

The background of the entire page is a photograph of two hands, one above the other, cupped together. The hands are holding a small amount of water, and a single, large, clear water droplet is falling from the center of the lower hand. The background is a soft, out-of-focus grey-blue. In the top left corner, there is a white grid pattern that fades out towards the center. Two thin, vertical blue lines are positioned on either side of the main title text.

PROGRESS WITH PURPOSE

SUSTAINABILITY REPORT 2010

SUSTAINABILITY IS CENTRAL TO OUR PURPOSE TO MAKE THE WORLD A CLEANER, SAFER, HEALTHIER PLACE.

And because we are the global leader in our industry, our reach to millions of individuals around the world, in partnership with our customers, means we can have a significant positive, global impact on the stewardship of natural resources and the building of the communities in which we serve.

We are committed to developing products and services that help our customers provide clean, safe environments for their customers and employees, run their businesses more efficiently, optimize their water and energy use, and reduce waste.

We're equally dedicated to achieving steady gains in sustainability in our own operations, with a focus on three elements:

- ▲ Generating economic value;
- ▲ Promoting the well-being of the natural environment; and
- ▲ Providing social benefits for communities.

This report illustrates that, within our company and in partnership with our customers, Ecolab is making significant sustainability progress. Yet we know there is still much more to do. We continue to strive to make the world an even cleaner, safer, healthier place – Everywhere It Matters.™

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A Message from Ecolab Chairman, President and CEO

Operating our business with a focus on sustainability serves a powerful purpose. It directs our attention to the opportunities we have to advance economic progress, environmental stewardship and social well-being for all whom we serve.

Today, Ecolab employs more than 26,000 people and manufactures cleaning and anti-microbial products in 55 plants worldwide. Our 14,500-member sales-and-service team provides personalized customer service with a fleet of more than 13,000 vehicles. Clearly, we have a significant opportunity to further reduce our environmental impact.

In 2010, we made progress under our three sustainability principles:

- ▲ **Economic progress:** We continued to grow in a difficult economy, which allowed for continued investment in our people and in research and development, both critical to our ability to serve customers and further strengthen our company.
- ▲ **Environmental stewardship:** We reduced global water consumption by 4.4 percent, global disposed waste by 18 percent and global effluent water by 2.4 percent per metric ton of shipped product. In the U.S., we reduced carbon dioxide equivalent (CO₂e) emissions by 9.13 percent per dollar sales from 2009, resulting in a 15.4 percent total reduction from our 2006 baseline.
- ▲ **Social responsibility:** We increased our ethical sourcing spend by 20 percent, improved worker safety and contributed more than \$5.4 million through our Foundation to local communities.

While our own progress is critical, we can have an even greater impact through the more than one million customer locations we serve. By providing products and services that enable our customers to optimize their water and energy use and reduce waste streams, our impact is multiplied exponentially.

In 2010, for example:

- ▲ With select customers, we began testing our Aquanomic™ laundry system, which uses innovative wash formulas and low-temperature chemistry to reduce water and energy consumption. These initial trials demonstrated the system's potential to reduce customers' water and energy use by up to 40 percent while providing clean, white and soft results. Following this testing phase, Ecolab plans to roll out the Aquanomic system more broadly in 2012.
- ▲ For healthcare institutions, Ecolab's new PROTECT™ and EnCompass™ programs demonstrated the potential to improve patient, environmental and staff safety while also supporting their sustainability goals. Driving product and process standardization to maximize efficiency and reduce waste, these programs delivered reductions of up to 86 percent in water use and 74 percent in chemical use.

By providing products and services that enable our customers to optimize their water and energy use and reduce waste streams, our impact is multiplied exponentially.

- ▲ Our ongoing investment in solids detergent technology yielded environmental dividends for our customers. We introduced Solid Power® XL for dishmachines, which uses 80 percent less packaging and thus reduces fossil fuel requirements for packaging and product distribution. We also introduced solids technology as part of our OptiPro™ Instrument Reprocessing Program for hospitals. The benefits: substantially less packaging and improved worker safety as the small, lightweight solids replace large, heavy drums of liquid detergent.



You'll see other examples throughout this report.

While we have made progress, the growing resource challenges ahead will require a continued evolution of our approach to sustainability. In 2010, we began an exciting exploration to imagine how we can advance beyond just "reducing" resource consumption to "producing" an overall positive impact on the planet.

Through this exploration, we aim to achieve more positive economic, social and environmental outcomes for all to whom we are accountable: our associates, customers, communities and shareholders. Making sustainability core to our business is the right thing to do. And it is critical to our mission to make the world cleaner, safer and healthier – today and in the years to come.

A handwritten signature in black ink, appearing to read 'Douglas M. Baker, Jr.' The signature is fluid and cursive.

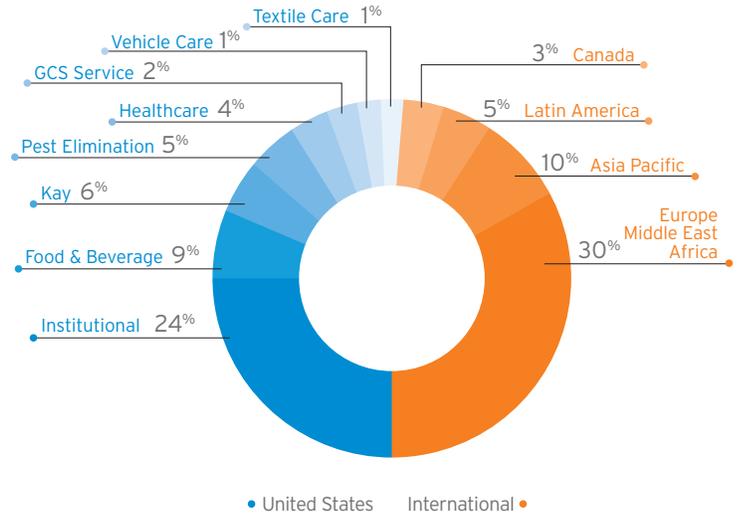
Douglas M. Baker, Jr.
Chairman of the Board,
President and Chief Executive Officer

About Ecolab

Ecolab is the world's leading provider of cleaning, food safety, and health protection products and services. We reach customers in more than 160 countries, employing approximately 26,000 associates worldwide. Our customers include hotels and restaurants; foodservice, healthcare and educational facilities; quick service (fast food) units; commercial laundries; light industry; dairy plants and farms; and food and beverage processors.

BUSINESS MIX 2010

Percent of Total Sales



Financial Highlights

Summary

Millions, Except Per Share

	2010	2009	2008	2010	2009
Net Sales	\$6,089.7	\$5,900.6	\$6,137.5	3%	(4)%
Net Income Attributable to Ecolab	530.3	417.3	448.1	27	(7)
Percent of Sales	8.7%	7.1%	7.3%		
Diluted Earnings Attributable to Ecolab per Common Share	2.23	1.74	1.80	28	(3)
Diluted Weighted-Average Common Shares Outstanding	237.6	239.9	249.3	(1)	(4)
Cash Dividends Declared per Common Share	0.6400	0.5750	0.5300	11	8
Cash Provided by Operating Activities	950.4	695.0	753.2	37	(8)
Capital Expenditures	260.5	252.5	326.7	3	(23)
Ecolab Shareholders' Equity	2,129.2	2,000.9	1,571.6	6	27
Return on Beginning Equity	26.5%	26.6%	23.1%		
Total Debt	845.6	967.3	1,138.2	(13)	(15)
Total Debt to Capitalization	28.4%	32.5%	41.9%		
Total Assets	\$4,872.2	\$5,020.9	\$4,756.9	(3)%	6%

PERCENTAGE CHANGE

Net Sales

2006	2007	2008	2009	2010
\$4,896	\$5,470	\$6,138	\$5,901	\$6,090

MILLIONS

R&D Investments

2006	2007	2008	2009	2010
\$73	\$83	\$86	\$86	\$88

MILLIONS

Dividends Paid

2006	2007	2008	2009	2010
\$101	\$114	\$129	\$133	\$146

MILLIONS

Ecolab Stock Performance Comparison



Ecolab Stock Performance

QUARTER	2008		2009		2010	
	LOW	HIGH	LOW	HIGH	LOW	HIGH
First	\$42.52	\$52.35	\$29.27	\$36.78	\$40.66	\$47.40
Second	42.89	48.91	34.11	40.04	44.10	49.70
Third	42.00	52.16	36.89	47.88	44.66	51.23
Fourth	29.56	49.99	43.39	46.89	46.64	52.46

Data in this report summarizes Ecolab's growing environmental, product stewardship and social responsibility activities from Jan. 1, 2010, through Dec. 31, 2010. Financial information is given in U.S. dollars. For more information on Ecolab's investor relations, please visit www.ecolab.com/investor.

Copies of our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports are available free of charge on our website at www.ecolab.com/investor as soon as practical after such material is filed with the Securities and Exchange Commission.

In addition, the following governance materials are available on our website at www.ecolab.com/investor/governance, and the same information is available in print to any requesting persons, free of charge, by writing to the corporate secretary at our headquarters, or by submitting an email request to investor.info@ecolab.com: (i) charters of the Audit, Compensation, Finance and Governance Committees of our Board of Directors; (ii) our Board's Corporate Governance Principles; and (iii) our Code of Conduct and Code of Ethics for Senior Officers and Finance Associates.

Global Sustainability Principles

Making the world a cleaner, safer, healthier place is our business. We are committed to providing our customers with the most effective and efficient cleaning, food safety and infection control programs available.

Economic Progress

Ecolab is the world's leading provider of cleaning, food safety and health protection products and services. Our ongoing commitment to exceeding our customers' cleaning and sanitation needs has helped Ecolab achieve sustainable, profitable growth in the past and continues to guide us into the future.

Economic Principles

- ▲ We provide innovative and effective solutions that help our customers prosper and grow.
- ▲ We invest in research and development to create the best solutions at the best value.
- ▲ We deliver effective results at the lowest total impact environmentally and economically.
- ▲ We serve customers around the world with consistent global solutions.
- ▲ We invest in our people, equipping them with the tools, technology and training they need to do their jobs while providing opportunities for personal growth and development.
- ▲ We contribute financial investments that increase the long-term vitality of our communities.
- ▲ We provide our shareholders with superior value.

Environmental Stewardship

Through continuous improvement and sustainable innovation, Ecolab creates solutions that maximize product and environmental performance. We make sound decisions based on good science, and are committed to reducing our carbon footprint and overall impact on the environment.

Environmental Principles

- ▲ We actively develop products and services that minimize our customers' water and energy use, with innovative packaging and dispensing methods that reduce waste.
- ▲ We make great effort to use environmentally responsible and sustainable resources to meet our needs, and conserve nonrenewable natural resources through efficient use and careful planning.
- ▲ We recognize and support the human right to water. As such, we help protect local water supplies through conservation in our own operations, as well as through developing technologies that help our customers use less water, and where possible, recondition and reuse water.
- ▲ We use environmentally responsible and sustainable energy sources, and invest in improving energy efficiency in our operations on an ongoing basis.

- ▲ We minimize emissions, effluents and waste caused by our operations, and dispose of wastes through safe and responsible methods.
- ▲ We review the environmental attributes of raw materials and make environmental sustainability a key requirement in the selection of ingredients for new products and services.
- ▲ We monitor the environmental, health and safety compliance standards of our manufacturing facilities and participate in third-party audits to continuously improve our performance. We promptly respond to situations where our operations have had an adverse effect on people or the environment.





Social Responsibility

Ecolab is a respected leader that takes seriously our responsibility to the communities we serve. We promote the well-being of our associates, our customers and our customers' customers by contributing to programs and initiatives that enhance quality of life in the communities in which we work and live.

Social Principles

- ▲ We respect the human rights of all people.
- ▲ We are committed to supporting and encouraging diversity throughout our organization.
- ▲ We provide a safe work environment for our associates through comprehensive safety policies, programs and training.
- ▲ We support small, disadvantaged and women-owned businesses by actively seeking such suppliers in our competitive bidding processes, and are committed to fostering relationships with diverse suppliers throughout the world.
- ▲ We hold our suppliers to the same high standards of social responsibility that we follow. Our suppliers must protect the health, safety and human rights of their associates and be committed to continuous improvement.
- ▲ We provide our customers with products and services that help protect the health and safety of their customers and employees, and enhance safety by offering comprehensive product information, training and emergency support.
- ▲ We are dedicated to the communities in which we live and work, and we support them through charitable giving and community involvement.
- ▲ We conduct business fairly and ethically. Our Code of Conduct defines our corporate culture – our associates worldwide are held to the highest level of integrity.

Ecolab Ranked 26th Among *Newsweek's* Greenest Companies in America

Each year, *Newsweek* announces what it considers to be the "Greenest Companies in America" from among the 500 largest publicly traded companies. In 2010, *Newsweek* named Ecolab 26th on its list, based on environmental performance, policies and reputation for environmental responsibility.

Newsweek partnered with three independent organizations to assemble the score for each company, measuring components including:

- ▲ An Environmental Impact Score with 700 measurement points, including greenhouse-gas emissions, water use and solid waste disposal;
- ▲ A Green Policies Score based on an assessment of a company's environmental policies and initiatives; and
- ▲ A Reputation Score, based on research among academics, environmental officers and CEOs.





Our Sustainability Progress

In 2010, we made many positive advances toward our goals around economic progress, environmental stewardship and social responsibility. We also established additional 2011 goals to help us map further progress in many areas. Below is a summary of those accomplishments.

Goals	2010 Performance
Economic Progress	
<p>Sustain continuous growth of our business to support the health and welfare of our associates, customers and shareholders.</p>	<p>Achieved record sales and earnings despite continued, challenging global economic conditions. <i>See pages 2 & 3</i></p>
Environmental Stewardship	
<p>Measure, monitor and continuously improve progress on the performance metrics listed in this report. 2011: Going forward, we will embed this collective goal into our specific goals by program area.</p>	<p>Increased our transparency in public reporting through such outlets as Carbon Disclosure Project greenhouse gas (GHG) and water reporting. <i>See pages 11, 12 & 13</i></p>
<p>Reduce U.S. GHG emissions by 20 percent per dollar sales from 2006 to 2012.</p>	<p>Have achieved slightly more than 50 percent of our goal and achieved a 9.13 percent year-on-year reduction from 2009. Reduced U.S. carbon dioxide equivalent (CO₂e) emissions by 15.4 percent from 2006. Additionally, instituted an updated fleet policy in Europe, the Middle East and Africa to support global goals. <i>See page 12</i></p>
<p>Reduce global water consumption, disposed waste and effluent water from our manufacturing operations by 18 percent per metric ton of shipped product from 2009 to 2015.</p>	<p>Reduced global water consumption by 4.4 percent, global disposed waste by 18 percent and global effluent water by 2.4 percent. <i>See pages 13 & 16</i></p>
<p>2011: Reduce the number of accidents or incidents resulting in negative environmental impact. Reduce product shipment spills or incidents. Reduce EPCRA SARA 313 Form R releases.</p>	<p>Reduced the number of product shipment spills by 13. Standardized emission calculation tools were introduced at all plants, resulting in increased total Ecolab emissions from 4,306 lbs in 2008 to 7,877 lbs in 2009. (2010 release volumes will not be available until Q4 2011.) <i>See page 14</i></p>
Social Responsibility	
<p>Expand documentation requirements of our Ethical and Environmental Sourcing Standards to provide detailed disclosure on our suppliers' environmental policies and practices. 2011: Increase ethical sourcing spend by 25 percent, including top European regional suppliers.</p>	<p>Increased ethical sourcing spend covered by 20 percent. Revised ethical sourcing standards to include sections on ethics and environmental sustainability, and distributed to top suppliers in the chemical, packaging, equipment and contract manufacturing categories. <i>See page 17</i></p>
<p>Execute our three-year plan for Culture and Inclusion focused on education and awareness, communication, and enhanced policies, practices, processes and metrics. 2011: Increase associate engagement levels by:</p> <ul style="list-style-type: none"> • Creating a work environment where associates – individually and collectively – can do their best work. • Continuing to educate managers through training programs. • Increasing the percentage of associates who receive annual Code of Conduct notification and certification. • Fostering diversity and inclusion by developing a workforce that reflects local communities. • Updating Code of Conduct to reflect our new purpose and values. 	<p>Based on the results of the 2009 U.S. associate engagement survey, we took action:</p> <ul style="list-style-type: none"> • To facilitate culture change, trained 28 associates as change agents and 300 as inclusion leaders. • Enhanced our policies by launching the FlexWork program, expanding the Code of Conduct notification/certification process and updating all HR policies with inclusive language. • Enabled associates to make a difference by adding an additional associate network for Hispanic/Latino associates. • Conducted a follow-up associate engagement survey, expanding to Canada, China, Japan, Australia, New Zealand and Brazil. <p><i>See pages 19, 20, 21 & 22</i></p>

Goals

2010 Performance

Social Responsibility

Improve associate safety performance through expanded training and communication, and expansion of the Global Incident Management System.

2011: Achieve best-in-class status for driver and associate safety compared to our benchmarks by 2015. (Best in class is defined as being half of the industry benchmark – which for Ecolab as a whole means a 50-60 percent reduction in rates from year-end 2010 to year-end 2015.)

Expanded our training to reach more of our associates, and rolled out the Global Incident Management System in our Europe/Middle East/Africa (EMEA) region. In the U.S., Occupational Safety & Health Administration (OSHA) **Recordable Injury rates declined 8 percent**, and total collision rates per million miles declined 4 percent.

See page 22

Deliver global regulatory initiatives including:

- Developing a customer safety support process that combines Material Safety Data Sheet (MSDS) for concentrated products and their dilutions into a single document.
- Expanding Ecolab's multilingual MSDS customer safety support system to cover New Zealand and additional eastern European countries.
- Developing an implementation plan to address requirements of the Global Harmonized System (GHS)/Classification, Labeling and Packaging (CLP) legislation in Europe and other applicable countries.
- Implementing European Registration, Evaluation, Authorization and Restriction of Chemical (REACH) requirements for applicable chemical substances.

2011: Improve global regulatory infrastructure in North America, New Zealand and Australia by:

- Implementing a combined MSDS for concentrated products and their use-dilutions into a single document available on www.ecolab.com.
- Expanding our multilingual MSDS customer safety support system to cover Russia, Ukraine, China and Lithuania.
- Continuing to roll out a plan globally to address GHS/CLP requirements with 100 percent completion by 2015.

Improved delivery of safety information to customers:

- Launched MSDS document with data on both concentrated products and dilutions in North America, Latin America, New Zealand and Australia.
- Expanded multilingual MSDS customer safety support system in the U.S., Canada, Australia, New Zealand, Romania and Estonia.
- Developed a global plan to address GHS/CLP requirements.
- Implemented a revised MSDS in Taiwan, Japan, Korea, the European Union and New Zealand.
- Began addressing REACH requirements by conducting a chemical inventory assessment to ensure the safety of our products and systems, working with suppliers to register chemicals and complete filings, and improving safety communications.

See page 16

As a founding member of the GS1 U.S. Foodservice initiative, **help lead and shape product and company identification standards** that improve food and patient safety through greater traceability and bring efficiency and visibility of supply chains globally and across sectors.

2011: Standardize, gather and cleanse product data to create a product master database that allows us to provide updated, real-time product information to our customers.

Use GS1 standards in electronic commerce, and initiate the expansion of barcode identification to all chemical finished goods to ensure safe and accurate identification, with the goal of synchronizing data with foodservice customers by Q2-2011 and with healthcare customers in 2012.

Helped shape and lead the adoption of GS1 standards across the foodservice and healthcare industries within North America for improved visibility, efficiency and safety. Worked with other industry leaders to develop guidance for use of GS1 standards.

Ecolab Global Locations

With manufacturing and distribution facilities around the globe, the distance our products travel is below the median for our industry, reducing fuel use and related carbon emissions.



NORTH AMERICA

City of Industry, Calif.
San Jose, Calif.
Jacksonville, Fla.
McDonough, Ga.
Elk Grove Village, Ill.
Joliet, Ill.
South Beloit, Ill.
Huntington, Ind.
Eagan, Minn.
St. Louis, Mo.
Columbus, Miss.
Greensboro, N.C.
Carrollton, Texas
Fort Worth, Texas

Garland, Texas
Tyler, Texas
Martinsburg, W.Va.
Mississauga, Canada
San José, Costa Rica
Mexico City, Mexico
Acuña, Mexico

LATIN AMERICA

Pilar, Argentina
São Paulo, Brazil
Santiago, Chile
Bogotá, Colombia
La Romana,
Dominican Republic

ASIA PACIFIC

Melbourne, Australia
Perth, Australia
Revesby, Australia
Guangzhou, China
Shanghai, China
Cikarang, Indonesia
Noda, Japan
Shika, Japan
Hamilton, New Zealand
Manila, Philippines
Singapore, Singapore
Seoul, South Korea
Bangkok, Thailand

EUROPE

Tessenderlo, Belgium
Chalons, France
Siegsdorf, Germany
Mandras, Greece
Mullingar, Ireland
Rozzano, Italy
Mosta, Malta
Nieuwegein, Netherlands
Varsseveld, Netherlands
Zutphen, Netherlands
Racibor, Poland

Maribor, Slovenia
Baglan, United Kingdom
Cheadle (Hulme),
United Kingdom
Leeds, United Kingdom

AFRICA

Johannesburg,
South Africa
Dar es Salaam, Tanzania



PROGRESS:



Within Ecolab

A person in a blue shirt is using a handheld barcode scanner on a cardboard box. The scanner is black and yellow. The background shows a warehouse or industrial setting with metal shelving and other boxes.

OUR OPERATIONS

Operations That Reflect Our Sustainability Goals

Cleaner, safer, healthier. This is our business focus – and it is reflected in how we manage our daily operations. We build sustainability objectives into our facilities, manufacturing, shipping and fleet management. And we drive operational excellence within the context of measurable sustainability goals.

Ecolab facilities are committed to implementing initiatives designed to help reduce our environmental impact across the globe.

Reducing Our Carbon Footprint

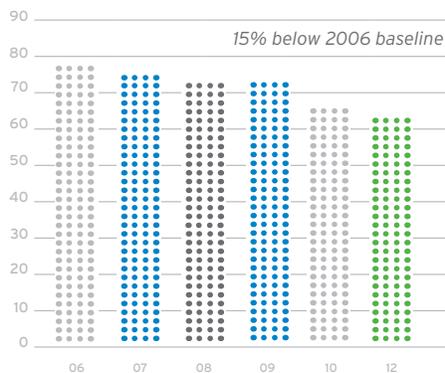
Ecolab is committed to reducing our carbon footprint. To help us manage risks from greenhouse gas (GHG) emissions and identify cost-effective reduction opportunities, we joined the U.S. Environmental Protection Agency (EPA) Climate Leaders Program in 2005. Though it was announced in late 2010 that Climate Leaders is being dissolved, we wanted to acknowledge the progress we've made in meeting the following goals that we established within the program:

- ▲ Develop a U.S. inventory of the six major greenhouse gases emitted by our U.S. facilities.
- ▲ Report our progress annually against our goals.
- ▲ Meet an aggressive GHG reduction goal of reducing our U.S. GHG emissions by 20 percent per dollar sales from 2006 to 2012.

We completed our U.S. inventory in 2006. Our U.S. GHG emissions from our direct and indirect energy uses over the past decade have totaled approximately 200,000 metric tons annually.

We began reporting our annual progress in 2007. In 2010, we continued to refine and develop energy and GHG reduction programs for our facilities. We are working to move our sales-and-service associates into more fuel-efficient vehicles and are mapping better vehicle service routes. When feasible, we are switching to using less GHG-intensive fuels as well. To date, we have achieved a GHG reduction of approximately 15.4 percent, moving closer to our Climate Leader 2012 goals.

Normalized U.S. GHG Emissions
tCO₂e/\$M Sales

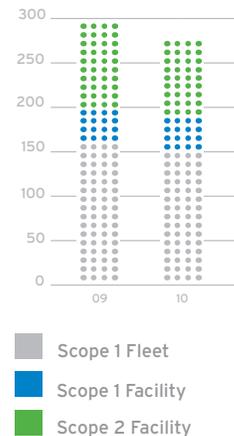


To achieve our 20 percent reduction goal by 2012, we are focusing on our two largest GHG emissions categories – fleet ground transport and our facilities (manufacturing, headquarters, research and development).

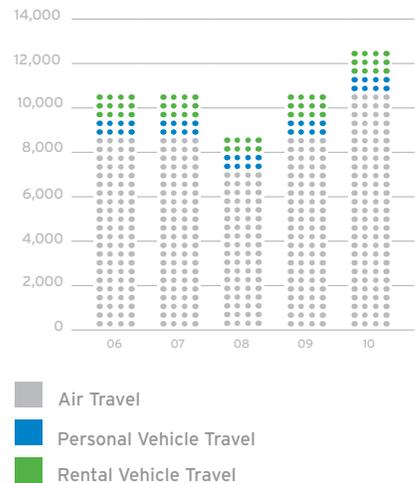
In 2009, Ecolab expanded its GHG inventories beyond the scope of our U.S.-only Climate Leaders reporting to benchmark data on global GHG emissions. We've begun tracking data on one group of our European fleets and two facilities in Europe. For 2010, emissions from our tracked global manufacturing operations totaled 25,000 metric tons. We continue to see positive trends that indicate a reduction of GHG emissions in those three pilot tracking areas.

Meanwhile, data on U.S. business travel and global manufacturing emissions also are being tracked. Emissions from U.S. business travel (including air travel, personal vehicles and rental vehicles used for business) increased to more than 12,000 metric tons due to increased business activity.

Global GHG Emissions by Source
In thousands



GHG Emissions from U.S. Travel
(tCO₂e)



More information on both of these emission areas will be reported as part of our Carbon Disclosure Project submission in fall 2011.

Improving Our Fleet

In 2010, we implemented fleet policy changes globally in an effort to continue to reduce our overall greenhouse gas emissions. We introduced changes modeled after best practices in Europe and other regions where we drive smaller, more fuel-efficient vehicles when it is feasible.

Specific 2010 fleet highlights include:

- ▲ In Europe/Middle East/Africa (EMEA), a new fleet policy is replacing existing vehicles with more fuel-efficient ones over the next four-year replacement cycle. The new vehicles are expected to provide a 20 percent reduction in carbon dioxide (CO₂) emissions by 2015.
- ▲ We are providing more fuel-efficient vehicle models for sales-and-service associates to choose when ordering fleet vehicles in North America.
- ▲ In the U.S., we now have more than 20 percent of the fleet in U.S. EPA-certified SmartWay and hybrid vehicles.
- ▲ In Brazil, the fleet uses ethanol biofuels in its flex fuel models and continues to have very low fleet emissions.
- ▲ In Australia, we are investigating the feasibility of moving portions of our fleet to more compressed natural gas (CNG) and liquefied petroleum gas (LPG) options.
- ▲ Global positioning software (GPS) and other navigational tools were introduced into our fleet-planning process to help map the most efficient routes for our global service vehicles.
- ▲ 99.8 percent of our U.S. fleet drivers completed eco-driving training to minimize fuel consumption and improve their driving habits.

Improving Our Manufacturing Footprint

Ecolab has been striving to reduce the impact of our operations for years by setting internal goals. In 2009, we outlined our biggest commitment to continuous improvement yet: **We pledged to reduce global water consumption, disposed waste and effluent water from our manufacturing operations by 18 percent per metric ton of shipped product from 2009 to 2015.**

We benchmarked our goal using 2009 data. For all metrics in 2010 – GHG, waste, water and effluent water – we achieved reductions in line with our goals when normalized.

Please note: The historic data (2006 - 2009) was updated resulting from a change in methodology (expansion of scope is the largest change). Notably, Ecolab broadened its definition of “operational control” from years past to include leased facilities where it does not have direct control of the utility bills. Historic year reporting has been adjusted in accordance with the GHG Protocol accounting standard.





Carbon Disclosure Project Commends Ecolab for Data Disclosure

Ecolab has been commended by the Carbon Disclosure Project (CDP) for its approach to climate change disclosure. CDP is an independent, not-for-profit organization representing 534 institutional investors with \$64 trillion in assets under management. Thousands of organizations from across the world's major economies measure and disclose their greenhouse gas emissions and climate change strategies through CDP.

Ecolab is featured in CDP's "Carbon Disclosure Leadership Index," which is compiled by PricewaterhouseCoopers and provides an evaluation tool for institutional investors. Ecolab placed among the top 53 companies in 2010 CDP rankings.

Water Consumption	2009 (m3)	2009 Normalized (m3 per mt product)	2010 (m3)	2010 Normalized (m3 per mt product)
Asia Pacific	194,441	1.12	217,899	1.15
EMEA*	399,234	1.02	394,225	1.04
Latin America	104,204	1.12	103,482	1.05
North America	1,214,219	1.42	1,106,992	1.32
GLOBAL	1,912,098	1.26	1,822,599	1.21

Disposed Waste	2009 (mton)	2009 Normalized (kg per mt product)	2010 (mton)	2010 Normalized (kg per mt product)
Asia Pacific	3,481	20	2,497	13
EMEA*	7,715	20	7,713	20
Latin America	1,294	14	1,370	14
North America	10,234	12	7,063	8
GLOBAL	22,723	15	18,644	12

(Disposed waste includes both solid and hazardous wastes)

Effluent Water	2009 (mton)	2009 Normalized (mton per mt product)	2010 (mton)	2010 Normalized (mton per mt product)
Asia Pacific	94,815	0.54	98,009	0.52
EMEA*	205,284	0.52	212,864	0.56
Latin America	42,143	0.45	41,776	0.42
North America	639,774	0.75	603,182	0.72
GLOBAL	982,016	0.65	955,832	0.63

*Europe, Middle East, Africa

Please note: The 2009 data for water, waste and effluent water was updated from our 2009 Sustainability Report figures to reflect the change in our boundary scope.

Measuring Our Sustainability Progress

Ecolab strives to use resources efficiently in our manufacturing operations and to reduce waste to improve our environmental performance. We invest in improving energy efficiency and conservation in our operations. We also minimize and seek to eliminate the release of pollutants that may cause damage to our planet's air, water, land or inhabitants.

We continuously monitor the environmental, health and safety compliance standards of our manufacturing facilities around the globe. Internal and third-party audits lend integrity to the process and lead us toward a more sustainable business model.

Expanding Ecolab's ISO 14001 Profile

The International Organization for Standardization (ISO) 14001 environmental management system is a global standard for preventing pollution, conforming to legal standards, minimizing impact on the environment and continuously improving environmental performance. In 2010, an important milestone was reached with the certification of ISO 14001 for Ecolab plants in Toronto and St. Paul. They were added to our European plants, which have been certified since 2005 (recertified in 2011). Certification for additional Ecolab plants is scheduled for completion by the end of 2012.

EHS Compliance Auditing and Capital Expenditures

To enhance environmental health and safety compliance in our manufacturing operations, North American facilities are audited periodically by a third-party

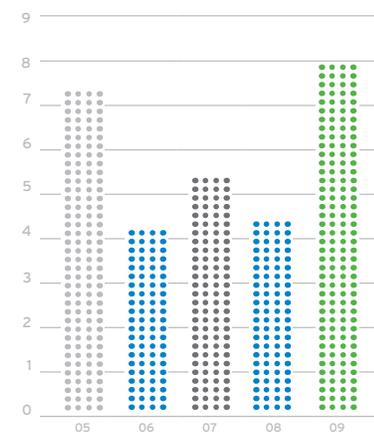
consultant. Similarly, in Europe and Asia Pacific, an outside Environmental Health & Safety (EHS) consultant audits our plants. Additionally, audits are performed when facilities are acquired, and our property and casualty insurers conduct fire and worker safety assessments and pressure vessel certifications at Ecolab facilities. These auditing programs help us improve our EHS performance.

Releases to the Air/Environment

As required by the U.S. Emergency Planning and Community Right-to-Know Act (EPCRA), Ecolab facilities make information available about releases of EPA-listed chemicals to the environment. The primary chemicals reportable are formula components that evaporate during production.

EPCRA SARA 313 Form R Releases

Thousand lbs.



Standardized emission calculation tools were introduced at all plants, resulting in increased total Ecolab emissions from 4,306 lbs. in 2008 to 7,877 lbs. in 2009. (2010 release volumes will not be available until Q4 2011.)

Remediation Sites

Ecolab works hard to avoid pollution in our operations. We continue to work in cooperation with regulatory authorities for successful closure of the few sites where Ecolab has been named as a "potentially responsible party."

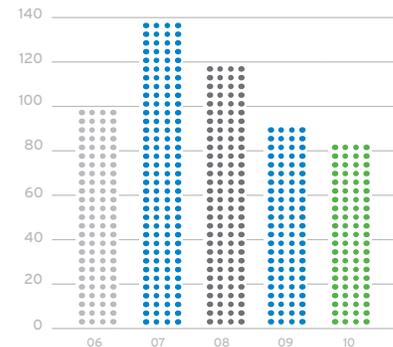
In 2010, Ecolab spent approximately \$1 million worldwide on environmental remediation. Our environmental remediation expenses have related primarily to two categories: businesses acquired by Ecolab and accounted for in connection with the transaction, or historic businesses divested years ago.

Safe Transportation of Goods

Ecolab works with national and international agencies to help craft future standards regarding the safe transport of goods and to ensure that Ecolab products are delivered safely to our customers.

Product Shipment Spills or Incidents

U.S. DOT Form 5800





Operations Highlights

- ▲ In an Ecolab manufacturing facility in California, a Lean Six Sigma project resulted in daily savings of more than 6,500 gallons of water, and at the same time reduced water acquisition and disposal costs. The analysis team used various water flow and filtration methods to achieve the savings, and is repeating the process across several Ecolab plants.
- ▲ A process was established at our Greensboro, N.C. plant to reduce solid product scrap, cut the costs of purchasing new materials to make blocks, and cut the cost of disposal of imperfect blocks. The new process grinds up the product blocks to be reintroduced into the manufacturing process rather than sending them to a local landfill. From March 2010 to February 2011, 263,000 pounds of material were reworked using the new process, saving \$320,000 in material and waste removal costs.
- ▲ Ecolab is working to reduce the amount of shrink film used to package products for shipping. In our Greensboro, N.C., plant, shrink film use was reduced by 2,530 lbs. in 2010 by converting to a thinner-gauge film. In 2011, the film savings initiative will be expanded to multiple plants.

Awards and Recognition

The **2010 Maplecroft Climate Innovation Index** ranked Ecolab 39 out of 339 of the largest U.S. companies for climate-related innovation and carbon management. The rating is founded on public disclosures and direct engagement of shareholders and employees, and is based on five key areas of focus: Management, Mitigation, Emissions Reductions, Innovation and Adaptation.

- ▲ One packaging project eliminated more than 450,000 lbs. of corrugated packing material used each year to ship bottles of liquid hand soap. Improving the cap covering the bottle pump and optimizing case fit allowed the reduction in packing material.
- ▲ By better controlling chemical use and raising the mean pH for a treatment pit to 8.5 at our Joliet, Ill. plant, a local Lean Six Sigma team was able to reduce the facility's use of sodium hydroxide by 87 percent and reduce its use of sulfuric acid by 45 percent. The reduction in chemical use saves \$260,000 annually. In addition, since sodium hydroxide contains residual fluoride, the reduced use of sodium hydroxide to treat our waste water reduces the fluoride in our effluent.

Raw Material Guidance Council

We continually make the environment, human health and safety key factors in our choice of raw materials for products and customer solutions. Our Raw Material Guidance Council meets quarterly to manage and monitor raw materials. Global representatives from our regulatory, procurement, quality, research and development, sustainability and other functions analyze raw materials. The council provides data and guidance to internal product development teams and our suppliers as they work on new cleaning solutions and redesign existing ones.

Building Sustainability into Our Products

Product Design Approach

In 2010, we continued our journey to achieve optimal product performance within the context of our sustainability principles and goals. We make sound product formulation decisions based on scientific evidence of both product performance and sustainability performance. We believe in positive impact by design. For us, compliance is only the first step in building sustainability into the product design lifecycle – all the way to recycling or re-using waste.



*The **Ecolab Cleaning Caddy's** smart design lowers total cleaning costs and utilizes concentrated packaging to reduce environmental impact. It was piloted with customers in 2010 and continues to find new market applications.*

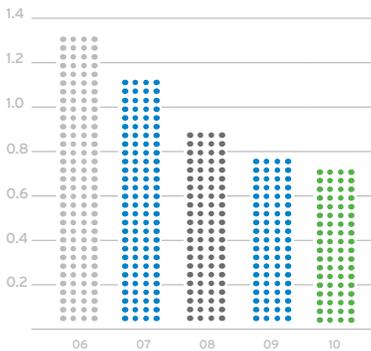
Customer Safety Drives Innovation

Our products are carefully designed to help people use them safely and effectively. When used as directed, our products will not harm the environment or those who handle the products. We offer systems that feature color-coded, controlled dispensing and language-free training materials. We help customers by providing programs that include educational videos, wall charts and manuals. We also offer training assistance for our customers' employees to help with the optimal and safe use of our products, and provide a toll-free emergency telephone number on product labels.

While our sales have grown, medical emergencies have declined. Design changes, such as replacing liquid products with solids, have made our products safer for customers to use.

Normalized Medical Assistance Call Volume North America*

Per \$1 Million Net Sales

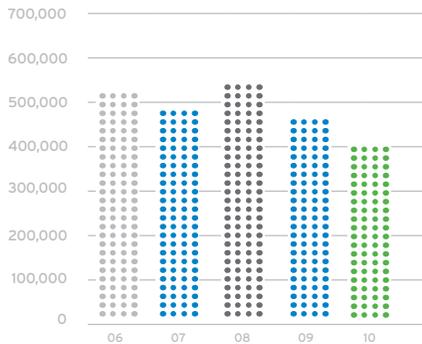


*Chart revised in 2010 to reflect North American call volume per \$1 million **North American** net sales from 2006 - 2010. Previous years' reports reflected North American call volume per \$1 million **global** net sales. This change was made to ensure accuracy as Ecolab's business expands globally; call volume is now tracked relative to net sales only in the specific territory in which calls were received.

MSDS Revised to Aid Customers

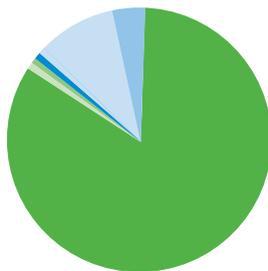
In 2010, New Zealand and Australia joined our North American and Latin American businesses in offering a Material Safety Data Sheet (MSDS) that provides customers both product concentrate and dilute information. A common MSDS system supports our efforts to create a consistent approach for managing data and hazard communication globally.

U.S. MSDS Distribution



To date, Ecolab has launched the MSDS system in nearly 40 countries and produces nearly 25,000 new or updated sheets annually.

MSDS Authoring Activity



- Europe (84%)
- U.S./Canada (10%)
- China/Hong Kong (1%)
- Latin America (1%)
- Australia (1%)
- Japan, Korea, Taiwan, Thailand, New Zealand (each country at <1%)

Reduced Packaging Equals Reduced Waste

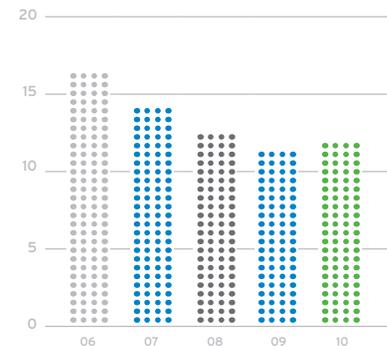
We continue to lead the industry with innovative product designs that significantly reduce the necessary packaging.

Our percentage of recycled plastic use has declined as we continue to favor flexible plastics over rigid plastic containers. Flexible plastic packaging is less conducive to incorporating recycled plastic, but has a positive net impact on landfills.

Ecolab offers a complimentary drum recycling program to its contiguous U.S. customers. During a recent 12-month period, over 188,000 drums were recycled by our customers through this program. Recycling these drums reduced Ecolab's need for nearly 2.4 million pounds of virgin resin.

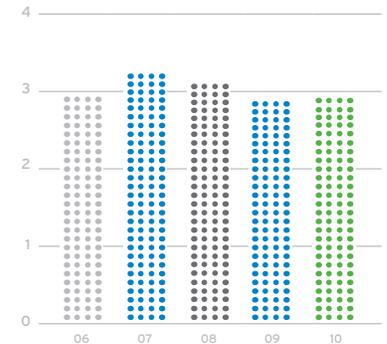
Normalized Recycled Plastic Use (U.S.)

Percent of Total Plastic



Post-Consumer Recycled Plastic Use (U.S.)

Million lbs.



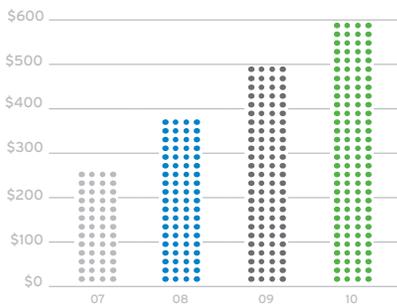
Managing Our Supply Chain

Ethical and Environmental Sourcing Standards

Our Ethical and Environmental Sourcing Standards represent a global supply chain initiative to require our direct suppliers to protect the health, safety and human rights of their associates. Suppliers must meet standards regarding forced labor, child labor, health and safety in the workplace, fair pay, harassment in the workplace, diversity and ethics, and environmental policies. We require that our suppliers identify and act swiftly to eliminate any unacceptable conditions or practices in their facilities. We will not do business with suppliers who do not support the fundamental principles of human dignity and rights of workers to fair and equitable treatment.

2010 Ethical Purchasing

Value of Covered Spend in Millions



Met our 2010 goal of \$600 million in covered spend, a 20 percent increase over 2009.



Our supplier requirements are based on these international standards:

- ▲ United Nations Universal Declaration of Human Rights, which sets a common standard of achievement for all peoples and nations and represents a set of core international ethical standards.
- ▲ United Nations Convention on the Rights of the Child, which has been ratified by almost all member states in the United Nations and provides a framework for interpreting the best interests of the child.
- ▲ Conventions of the International Labour Organization, which sets international labor standards including Fundamental Principles and Rights at Work.

In 2010, we increased ethical sourcing spend covered by 20 percent and revised our ethical sourcing standards to include sections on ethics and environmental sustainability, and then distributed them to top suppliers in the chemical, packaging, equipment and contract manufacturer categories.

Purchasing from Diverse Suppliers

To promote sustainable growth across different sectors, Ecolab policy encourages working with diverse suppliers while ensuring that we receive the highest quality products and services at the most competitive prices. Our Supplier Diversity Program is founded on the principles of fair and equitable business practices and social responsibility to the communities we serve.

Ecolab continued to strengthen its supplier diversity program this year by overseeing the registration of diverse suppliers on its Supplier Diversity Portal and providing internal diversity education and training. In 2010, we also were active members in the following U.S. supplier diversity organizations:

- ▲ National Minority Supplier Development Council
- ▲ Midwest Minority Supplier Development Council
- ▲ Women's Business Enterprise National Council (WBENC)

In 2010, our U.S. purchases from small businesses totaled approximately 7.4 percent of total spend, with new contracts for packaging and safety supplies awarded to diverse small businesses.



OUR ASSOCIATES

Ecolab is a people business. All that we do depends on the men and women who daily invest their enthusiasm, skills and creativity in realizing our aspirations for economic progress, environmental stewardship and social responsibility – our three sustainability principles.



Our strength has always been in our people.

As a company, we have set ambitious goals. Achieving them will require us to provide a workplace that inspires, empowers and values our people – a culture that supports all 26,000 associates in doing their best work.

In an ideal workplace – one where individuals feel they can perform their best work every day – associates have a sense that they belong. They trust their ideas will be heard, their contributions appreciated and their interest in new opportunities welcomed.

Building on momentum from 2009, associate teams in the U.S. and Canada developed plans designed to enhance engagement. Among the 2,600 plans developed, the top three areas of focus were:

- ▲ Rewards and recognition
- ▲ Work-life balance
- ▲ Being heard and supported

Throughout the year, associates and their managers implemented their plans – and periodically recalibrated them based on assessments of their impact.

Responding to the need expressed by associates for work-life balance, Ecolab introduced FlexWork. FlexWork provides an array of tools, resources and education aimed at helping managers and associates devise flexible work options for balancing the many facets of their lives.

Managers point to improved productivity, as well as an attractive case for recruitment and retention. Associates appreciate the ability to adjust schedules as demands at work and home change.

In addition, we implemented a peer-to-peer program to accelerate our journey toward a more inclusive culture. Led by 28 associates representing a cross-section of roles, business units and functions, our Inclusion Change Partners program aims to create a more inclusive culture at the grassroots level. The idea is to inspire inclusive behaviors among enough associates to create a “tipping point,” at which change begins to occur across the broader culture.

Our Next Measure of Engagement Is Set for 2011

We believe we are making progress toward a workplace that inspires, empowers and values associates – a culture that enables and engages associates to do their best work every day.

In 2011, we will track our progress against the baseline established in our first survey of associate engagement, conducted in the U.S. and Canada in 2009. In addition to checking back with U.S. and Canadian associates, we will expand the survey to include associates in China, Japan, Brazil, Australia and New Zealand for the first time. This expansion will mark an important step toward our long-term goal to measure the engagement of all associates globally.



We Help Associates Connect

Our Associate Networks provide opportunities for employees to form communities and friendships around common interests – gender or ethnicity, or a particular skill or competence. The networks are important in providing participants a sense of belonging and opportunities to build relationships for mutual learning across the organization. They also help Ecolab attract a more diverse workforce, critical to gaining the range of perspectives that the company increasingly needs in the global marketplace. Activities vary by group, but networking, skill building, leadership development and community outreach are common. Each network is sponsored by a member of Ecolab's senior management team.



Our Associate Networks include:

EcoMondo, a business and social network for those with international interests.

E3, a resource for women that encourages personal and career fulfillment.

EcoEssence, a network that provides thought leadership on issues of importance to all associates, but specifically to those of African descent.

FAN (Finance and Accounting Network), for associates looking for professional development through educational events and networking.

HACER, a group providing advocacy and leadership to encourage the growth and development of all associates and business partners, particularly those of Hispanic/ Latino descent.

Marketing Council, providing professional development, educational and networking opportunities for associates with interest in marketing and marketing communications.

PLAN (Professional Leadership Administrative Network), helping to ensure that administrative professionals have the tools, skills and relationships needed to build successful careers and that they are recognized as experts in administrative support.

PRIDE, for associates who are gay, lesbian, bisexual, transgender (GLBT) or allies of the GLBT community.

Training and Education Opportunities Offered

Ecolab offers job-specific technical and professional skills training within each of our business units, as well as leadership development opportunities on a corporate-wide level. A tuition reimbursement program is available to U.S. associates for whom college coursework and/or degree programs are key for career development. Our Talent Pipeline serves as the foundation for our talent development efforts at Ecolab. The Talent Pipeline includes a performance management and development framework for associates, with Individual Development Plans designed to help associates improve in their current roles and prepare for future career opportunities within Ecolab.



Diversity Is Important to Us

We support and encourage diversity in our workforce by recruiting and hiring the best people – without regard to race, gender, age, sexual orientation, gender identity, religion, disability, veteran status or background – to represent our company. We currently partner with the following organizations and colleges:

- ▲ St. Catherine University's Center for Sales Innovation for Women Sales Professionals
- ▲ INROADS, an organization that develops and places talented minority youth in business and industry
- ▲ MANRRS – Minorities in Agriculture, Natural Resources and Related Sciences
- ▲ Morgan State University
- ▲ University of St. Thomas' Black MBA Multicultural Forum
- ▲ National Black MBA Association (NBMBA) and Minnesota Boulevard (MN BLVD)
- ▲ National Society of Hispanic MBAs (NSHMBA)
- ▲ National Society of Minorities in Hospitality (NSMH)
- ▲ Multicultural Foodservice & Hospitality Alliance (MFHA)
- ▲ Women's Foodservice Forum (WFF)
- ▲ Lifeworks, a non-profit serving people with disabilities
- ▲ The Consortium for Graduate Study in Management
- ▲ Association of Latino Professionals in Finance & Accounting (ALPFA)

Associates in Need Are Helped by Ida C. Koran Trust

No single individual has had a more lasting influence on Ecolab than the company's first associate, Ida C. Koran. Through her significant generosity, current associates and Ecolab retirees around the world have a place to turn when they face financial hardship due to disabilities, medical problems, catastrophic and/or unforeseen situations; when their children need financial assistance for education; and when they seek treatment for chemical dependency.

In 2010, the Ida C. Koran Trust's student aid program provided nearly \$1.5 million to 90 new recipients and 205 renewing applicants. They came from countries including Canada, Israel, Germany, Poland, China, Australia, New Zealand, Jamaica, the U.S. and Mexico.

In addition, the 2010 Trust programs (disaster relief, hardship assistance and immediate assistance) distributed more than \$560,000 to Ecolab's global associates. Disaster relief funds were provided to more than 32 associates in Chile following the February earthquake, and again to associates in Christchurch, New Zealand, following a serious earthquake in September.

The hardship program provided nearly \$480,000 in grant and loan assistance to global associates in several countries, including Argentina, Peru, Mexico, Hong Kong, South Korea and Puerto Rico throughout the year. And finally, the immediate assistance program provided assistance to more than 30 associates.



Refocusing Our Purpose and Values

Our associates gain inspiration when they can see a clear connection between their work and a greater purpose. During 2010, as we outlined our five-year vision, we also recast our purpose and values statement. Our goal was to help associates clearly see that the work they do matters – that they make a difference in helping make the world cleaner, safer and healthier, protecting the Earth's resources and reducing the risks faced by our customers.

Since the launch of an internal campaign to introduce the updated purpose and values statement, many associates report a better understanding of the importance of their work – and they appreciate a common language to help them talk about what they do. Although created for associates, the purpose and values statement is being used in presentations to prospective customers and employees. Customers are finding alignment between their own and Ecolab's values. And potential employees are able to more quickly understand the company and the purpose we serve.





New Safety Emphasis Takes Shape

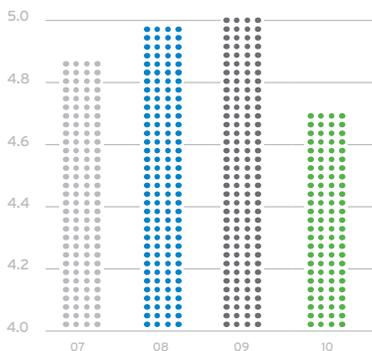
The personal safety of our associates has always been one of our most important priorities at Ecolab. We've worked hard to develop a uniform, company-wide safety program focused on industry best practices that empowers every person to do his or her best work in the safest, most efficient manner possible. In 2010, Ecolab outlined these best practices in our new Associate and Driver Safety Handbook entitled: *Safety: It's up to Me!* The book provides helpful insights and tips to keep safety awareness top-of-mind for associates whether at work, home or play.

The driver safety key performance metric will be "Total Moving Accidents per Million Miles" and is provided by the Network of Employers for Traffic Safety, a group that represents accident data from more than 15 large employers with 42,000 passenger and light service vehicles driven more than 1.1 billion miles.

The associate safety key performance metric will be the "OSHA Recordable Injury Rate per 200,000 Hours Worked" and is provided by the Bureau of Labor Statistics. It is the industry standard metric that OSHA applies to us and that many customers also use.

OSHA Recordable Injury Rates (U.S.)

Per 100 Associates



In addition, Ecolab's Executive Safety Council set an aggressive safety improvement goal for our U.S. businesses: Ecolab will achieve Best-in-Class accident and injury rates by the end of 2015 throughout our organization. Using 2010 data as our benchmark year, Ecolab has pledged to cut the accident and injury rates of our associates by more than half in the next five years in the areas of driver and associate safety.

Yearly targets for accident and injury rate improvements have been established using third-party benchmark metrics. For 2011, our goal is an 11 percent reduction in both driver and associate incidents.

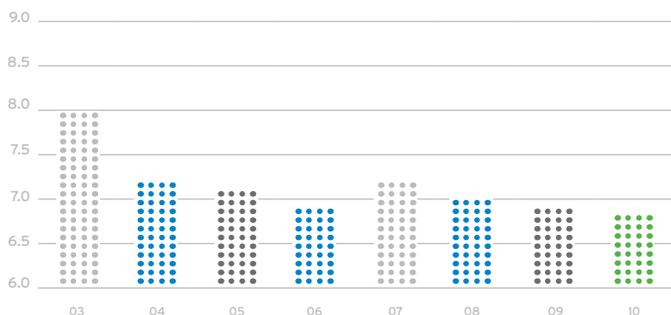
Our Code of Conduct Guides Our Actions

The Ecolab Code of Conduct is a set of guidelines designed to be read and followed by associates in every location around the world. It states that our company's business will be conducted in accordance with local laws and stated corporate standards of conduct. As a result, our associates are held to the highest standard of integrity, and are expected to avoid situations that conflict with our company responsibilities. Annual training and certification help ensure compliance.

Available in printed form and translated into more than 25 languages, the Code of Conduct also can be accessed online at www.ecolab.com/investor/governance. We also have a Code of Conduct Help Line for associates who need assistance or wish to report a possible violation. The Help Line is toll-free and is answered 24 hours a day, seven days a week by an independent company that offers interpretation services in 150 languages and maintains confidentiality.

Driver Safety (U.S.)

Total Accidents Per Million Miles



Awards and Recognition

Recognition for Our Workplace

iSixSigma Magazine

Best Places to Work

For the second consecutive year, Ecolab was named to *iSixSigma* Magazine's Best Places to Work for Six Sigma professionals for our training programs, compensation packages, rewards and recognition, employee satisfaction and overall Lean Six Sigma culture.



Ethisphere Institute

World's Most Ethical Companies

Ecolab was recognized by Ethisphere Institute as one of the World's Most Ethical Companies for the fourth consecutive year after reviewing the company's code of ethics, litigation and regulatory infraction history; evaluating our investment in innovation and sustainable business practices; looking at activities designed to improve corporate citizenship; and studying nominations from senior executives, industry peers, suppliers and customers.



51job Inc.

100 Best Human Resource Management (HRM) Companies

We won the 2010 "100 Best Human Resource Management (HRM) Companies" award, sponsored by 51job Inc., the leading integrated human resources service provider in China, for our best practices in employee training, talent recruitment and retention, corporate culture and other aspects of HR management.



Selling Power

25 Best Manufacturing Companies to Sell For

Selling Power magazine editors ranked Ecolab #8 on its "25 Best Manufacturing Companies to Sell For" list in 2010.



Human Rights Campaign

Corporate Equality Index

Ecolab received 100 percent on the Corporate Equality Index, which rates American workplaces on lesbian, gay, bisexual and transgender equality issues.



Profiles in Diversity Journal

Ecolab was honored by *Profiles in Diversity Journal* as a corporation that has developed innovative solutions, offering measurable outcomes in the area of workforce diversity and inclusion.





Ecolab Signs on to A.I.S.E. “Charter for Sustainable Cleaning”

In 2010, Ecolab became a licensee of the Charter for Sustainable Cleaning, a new, voluntary initiative of the European cleaning products industry. Ecolab also had signed a previous, initial A.I.S.E. charter. A.I.S.E., the European body of the International Association for Soaps, Detergents and Maintenance Products, encourages continual sustainability improvements. By becoming a licensee, Ecolab agreed to meet advanced product sustainability criteria defined by A.I.S.E.



A VOLUNTARY INDUSTRY INITIATIVE

All products that carry this mark are from companies that are committed to the industry program “Charter for Sustainable Cleaning.” See www.cleanright.eu/charter-company.

Industry Alliances

Our partnerships and association relationships help us advance our vision and support our sustainability principles. In 2010, we participated in 61 global organizations, serving as thought leaders, providing education and guidance around emerging trends, as well as sponsoring key events to continue to drive sustainability throughout our industries. Here is a partial list of those organizations:

Sustainability-related Industry Associations

- ACCORD Australasia Limited
- American Hotel & Lodging Association (AHLA)
- American Cleaning Institute [formerly SDA] (ACI)
- Beverage Industry Environmental Roundtable (BIER)
- Consumer Specialty Products Association (CSPA)
- Consumer Goods Forum
- Corporate EcoForum (CEF)
- Food Market Institute (FMI)
- Grocery Manufacturers Association (GMA)
- International Association for Soaps, Detergents & Maintenance Products (AISE)
- International Sanitary Supply Association (ISSA)
- National Restaurant Association (NRA)

Sustainability-related Government Organizations

- California Green Chemistry Initiative
- U.S. EPA Climate Leaders Program (dissolved by the EPA in 2010)

Sustainability-related Non-Government Organizations

- Business Ethics Leadership Alliance (BELA)
- Climate Disclosure Project (CDP)
- Healthy Schools Campaign
- Minnesota Environmental Initiative (MEI)
- The Sustainability Consortium (TSC)
- World Resources Institute

Sustainability-related Certification Programs

- EcoLogo
- European Union Ecolabel (EU Flower)
- U.S. Environmental Protection Agency Design for the Environment (U.S. EPA DfE)
- U.S. Environmental Protection Agency SmartWay
- EC3 Global and EarthCheck
- Green Seal
- Nordic Swan
- U.S. Green Building Council (USGBC) LEED
- International Organization for Standardization (ISO)

For a complete list of the organizations in which we are involved, please visit www.ecolab.com.



PROGRESS:

.....
With Our Customers
and Communities

OUR PARTNERSHIPS

Partnering with Our Customers

Sustainability is at the very heart of what we do. Safe food supplies and clean environments are foundational to a sustainable society. Ecolab associates work every day throughout the world to enable our customers to increase safety, optimize water and energy use, and reduce waste.



Ecolab's "Total Impact Approach": The Foundation of Sustainable Solutions

We consider the total impact our products and practices have on the environment. This includes not only product formulations, but also how the use of the product will affect the use of other natural resources (water and energy), how packaging will impact the environment, and the safety of the end user.

And while we are committed to sustainability in our own operations, we realize that the greatest contribution we can make to the environment is through our customers and through cleaning, sanitizing and infection prevention solutions that embrace our "Total Impact Approach."

Safety

Helping keep people safe is our business. We protect people and businesses by:

- ▲ Using sustainable and effective ingredients that also deliver effective results.
- ▲ Using innovative, controlled dispensing with lighter packaging.
- ▲ Providing customers with safety information, training and support.



SAFETY



ENERGY



WATER



WASTE

Energy

We reduce energy consumption through:

- ▲ Low-temperature washing.
- ▲ Concentrated solid products that can be shipped using much less fuel than predecessor liquid products.
- ▲ Formulations that eliminate the need for extra cleaning or rinse cycles.

Water

Our innovative solutions are designed to optimize water without compromising effectiveness through:

- ▲ No-rinse product formulations.
- ▲ Water reconditioning technology.
- ▲ Solutions that reduce the number of required wash-and-rinse cycles.

Waste

We seek to reduce waste, as well as recycle and reuse materials, by:

- ▲ Minimizing packaging in product design.
- ▲ Re-using containers.
- ▲ Optimizing recyclable packaging.

Creating Cleaner, Safer Environments

Restaurant managers do not want workers or guests slipping and falling on wet floors. Yet every year, nearly 3 million employees and 1 million customers are injured in slip-and-fall accidents, according to the National Restaurant Association.

In 2009, Ecolab introduced the Scrub N Go® (SNG) Floor Scrubber Vac System, to help quick service restaurants (QSR) clean and dry floors faster. SNG was certified as a "high traction" system by the National Floor Safety Institute because it maintained a coefficient of friction (CoF) of 0.6 or greater. This meant it was 50 to 90 percent less likely that people would slip and fall on just-cleaned floors.

In 2010, a global customer put the SNG machine to the test at 12 of its QSR facilities across the U.S. Over a 4.5-month period, the test locations saw a 93.2 percent drop in the number of guest-related slip and fall claims per month.

Due to the fast-drying system in the SNG, the floors are wet for a fraction of the amount of time compared to traditional mopping. As a result, when used appropriately, the SNG system creates a safer environment for both workers and guests.



Achieving Results With Our Customers

We help our customers achieve their sustainability goals and together, we are achieving a positive impact for consumers and communities around the world.

Brazil: In seven beverage bottling plants, Ecolab's innovative solutions for cleaning returned glass and PET plastic bottles saved 40 million liters (10 million gallons) in water intake and resulting effluent.

Brazil: Ecolab partnered with Netter, a warewashing machine manufacturer, to rent high-efficiency machines to food service customers. The water saved by all users of the program was estimated at more than 750 million liters (198 million gallons) in 2010.

U.S.: For a whiskey distillery, Ecolab identified a waste handling system that included a high-rate anaerobic treatment that reduced the facility's natural gas costs by 15 to 20 percent.

Indonesia: In a milk processing plant, Ecolab Clean-in-Place (CIP) solutions helped improve the plant's food safety record while reducing cleaning time for each of the plant's two production lines by almost an hour per day. The value of this production gain is estimated at more than US\$89,000 per month, plus the environmental and cost benefits of reduced energy and water consumption.

Germany: At a restaurant in Frankfurt, installation of Ecolab's 360° Explorer™ management tool for warewashing is saving 546,000 liters (144,000 gallons) of water per year, while decreasing annual energy use by 36,000 kWh and increasing capacity of the washing equipment.

Awards and Recognition

Recognition for Sustainability in China

Ecolab is working with businesses throughout China to help them operate sustainably.

For example, an Ecolab cleaning additive for the food and beverage industries helps to shorten wash cycles, reduce the number of cycles, and save water to:

- ▲ Reduce carbon dioxide emissions by 27,000 metric tons annually.
- ▲ Save 514,000 metric tons of water per year.
- ▲ Save 3,214,000 kWh of energy.
- ▲ Reduce steam use by 117,000 metric tons per year.

3,214,000
KWH OF ENERGY SAVED

Our dedication to protecting the earth's resources is gaining recognition, including:

"Best Corporate Citizen for Driving Sustainability in China 2009-2010" at the first China Sustainability Leaders Symposium in Beijing

"2010-2011 Outstanding Contribution in Leading Food Safety Efforts and Driving Sustainability in China" by Shanghai Food Association

"2010-2011 Sustainable Innovation Model Enterprise in China" by Talents Magazine

"Best Enterprise in Delivering Corporate Social Responsibility in China in 2010" by China Business News

"2009-2010 Top Leader in Driving Sustainability in China" to Sam Hsu, general manager of our China division, by people.com.cn, a leading Chinese media outlet

"Best Enterprise in Leading Sustainability Efforts in China" by the China Economic Daily News media group

Sustainable Innovation: New Technology Reduces Water Use by Up to 97 Percent

Reducing water use by up to 97 percent in a manufacturing process is a significant goal, and it's happening every day in customer food and beverage plants that have adopted a new technology called DryExx® GS, a dry conveyor lubricant. The concept is to eliminate the water needed to deliver lubricant for glass packaging as it races through conveyors in the beverage, brewing and food processing industries. Individual customers using the technology have reduced water use by as much as 500,000 gallons annually per production line. And because of dryer floors, worker safety is enhanced.

The DryExx® technology was recognized with a "Highly Commended" designation in the Best Sustainability Initiative category of the InterBev 2010 Beverage Innovation Awards. Customers achieving significant water savings include:

- ▲ A winery reduced water consumption by 457,000 gallons annually and saved processing time.
- ▲ A brewer reduced water consumption by 745,000 gallons annually and improved its cleaning effectiveness.



A Sustainable Dairy Partnership

In 2009, a team of Ecolab experts from our Water, Energy & Waste group partnered with our cleaning and sanitation group to conduct a Total Plant Assessment at 13 facilities for a North American food and beverage processing customer, identifying more than \$5.7 million in potential operations savings.

The team evaluated each plant from influent to effluent, looking for the "complex connections" that are only possible when both groups of experts are in the plant looking for opportunities together. The groups then prioritized more than 172 recommendations so those with the lowest investment and greatest return could be implemented first. Implementation began in 2010.

Working with the customer's operations team, Ecolab has helped implement a total of 121 immediate process improvements across 101 facilities. By the end of 2010, the customer had achieved the following reductions:

- ▲ 122 million gallons of water used
- ▲ 87,000 DTH of energy
- ▲ 4,094 metric tons of CO₂ waste

These operational changes also realized a total savings of more than \$1.9 million. Process improvements are continuing in 2011, helping the food and beverage chain create a cleaner, healthier, safer environment.



Sustainable Solutions in Healthcare

Ecolab's growing presence in the healthcare industry carries with it significant responsibility to both help reduce the risk of infection and to provide a safer environment for patients and staff. Ecolab innovations that help improve safety and environmental protection in healthcare include:

- ▲ Instead of shipping 15-gallon drums of liquid solution for cleaning and processing of surgical instruments in acute care hospitals, Ecolab utilizes our patented solids technology as part of the OptiPro™ system. It provides customers with a concentrated instrument reprocessing solution that is mixed with water in a proprietary dispensing system that provides continuous notification of the delivery system status. For customers previously using liquid drums, packaging waste is decreased by as much as 94 percent, and fuel and money is saved by avoiding shipments of liquid. This system also uses color- and shape-coded blocks of product to allow for safer handling.

- ▲ A pilot program with four healthcare customers demonstrated our ability to deliver innovation while improving environmental cleaning, as well as patient, staff and visitor safety. Ecolab's EnCompass™ and PROTECT™ programs feature advanced dispensing technology, concentrated products, microfiber cleaning tools, and improved processes, reporting and monitoring. The comprehensive programs reduced water consumption by up to 86 percent, and reduced chemical use by up to 74 percent. Cleaning efficiency, the speed by which a room from a discharged patient could be ready for a new patient, improved by up to 15 percent.



A Hospitality Partnership Unfolds

Fresh, clean laundry is key to an enjoyable hotel stay. Yet washing all those sheets and towels uses considerable energy and water.

A global hospitality chain, in partnership with Ecolab, piloted a new integrated laundry system using a combination of low-temperature laundry products, audible dryer alarms and real-time data collection to try to wring out water and energy consumption at four onsite laundry facilities across North America.

After the year-long pilot, the four participating hotels on average:

- ▲ Used 830,000 gallons less water, a 34 percent reduction
- ▲ Used 730,000 gallons less hot water; 47 percent reduction
- ▲ Saved 5,000 therms/year of energy; a 47 percent reduction

In addition, employees and customers noticed improved quality. Linens are noticeably cleaner, softer and smell fresher for longer periods of time. In almost all instances, there was less staining and fewer towels and sheets had to be replaced.

Awards and Recognition

Recognized for Sustainability Around the World

U.S.: Sodexo

Sodexo Better Tomorrow Award

"Sodexo Better Tomorrow Award" for helping Sodexo achieve its sustainability goals. This first-ever award recognized Ecolab for supporting Sodexo's 14 sustainability initiatives, ranging from reducing waste and water use, to supporting community development.



U.S.: Cargill

2010 Sustainability Solutions Award

2010 Sustainability Solutions Award from The Cargill's Value Added Meats division for a water recirculation technology that achieved annual costs savings.



Germany

Dr. Georg Triebe Innovation Awards

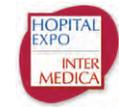
A bronze medal in the Dr. Georg Triebe Innovation Awards in the sustainability and efficiency category for the 360° Explorer™ web-based cleaning management system, which saves commercial kitchens 20 percent or more in energy and water consumption.



France

Eco-Responsible Award

"Eco-Responsible Award" at the annual Hospital Expo for our HealthGuard biocleaning program. The system of concentrated products with refillable packages for floor and surface cleaning and disinfection reduces water consumption by 75 percent and packaging weight by 90 percent.



Germany: German Packaging Institute

2010 German Packaging Award

2010 German Packaging Award in the transport category from the German Packaging Institute for the ProTec 100 percent closed system cleaning, which reduces human exposure to concentrated liquids and cleans and refills empty 200-liter drums, conserving resources.



Austria: Oberösterreich

Environmental Stewardship Award

An environmental stewardship award from the state of Oberösterreich for reducing the carbon footprint of hospital laundries. The award cited Ecolab's success in saving water and energy through the innovative PERFORMANCE SMART system, which saves a million liters (more than 264,000 gallons), of water annually and reduces energy consumption by 13,000 kilowatts annually.



U.S.: National Restaurant Association

2010 Kitchen Innovations Award

2010 Kitchen Innovations Award from the National Restaurant Association. In a single pass, the Scrub N Go® system delivers up to 63 percent time savings versus wet mopping.



OUR COMMUNITIES

Ecolab believes in being a positive force in the global communities in which we live and work. Our associates volunteer their time and donate funds to improve communities. We donate corporate funds to worthy causes, engage in community-building efforts and donate products when emergencies arise.

Education: The Tool to Unlock Human Potential

Education advances human potential by enabling young people to become the next generation to generate ideas, jobs and economic benefits.

We broadly support educational advancement. But in keeping with our expertise in technology and science, we have chosen to take a special interest in science, technology, engineering and mathematics (STEM).

In 2010, close to \$2 million of our annual contributions were dedicated to youth and education – about 33 percent of our total Foundation giving. Additionally, there are immeasurable individual contributions by associates, who give their time and talents to education.

Visions for Learning

Our major educational initiative is Visions for Learning, which provides funds for curriculum materials for 250 K-12 schools throughout the U.S. The program works with teachers and administrators to:

- ▲ Advance toward grade-level achievement in basic skills for those students behind their classmates;
- ▲ Enrich the classroom experience; and
- ▲ Advance STEM skills that students will need for future employment.

Real Science

Ecolab's Science Education Leadership Team (SELT) brings together associates interested in increasing student interest in STEM career fields and helps build the pipeline for a skilled, diverse technical workforce. Ecolab volunteers:

- ▲ Involve teachers in an actual Ecolab research project for six weeks through the "Benchtops to Blackboards" program.
- ▲ Volunteer at multicultural Science Saturdays at the Science Museum of Minnesota.
- ▲ Help strengthen skills and expand opportunities for approximately 3,400 youth each year in STARBASE Minnesota, a non-profit organization whose purpose is to increase the knowledge, skills and interest of inner-city youth in STEM for greater academic and lifelong success.
- ▲ Help organize and judge Science Fairs and Science Bowls, reaching thousands of students annually.
- ▲ Support the study of robotics with Humboldt junior/senior high school students in St. Paul, Minn., assisting students in the FIRST robotics team competition.
- ▲ Support "Kids & Chemistry," which brings hands-on science experiments to hundreds of fifth-grade students.



\$2,000,000
FOR YOUTH & EDUCATION

33 percent of our total Foundation contributions were dedicated to youth and education in 2010.

Global Community Highlights

More than \$2 million in Ecolab products was donated to charitable partners around the globe in 2010.

The **Ecolab Foundation** established a Disaster Relief Matching Gifts program for relief efforts for people suffering from the devastating earthquakes in Haiti and Chile. Associate gifts were matched 100 percent by the Foundation.

To battle the cholera outbreak in Haiti, **Benelux operations** donated hand disinfectant products, and in total Ecolab donated more than \$1.6 million in product to assist Haiti relief and recovery efforts.

Ecolab **Australia** assists rural villagers to convert contaminated surface water into clean, potable drinking water through a unique filtering system.

\$250,000

IN MATCHING CONTRIBUTIONS

The Ecolab Foundation matched associate contributions of resources and time.

In **Brazil**, Ecolab joined with industry partners to support the Biasi Daycare Center, a human services agency for low-income children and adults. A recent project was construction of a training bakery that, in its first class, graduated 60 teenagers to become bakers and confectioners. Ecolab provides cleaning products, training and volunteers.

Ecolab associates in the U.S. raised **\$900,000 for community partners** including the United Way, Global Impact and our Health and Wellness partners, a 24 percent increase over the previous year. **The Ecolab Foundation** matched new and increased pledges, adding \$485,000 to the campaign for a total of \$1.4 million.

Across the U.S., **Ecolab's women's associate network** collected professional clothing and accessories for women in need who are re-entering the workforce, had 100 percent national chapter participation in the American Heart Association's Wear Red Day, and participated in Habitat for Humanity's Women Build projects in seven chapter locations.

A cycling team from Ecolab's U.K. operations trekked hundreds of miles to raise funds for **Over the Wall**, a children's charity that provides support for young people with life-limiting illness.

In **Mexico**, associates came together to donate much-needed items and funds to support local orphanages and eldercare facilities, as well as participate in school supply and holiday toy drives. Additionally, associates volunteered with Ronald McDonald House to build and paint houses to help expand programming and services to children and families in need.

The **Ecolab Industry Foundation** supports non-profit activities in our primary industries. Programs supported in 2010 included helping campuses across the U.S. develop culinology programs, as well as providing support for scholarships and capital projects, and supporting career development opportunities for the foodservice, healthcare and hospitality industries.



Headquarters Community Highlights

We feel a special obligation to support the community that helped establish Ecolab and nourish it over its 88 years. A sampling of our efforts in the St. Paul-Minneapolis metropolitan area includes:

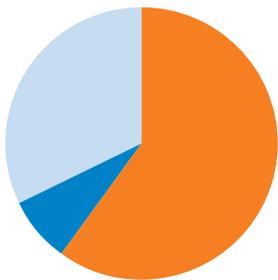


Students in grades eight through 10 in a St. Paul school benefit from connections with 300 Ecolab volunteer mentors in the “e-Mentor” program.

Ecolab is a corporate partner with **Genesys Works**, a non-profit program in St. Paul that teaches low-income high school students the job and professional skills needed to succeed in post-school work life.

The **EcoEssence** associate network in the St. Paul area hosted a “Funds for Food Cookout” to raise more than \$27,000 worth of food for the Second Harvest Heartland food shelf.

Total 2010 Ecolab Contributions
\$9,105,910



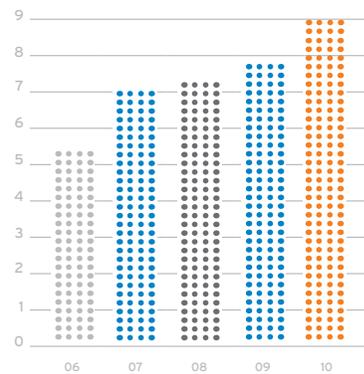
- Ecolab Foundation (60%)
- In-Kind/Disaster Relief/Volunteer Hours (32%)
- Corporate Giving (8%)

In St. Paul, 60 associates volunteered for **Project Homeless Connect**, a resource fair for 1,400 homeless citizens.

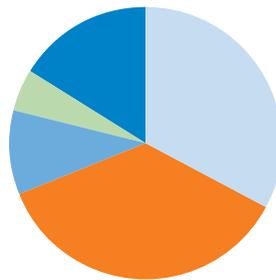
More than 170 associates and retirees volunteered during **Ecolab’s Week of Caring**, engaging in a variety of community projects for at-risk and disadvantaged people.

Giving is part of Ecolab’s heritage, and part of our belief system. These charts indicate the destinations of our \$9 million in Foundation, corporate and in-kind giving in 2010.

Total Ecolab Contributions
Dollars in Millions



Ecolab Foundation Giving 2010
\$5,417,610



- Community Development (36%)
- Youth & Education (33%)
- Industry (16%)
- Arts & Culture (10%)
- Environment & Conservation (5%)

Awards and Recognition

Recognized for Our Community Involvement



American Red Cross

Circle of Humanitarians Award

The Twin Cities Chapter of the American Red Cross gave Ecolab its “Circle of Humanitarians Award” for the company’s earthquake relief efforts for Haiti and Chile.



Minnesota Computers for Schools

Technology Transformed

Minnesota Computers for Schools

Making a Difference Corporate Award

Minnesota Computers for Schools gave Ecolab its “Making a Difference Corporate Award” for sustained support, including technology donations.



American Heart Association,

Twin Cities Heart Walk

2010 David A. Ness Start! Impact Award

Ecolab’s CEO Doug Baker was recognized with the “2010 David A. Ness Start! Impact Award” by the American Heart Association’s 2010 Twin Cities Heart Walk for supporting its local “Start!” wellness initiative.



CATHOLIC CHARITIES of St. Paul and Minneapolis

Catholic Charities

Community Service Award

Catholic Charities of St. Paul and Minneapolis awarded Ecolab its “Community Service Award.”

GRI Content Index

This report was prepared using the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines. www.globalreporting.org

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Economic Principles		
We provide innovative and effective solutions that help our customers prosper and grow.	EC1, EN6, EN26-27, HR2, HR6-7, HR9, PR1-2, PR5, PR8	6-7, 26-30
We invest in research and development to create the best solutions at the best value.	EC1, EN6, EN26-27, HR2, HR6-7, HR9, PR1-2, PR5, PR8	3, 6-7, 26-30
We deliver effective results at the lowest total impact environmentally and economically.	EC1, EN6, EN26-27, HR2, HR6-7, HR9, PR3-5, PR7-9	11-17, 26-30
We serve customers around the world with consistent global solutions.	EC9	8, 26-27
We invest in our people, equipping them with the tools, technology and training they need to do their jobs while providing opportunities for personal growth and development.	EC1, EC3, LA3, LA4-12, HR3, HR8, SO3,	18-24
We contribute financial investments that increase the long-term vitality of our communities.	EC1, EC5-9, SO1, SO5-6	32-35
We provide our shareholders with superior value.	EC1	3
Environmental Principles		
We actively develop products and services that minimize our customers' water and energy use, with innovative packaging and dispensing methods that reduce waste.	EN1-5, EN10, EN22, EN24, EN26	14-17, 26-30
We make every effort to use environmentally responsible and sustainable resources to meet our needs, and conserve nonrenewable natural resources through efficient use and careful planning.	EC2, EN1-7, EN16-20, EN29, PR1	10-17
We recognize and support the human right to water. As such, we help protect local water supplies through conservation in our own operations, as well as through developing technologies that help our customers use less water, and where possible, recondition and reuse water.	EN3-10, EN21, EN25, EN26	13, 15-16, 27-30
We use environmentally responsible and sustainable energy sources, and invest in improving energy efficiency in our operations on an ongoing basis.	EC2, EN1-7, EN16-20, EN29, PR1	10-12, 15
We minimize emissions, effluents and waste caused by our operations, and dispose of all wastes through safe and responsible methods.	EC2, EN1-7, EN16-20, EN29, PR1	10-13, 15
We review the environmental attributes of raw materials and make environmental sustainability a key requirement in the selection of ingredients for new products and services.	EN6, EN26, EN29, PR1	15
We monitor the environmental, health and safety compliance standards of our manufacturing facilities and participate in third-party audits to continuously improve our performance. We promptly respond to situations where our operations have had an adverse effect on people or the environment.	EC2, EN11-15, EN23-26, EN28-30, LA6-9, SO1-4, SO8, PR2, PR4, PR9	14-16
Social Principles		
We respect the human rights of all people.	HR1-9	17-19, 22
We are committed to supporting and encouraging diversity throughout our organization.	LA1-3, LA11, LA13-14	17, 21
We provide a safe work environment for our associates through comprehensive safety policies, programs and training.	LA6-12	20, 22
We support small, disadvantaged and women-owned businesses by actively seeking such suppliers in our competitive bidding processes, and are committed to fostering relationships with diverse suppliers throughout the world.	HR2	17
We hold our suppliers to the same high standards of social responsibility that we follow. Our suppliers must protect the health, safety and human rights of their associates and be committed to continuous improvement.	HR2, HR5-7, PR1	17
We provide our customers with products and services that help protect the health and safety of their customers and employees, and enhance safety by offering comprehensive product information, training and emergency support.	EN23, EN26, PR1-4, PR9	15, 26-30
We are dedicated to the communities in which we live and work, and we support them through charitable giving and community involvement.	EC8-9, EN13-14, EN26, LA8, SO1, SO5	32-35
We conduct business fairly and ethically. Our Code of Conduct defines our corporate culture – our associates worldwide are held to the highest level of integrity.	SO1-4, SO6-8	22



We Are Everywhere It Matters.™

It matters that we help the world become a cleaner, safer, healthier place.
It matters that our products and services solve problems – today and tomorrow.
It matters that we are able to serve our customers wherever they need us –
in hospitals, restaurants, schools and factories around the globe.
It matters that our customers succeed. That's why Ecolab is Everywhere It Matters.

By partnering with our customers everywhere they need us,
we help keep their operations clean and safe, ensure their businesses
perform well and enable them to make the world better.

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