of Ecolab' data and information systems and methodology for collection, aggregation, analysis and review of information used to determine water withdrawal; and

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- Audit of samples of data used by Ecolab to determine water withdrawal.

**Assurance Opinion:**

Based on the results of our verification process, there is no evidence that the water withdrawal assertion shown above:

- is not materially correct;
- is not a fair representation of the water withdrawal data and information; and
- has not been prepared in accordance with the CDP Project Guidance for Companies, for Corporate Reporting on Water on Behalf of Investors and Supply Chain Members.

It is our 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.

**Statement of independence, impartiality and competence**

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years' history in providing independent assurance services.

No member of the verification team has a business relationship with Ecolab, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

BVNA has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of BVNA standard methodology for the verification of greenhouse gas emissions data.

**Attestation:**

Trevor A. Donaghu, Lead Verifier  
Technical Director, Climate Change Services  
Sustainability and Climate Change Services  
Bureau Veritas North America, Inc.

May 24, 2019

*This verification statement, including the opinion expressed herein, is provided to Ecolab and is solely for the benefit of Ecolab in accordance with the terms of our agreement. We consent to the release of this statement by you to the CDP in order to satisfy the terms of CDP disclosure requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this statement.*



## INDEPENDENT ASSURANCE STATEMENT

### Introduction and objectives of work

Bureau Veritas North America, Inc. (BVNA) was engaged by Ecolab Inc. (Ecolab) to conduct an independent assurance of its 2018 Corporate Sustainability Report (the Report). This Assurance Statement applies to the related information included within the scope of work described below. The intended users of the assurance statement are the stakeholders of Ecolab. The overall aim of this process is to provide assurance to Ecolab's stakeholders on the accuracy, reliability and objectivity of the information included in the Report.

The information that was assured and its presentation in the Report are the sole responsibility of the management of Ecolab. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

### Assessment Standards

We performed our work in accordance with Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports and International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of  $\pm 5$ -percent was set for the assurance process.

### Scope of work

Ecolab requested BVNA to include in its independent assurance the following:

- Data and report text included in the Report for the calendar year 2018 reporting period;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyze and review the information reported;
- Evaluation of the Report in accordance with the International Standard on Assurance Engagements 3000; and
- Evaluation of the Report against the principles of the Global Reporting Initiative (GRI) Reporting Framework as defined in the GRI Sustainability Reporting Guidelines.

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention) by Ecolab;
- Statements of future commitment; and
- Any financial data previously audited by an external third party.

### Methodology

BVNA undertook the following activities:

1. Interviews with relevant personnel of Ecolab (including managers and staff members at the corporate level);
2. Review of internal and external documentary evidence produced by Ecolab;
3. Audit of performance data presented in the Report including a detailed review of a sample of data;



4. Review of Ecolab data and information systems for collection, aggregation, analysis and internal verification and review.

The work was planned and carried out to provide a limited level of assurance and we believe it provides a sound basis for our conclusions.

## **Our Findings**

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 2018 reporting period.
- The Report has not been prepared in accordance with the GRI Standard and includes appropriate consideration of the profile disclosures, management approach disclosures and performance indicators to meet the requirements of GRI Standards Core Requirements.

It is our 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.
- Ecolab's executive management supports the development of processes for the embedding of sustainable management concepts and practices in the company.

## **Key Observations and Recommendations for 2018**

- Ecolab's commitment to continuous improvement in environmental performance was evident in its tracking of reductions in energy and water requirements of its products, as well as its screening of suppliers to maintain and improve performance throughout the supply chain.
- Much of the environmental performance data (energy, water, GHG) is collected electronically on a monthly basis, requiring minimal to no manual transcription. This methodology greatly reduces the potential for transcription error. BVNA recommends that Ecolab consider implementing this methodology wherever possible.

## **Statement of independence, impartiality and competence**

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 185 years history in providing independent assurance services.

No member of the assurance team has a business relationship with Ecolab, its Directors or Managers beyond that of verification and assurance of sustainability data and reporting. We have conducted this verification independently and we believe there to have been no conflict of interest. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.



The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

**Bureau Veritas North America, Inc.**

**San Francisco, CA**

**June 2019**

