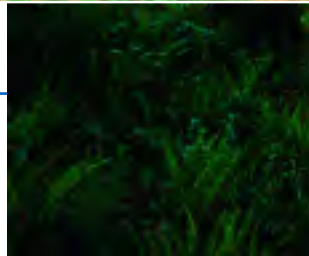
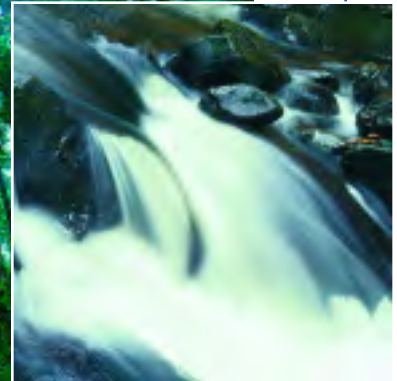
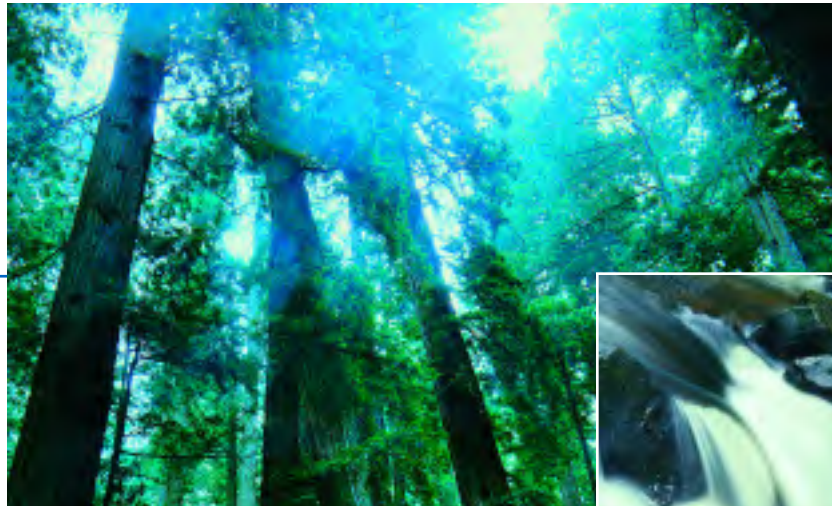


# Sustainability Report 2005



## A Message from Ecolab Chairman, President and CEO

Ecolab is committed to continuous improvement throughout our organization, focusing not only on a strong economic performance, but on responsible environmental and social performance as well. Just as we are committed to providing quality to our customers and value to our shareholders, we are also committed to environmental leadership and contributions to our communities. Our creative, innovative approaches have led to breakthrough economic performances, making us a worldwide industry leader. We work to attain that same level of leadership in terms of sustainability.

Our annual report to shareholders summarizes the financial and marketing accomplishments and also relates our ongoing efforts regarding our sustainability results. This Ecolab Sustainability Report details how we have invested resources to ensure that our business continues to prosper in a sustainable and responsible manner within society and within the

environment. It affirms our commitment to corporate citizenship through leadership in our industry and gives examples of the actions we have taken in supporting this position.

As a corporation, either through the Ecolab Foundation or other corporate giving programs, we contributed more than \$4.3 million toward our communities. The response from our associates to natural disasters was also outstanding. Ecolab volunteers contributed time and money to victims of the Gulf Coast hurricanes, and as a company contributed more than \$3 million worth of hand and surface sanitizers and other cleaning products to the relief efforts. We also provided consultation regarding effective decontamination and cleaning protocols.

We are proud of our past successes, both in improving our financial performance and in environmental stewardship, but we are determined to



achieve even more. We are working to improve our already low-impact plant operations and reduce post-consumer waste through innovative product development and packaging. Going beyond our own operations, we will ask our strategic suppliers to commit to ethical sourcing standards in 2006.

Our corporate culture reflects our determination to work toward improving the environment, distinguishing Ecolab as a leader in the industry and a leader in the world. This commitment is clearly outlined in our adoption of three key business principles of sustainable business development: stewardship of the environment, contributions to society and creation of economic value for our shareholders. We will continue our efforts by operating with the same personal integrity we apply to all aspects of our business.

A handwritten signature in black ink, appearing to read 'Douglas M. Baker, Jr.', written over a horizontal line.

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

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# Our Vision

At Ecolab we acknowledge our obligation to help maintain the ecology of the planet. Accordingly, we commit ourselves to the sustainable use of the earth's resources and the protection of the natural environment while we strive to fulfill our corporate mission.

# Our Stakeholders

Our key stakeholders, who are essential to the future success of our business, include associates, customers, investors, suppliers, government and community.

# Ecolab Profile

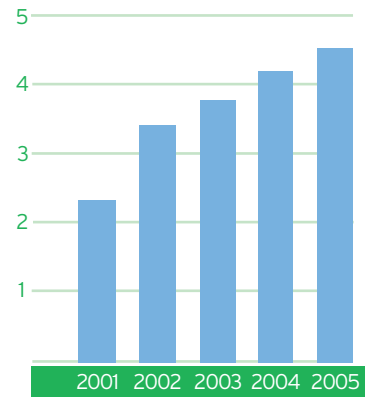
As the world's leading provider of cleaning, food safety and health protection products and services, Ecolab has grown to \$4.5 billion in global sales. Ecolab's unique combination of industry expertise, innovative solutions and the largest and best-trained global field service team allows us to provide customers with superior results consistently and reliably across their business.

With worldwide headquarters located in St. Paul, Minn., Ecolab operates directly in nearly 70 countries around the world and reaches customers in more than 100 other countries through distributors, licensees and export operations. To meet the global demand for our products, Ecolab also operates more than 50 manufacturing and distribution facilities worldwide. Business in the United States comprises approximately one-half of our associates and revenues. Globally, approximately 58 percent of our associates are sales-and-service associates.

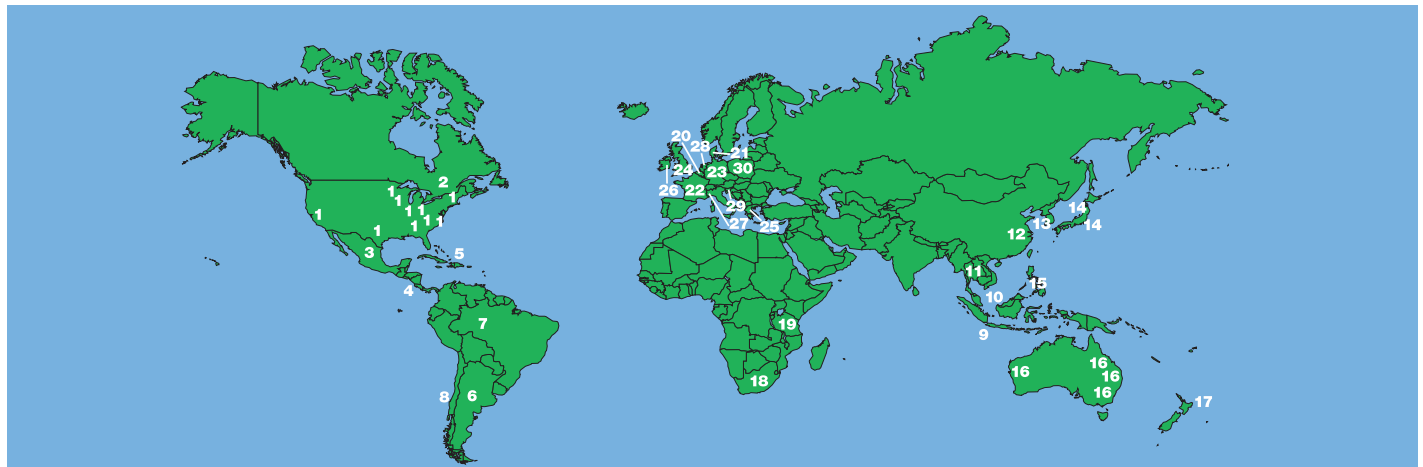
For information on Ecolab Corporate Governance principles and the charters of the standing committees of the Ecolab Board of Directors, please visit the Corporate Governance section of the company's website, [www.ecolab.com](http://www.ecolab.com), under Investor/Corporate Governance.

Ecolab is a publicly traded company. Its common shares are listed and traded on the New York Stock Exchange and the Pacific Exchange under the symbol ECL.

**NET SALES**  
(U.S. dollars in billions)



## ECOLAB GLOBAL PLANT LOCATIONS



- 1. UNITED STATES**  
Huntington, IN  
Dallas, TX  
Eagan, MN  
Greensboro, NC  
City of Industry, CA  
Garland, TX  
Hebron, OH  
Joliet, IL  
Martinsburg, WV  
South Beloit, IL  
Elk Grove Village, IL

- San Jose, CA  
McDonough, GA
- 2. CANADA**
- 3. MEXICO**
- 4. COSTA RICA**
- 5. PUERTO RICO**
- 6. ARGENTINA**
- 7. BRAZIL**
- 8. CHILE**
- 9. INDONESIA**
- 10. SINGAPORE**
- 11. THAILAND**

- 12. CHINA**
- 13. SOUTH KOREA**
- 14. JAPAN**  
Noda  
Shika
- 15. PHILIPPINES**
- 16. AUSTRALIA**  
Revesby  
Dural  
Adelaide  
Perth
- 17. NEW ZEALAND**

- 18. SOUTH AFRICA**
- 19. TANZANIA**
- 20. BELGIUM**  
Tessenderlo
- 21. DENMARK**  
Valby
- 22. FRANCE**  
Chalons
- 23. GERMANY**  
Siegsdorf
- 24. GREAT BRITAIN**  
Cheadle Hulme

- Leeds
- 25. GREECE**  
Mandras
- 26. IRELAND**  
Mullingar
- 27. ITALY**  
Rozzano
- 28. NETHERLANDS**  
Nieuwegein
- 29. SLOVENIA**  
Maribor
- 30. POLAND**



## Sustainability Management Philosophy

Ecolab has identified environmental, health and safety (EHS) priorities that reflect our operating "footprint." The concept of a company's footprint can be defined as those areas within EHS where the company's operations have the greatest potential effect on human health and the environment - and where its environmental protection and safety efforts can have the greatest benefit. For Ecolab, these areas include:

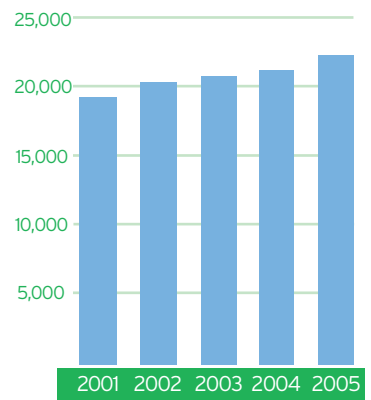
- Employee safety and wellness
- Water and energy use
- Waste generation related to packaging and raw materials

Ecolab adopted Environmental Principles to guide its business strategy more than 15 years ago. Ecolab believes that corporations should conduct their business as responsible stewards of the environment.

Ecolab applies its Environmental Principles on a global basis. In Europe, for example, the company has incorporated EHS and quality management systems into an integrated management system that adheres to the U.N. Sustainable Development Charter. Ecolab adheres to the charter by applying responsible care principles in product development, technical operations and service processes at customer sites. Specific environmental and quality objectives are defined and reviewed in regular business plans, and the European management systems are certified according to the ISO 9001 and ISO 14001 standards.

Ecolab seeks to continually improve its environmental performance by operating more efficiently, reducing waste and monitoring the environmental profiles of its products.

## WORLDWIDE EMPLOYMENT



# Sustainability in Product Development

## PRODUCTS AND SYSTEMS

Consistent with our sustainability objectives, we are expanding our portfolio of "environmentally preferable" cleaning products. These products meet environmental attributes relating to chemistry, packaging, training, dispensing controls and other sustainability factors.

requirements. Source selection, negotiation, determination of contract awards and the administration of purchasing activities are ethically conducted. We comply with applicable government regulations and company policies and procedures.

## PACKAGING REDUCTION

On a global basis, Ecolab works to reduce product packaging. We introduced collapsible packaging designs for several new products in 2005. By using flexible pouches instead of rigid plastic bottles, we have reduced the amount of plastic introduced into the waste system. In North America, Ecolab designs its rigid plastic packaging (less than 5 gallon size) with more than 15 percent post-consumer recycled (PCR) material. Our goal is to continually increase this percentage as the availability of PCR material increases.

## SUSTAINABLE PRODUCT DESIGN

In new product development, environmental impact is evaluated within our integrated quality and environmental management system in Europe and our development process worldwide. Globally, Ecolab has expanded the sale of skin cleansers formulated with alkylpolyglucosides (APGs), which are made from naturally renewable resources and are biodegradable without environmental harm. In addition to these biobased sustainable ingredients, we have developed cleaning products with low alkalinity, low metal ion content and reduced phosphorus content. New dry conveyor lubricants reduce our beverage plant customers' wastewater volume. To help reduce our laundry customers' water and energy impacts, we have implemented the *Formula 1* laundry system. A typical *Formula 1* customer may expect to reduce water consumption by over 300,000 gallons per year.

As a major initiative for 2005, Ecolab reviewed and reformulated all detergent products sold in Europe with more readily biodegradable surfactants to meet new requirements of the EU Detergent Regulation EC/48/2004.



*Assert Clean* Manual Warewashing Detergent is one of Ecolab's products sold in Europe certified by Nordic Swan as environmentally preferable.



*Oasis Pro* All Purpose Concentrate is one of 14 Ecolab products sold in North America certified by Green Seal.

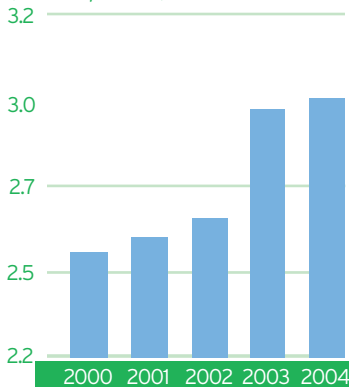
In Europe, Ecolab sells 16 products certified by Nordic Swan as environmentally preferable. In North America, Ecolab launched the *EcoLogic* line of housekeeping products, including 14 products certified by Green Seal. Ecolab is participating in efforts by Green Seal and Canada's Environmental Choice Program to develop a standard for environmentally preferable hand cleansers. Likewise, Ecolab is participating in Green Seal's efforts to develop a green cleaning service standard for building services contractors. We are also active in the U.S. Environmental Protection Agency's (EPA) Design for the Environment Green Formulation Initiative to develop guidelines for environmentally preferable raw materials used in detergent formulations.

## OUR SUPPLIERS

We obtain materials, supplies, equipment, consulting and other services at the lowest total cost from suppliers who are able to meet Ecolab quality, service and environmental

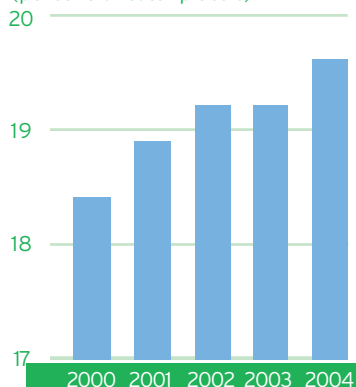
## POST-CONSUMER RECYCLED PLASTIC USE

(million pounds)



## NORMALIZED RECYCLED PLASTIC USAGE

(percent of total plastic)



These biodegradable surfactants help minimize potential impact on fish and aquatic life. In 2005, Ecolab trained more than 50 Research, Development & Engineering scientists on designing environmental sustainability into our new products.

## Sustainability in Manufacturing

### RELEASES TO THE AIR/ENVIRONMENT

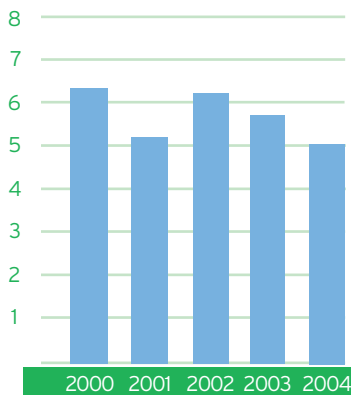
As required by the U.S. Emergency Planning and Community Right-to-Know Act (EPCRA), Ecolab facilities make information available about releases of EPA-listed chemicals to the environment. The primary chemicals reportable are formula components that evaporate during production. Over the past decade, Ecolab's U.S. production of cleaning products more than doubled. At the same time, Ecolab's releases to the environment (in pounds) in the U.S. have declined substantially.

### ENERGY USE

Ecolab strives to maximize the energy efficiency of our products and services

### EPCRA RELEASES

(pounds per million pounds production)



Official 2005 numbers will not be available until mid-2006.

and minimize the amount of energy consumed in manufacturing our products. These efforts have a positive impact on profitability and help preserve nonrenewable energy resources. In North America, we used 136 kWh (kilowatt-hour) of natural gas and 79 kWh of electricity for each 1,000 kilograms of product manufactured; by comparison, our European manufacturing utilizes 111 kWh of gas and 45 kWh of electricity to manufacture 1,000 kilogram of product. We have initiated a project to standardize and track these metrics worldwide.

### GREENHOUSE GAS EMISSION

Because of our low-impact manufacturing processes, we believe Ecolab's greenhouse gas emissions are modest compared to heavy industry. Nonetheless, Ecolab has joined U.S. EPA's Climate Leaders Program. This cooperative program will help Ecolab develop an emissions baseline, a measurement protocol that can be utilized globally, and identify opportunities to reduce emissions and associated costs.

### CAPITAL EXPENDITURES

Ecolab makes capital investments and expenditures to help ensure employee safety and to maintain alignment with our environmental sustainability principles. Our 2005 capital investments for environmental health and safety projects totaled \$4.23 million. Approximately \$7 million has been budgeted globally for projects in 2006.

In addition to these sustainability investments, Ecolab broke ground on two new manufacturing plants in Sao Paulo, Brazil, and Guangzhou, China. These plants have been designed to comply with local regulations and will utilize best environmental practices from other Ecolab facilities.

### REMEDIATION SITES

Ecolab makes aggressive efforts to avoid pollution in its operations. Nonetheless, Ecolab has been named as a "potentially responsible party" at sites



Francisco Preston (left), Ecolab plant manager at City of Industry, Calif., accepts a Climate Leaders award from James Critchfield of the U.S. Environmental Protection Agency. The award recognizes Ecolab's commitment to Climate Leaders, an industry-government partnership to develop long-term comprehensive strategies for reducing greenhouse gas emissions.



in and outside the United States. These sites primarily are former waste disposal facilities or relate to businesses acquired by Ecolab. Ecolab continues to work in cooperation with regulatory authorities for successful closure of these sites.

Our worldwide net expenditures for contamination remediation were approximately \$800,000 in 2005, versus \$500,000 spent in the previous year.

### SUSTAINABLE USE OF NATURAL RESOURCES

Ecolab heats its St. Paul headquarters with energy provided by the St. Paul Energy District, which utilizes biomass to generate 70 percent of the company's heating needs. In Ecolab's GCS Service Distribution Center in Indianapolis, Ind., heating and cooling is provided by a geothermal system. The system nearly eliminates combustion emissions associated with traditional heating and cooling systems.

We are also pursuing Green Building Certification of the renovated Allan L. Schuman Campus in Eagan, Minn., from the U.S. Green Building Council's Leadership in Energy & Environmental Design (LEED) program. Under the LEED program, we are:

- Addressing alternative transportation for our associates as well as telecommuting.
- Protecting/restoring open space

and habitats through water efficient landscaping, eliminating alien plants and planting indigenous species, re-establishing nature trails, and installing bluebird and wood-duck houses.

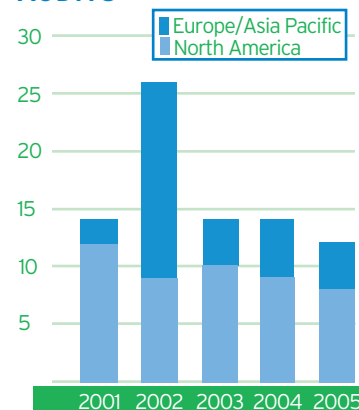
- Moving to more efficient lighting, reducing/eliminating mercury lighting, and installing personnel sensors to control lighting.
- Participating in source reduction and waste management through storage and collection of recyclables.
- Committing to green cleaning and low environmental impact pest management.

### EHS AUDITING AND COMPLIANCE

To ensure Ecolab's EHS compliance in manufacturing operations, North American facilities are audited by a third party consultant every other year. Similarly, in Europe and Australia, an outside EHS consultant audits our plants. In addition, audits are performed when facilities are acquired.

Furthermore, Ecolab's property and casualty insurers conduct fire and worker safety assessments and pressure vessel certifications at Ecolab facilities. These auditing programs help us continuously improve our EHS performance.

### EHS COMPLIANCE AUDITS



The increase in 2002 relates primarily to facilities associated with Ecolab's acquisition of the former Henkel-Ecolab joint venture in Europe.

## PLANTS/ISO CERTIFICATION

AREA	SQ. FOOTAGE	PRODUCT	ISO 9001	ISO 14001
<b>UNITED STATES</b>				
Joliet, IL *	610,000	SLP	Y	N
South Beloit, IL *	313,000	Eq	Y	N
Garland, TX *	239,000	SL	Y	N
Martinsburg, WV	228,000	L	Y	N
Hebron, OH	225,000	L	Y	N
Greensboro, NC	193,000	LP	Y	N
San Jose, CA	175,000	L	Y	N
McDonough, GA*	141,000	SL	Y	N
Eagan, MN *	133,000	SLPEm	Y	N
Huntington, IN *	127,000	L	Y	N
City of Industry, CA	125,000	L	Y	N
Elk Grove Village, IL *	115,000	Eq	N	N
Carrollton, TX (Dallas)	24,000	LP	Y	N
City of Industry, CA	14,000	Eq	N	N
St. Louis, MO	22,000	Eq	N	N
*some export production; otherwise domestic				
<b>INTERNATIONAL</b>				
Chalons, FRANCE	280,000	LP	Y	Y
Nieuwegein, NETHERLANDS	168,000	P	Y	Y
Tessenderlo, BELGIUM	153,000	SLP	Y	Y
Melbourne, AUSTRALIA	145,300	LP	Y	Y
Santa Cruz, BRAZIL	142,000	LP	Y	N
Rozzano, ITALY	126,000	L	Y	Y
Mississauga, CANADA	120,400	L		N
Johannesburg, SOUTH AFRICA	100,000	LP	Y	N
Hamilton, NEW ZEALAND	96,000	SLP	Y	N
Mullingar, IRELAND (Dublin)	74,300	L	Y	Y
Valby, DENMARK	70,000	L	Y	Y
Shika, JAPAN	60,000	L	Y	Y
Santiago, CHILE	60,000	LP	Y	N
Revesby, AUSTRALIA	59,200	LP	Y	Y
Cheadle (Hulme), U.K.	52,575	L	Y	Y
Noda, JAPAN	49,000	SLP	Y	Y
Siegsdorf, GERMANY	42,000	Eq	Y	Y
Mexico City, MEXICO	40,000	LP	Y	N
Maribor, SLOVENIA	39,000	LP	Y	Y
Leeds, U.K.	35,000	L	N (Q406)	N (Q406)
Pilar, ARGENTINA	30,000	LP	Y	N
Shanghai, CHINA	27,000	SLP	Y	Y
Perth, AUSTRALIA	26,900	LP	Y	Y
Dorado, PUERTO RICO	25,000	LP	N	N
Singapore, SINGAPORE	25,000	LP	Y	Y
Dar es Salaam, TANZANIA	22,900	LP	N (Q406)	
Seoul, SOUTH KOREA	22,160	LP	Y	Y
Mandras, GREECE	18,000	L	Y	Y
San Jose, COSTA RICA	11,000	LP	N	N
Cikarang, INDONESIA (Jakarta)	10,000	SLP	Y	N
Bangkok, THAILAND (Navanakom)	10,000	LP	Y	N
Manilla, PHILIPPINES	7,600	LP	Y	N
Ratibor POLAND	20,000	L	N (Q306)	N (Q306)

S - Solids; L - Liquids; P - Powders; Eq - Equipment; Em - Emulsions;  
Sq. Ft. combined of manufacturing/warehousing

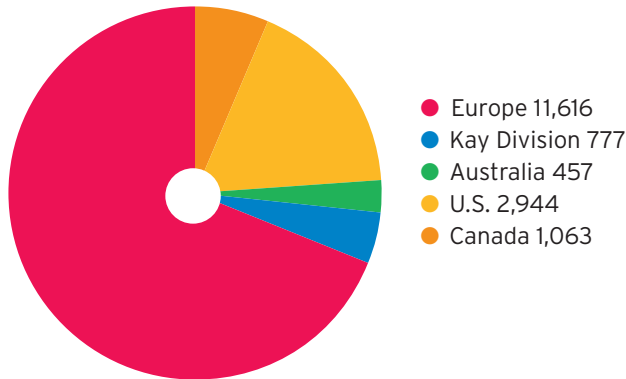
### ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEMS

The International Organization for Standardization (ISO) 14001 environmental management system is a voluntary system for managing environmental aspects of business operations, somewhat similar to the ISO 9001 quality system. This sought-after designation includes guidelines for how organizations work to prevent pollution, conform to legal requirements, minimize impact on the environment and continuously improve environmental performance. In Europe, Ecolab maintains ISO 14001 environmental management certification for 11 operational units (10 production sites and its European headquarters in Düsseldorf, Germany). In addition, Ecolab is developing a global ISO 14001 Implementation plan.



# Sustainability in Use of Products and Services

## MSDS AUTHORIZING ACTIVITY 2005



### CUSTOMER SAFETY RIGHT-TO-KNOW

As a major sustainability goal for 2005, Ecolab committed in last year's Sustainability Report to expand our global customer safety data sheet support in more local languages. Ecolab delivered on this goal with 15,000+ new multilingual safety data sheets.

Ecolab provides Material Safety Data Sheets (MSDS) with health and safety information about each product to assist customers in handling Ecolab products safely. In 2005, Ecolab invested in implementing a new global MSDS authoring system in Australia, Europe and North America that will help provide up-to-date, consistent safety information in the local language, and in compliance with tightening regulatory requirements for MSDS. This system will help our customers receive current safety information in their preferred language.

In addition, Ecolab utilized the system to help meet new requirements relating to ingredient disclosures to medical personnel under the European Detergent Regulation.

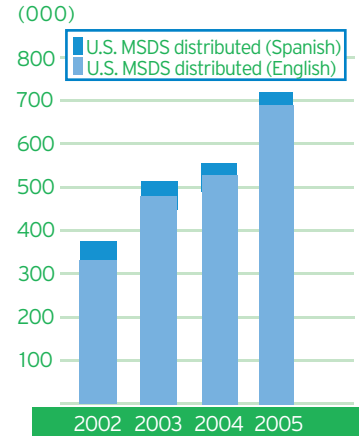
### REDUCING PESTICIDE USE

Ecolab Pest Elimination is committed to providing our customers with services that help protect their facilities, their brands and their customers from the damaging effects of pests. We focus on utilizing holistic pest control systems that minimize pesticide usage. Our innovative approach includes the patented *Stealth* fly trap - a pesticide-free system that blends with facility décor to inconspicuously eliminate flies. Similarly, our *ECO2000 Program* includes proprietary baits that control cockroaches while reducing pesticide usage. Our *ProGuard Pest Exclusion* service is a non-pesticide approach that reduces entry of pests by eliminating access points for pests.

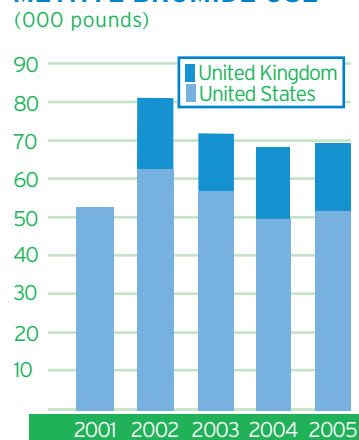
### OZONE-DEPLETING SUBSTANCES (ODS)

Ecolab has eliminated all ozone-depleting substances (such as CFC propellants) from its cleaning product lines. For pest elimination fumigation of food storage facilities, Ecolab is working on alternatives to reduce use of methyl bromide. While Ecolab's fumigation business has grown in recent years with our expansion into the United Kingdom, Ecolab has reduced methyl bromide by 40 percent compared to levels prior to 2000.

## U.S. MSDS DISTRIBUTION



## METHYL BROMIDE USE

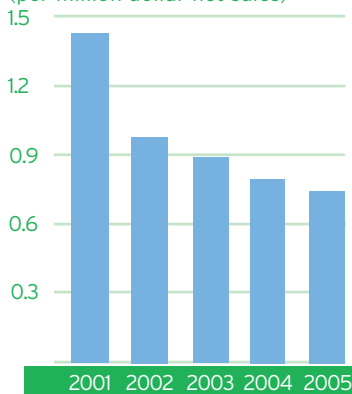


### CUSTOMER EMERGENCY SUPPORT

To help customers with medical emergencies involving Ecolab products, Ecolab provides a toll-free emergency telephone number on product labels. This process helps customers and medical personnel respond to emergencies and, in the long run, helps reduce injuries and enhance customer loyalty.

### NORMALIZED MEDICAL CALL VOLUME

(per million dollar net sales)



In 2005, Ecolab expanded use of the *Aquamiser* technology from Europe to North America. The *Aquamiser* is an economical water recycling system that achieves significant cost savings through the re-use of "cleaned" water, helping reduce water consumption in commercial laundries. It helps reduce water usage and wastewater disposal by 30 to 40 percent in high-volume continuous tunnel washing systems.

## Sustainability Relating to Associates

### WORKING WITH EACH OTHER

As part of the Ecolab culture, we believe in respect for the intrinsic worth and dignity of each associate.

### INCLUSION, EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION

We are committed to a culture that fully leverages our associates' talents by promoting an environment where all associates can make a difference, be heard, be supported, and be developed and rewarded for their contributions. Ecolab is committed to fair and equal treatment of associates and applicants. Associates and applicants for employment are evaluated on a non-discriminatory basis. In all matters affecting employment of associates, including hiring, compensation and promotions, decisions will be made on the basis of qualifications and performance. Ecolab has in place a proactive set of programs in order to ensure that we meet our objective to provide equal employment opportunity. In addition, Ecolab is committed to furthering the principles of equal employment opportunity through affirmative action.

### WORKPLACE RESPECT

Respect for each other is basic to the Ecolab culture. Regardless of where it occurs, behavior that disrupts the productive work environment of our associates threatens the teamwork vital to Ecolab's success. All associates are expected to help ensure that our work environment is respectful and free from abusive behavior and harassment. Behavior that violates this policy must be reported and addressed.



**SEXUAL HARASSMENT**

Ecolab and our associates will maintain a work environment free of sexual harassment. Generally, sexual harassment, regardless of intent, is direct or indirect, unwelcome, physical or verbal conduct of a sexual nature. Such harassment by any manager, associate, supervisor, customer or supplier of Ecolab will not be tolerated.

**WHISTLEBLOWER PROTECTION**

Ecolab will investigate possible violations of law, regulations and our Code of Conduct. In doing so, we will respect the rights of all parties concerned. Associates will be expected to cooperate with any investigation. The identity of persons reporting possible violations will be kept confidential unless the company is required to reveal it in order to enforce the Code, or by applicable law or judicial process.

**SAFETY**

Ecolab will actively promote and pursue an increasingly safe work environment for our associates. It is the policy of Ecolab to eliminate controllable associate exposures to accidental injury and to conditions that may adversely affect the health of our associates. No job or service is so urgent that we cannot take time to work safely. Safety is not to be sacrificed in the name of customer service or quantity and quality of production. Appropriate plant, division and corporate metrics will be created, maintained and reported to

management in order to monitor current safety levels, associated safety trends and to determine program improvements or remedial actions.

The Associate Safety Program was re-introduced to U.S. associates in August 2005. The key components of this industry best practice program include:

- Management support and structure
- Performance metrics
- Coordinated communication
- Personal protective equipment
- Slip-resistant footwear
- Targeted safety training
- Prevention of muscle strain injuries
- Prevention of slip, trip and fall injuries
- Manager safety coaching

These key components of the program will be introduced on a global basis during 2006 and 2007 to augment existing programs at international locations.

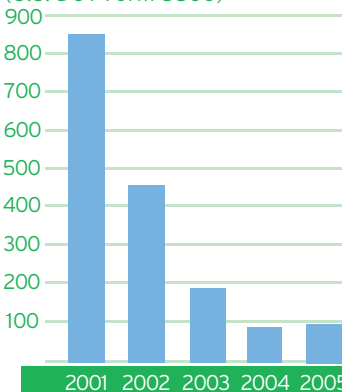
**DRIVER SAFETY**

Since it was introduced in the United States in 2003, the enhanced Driver Safety Program has reduced vehicle-related accident rates and the accident cost per vehicle by significant amounts. Approximately 1,400 drivers have completed the day-long driver safety program that consists of classroom and behind-the-wheel training. The program is also now operational in Canada.

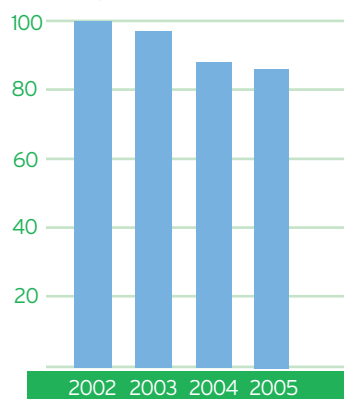
Our goal is continuous improvement as measured by a reduction both in the number of injuries and their seriousness. Our U.S. Safety Index (recordable incidents per 200,000 hours worked) in our plants was 4.2 (down from 7.2 in 2004) versus our 2005 Total Quality Management target of 5.0.



**PRODUCT SHIPMENT SPILLS OR INCIDENTS**  
(U.S. DOT Form 5800)



**DRIVER SAFETY**  
(total collision rate per million miles normalized with 100 as the baseline for 2002)



# Social Responsibility

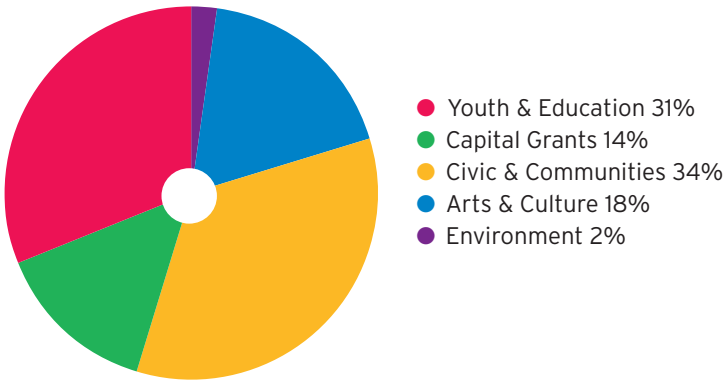
Ecolab is committed to helping our customers achieve cleaner, healthier and safer surroundings so they can more productively conduct their business around the globe. We achieve this not only through carefully researched technologies and systems, but also through world-class service and close, personal partnerships with our customers.

We take the same passionate approach in our commitment to society. Ecolab promotes the well-being of associates, customers and shareholders by contributing to the quality of life in the communities in which we operate.

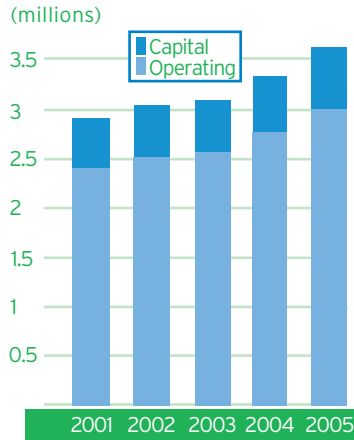
## CHARITABLE GIVING

Ecolab has a strong history of giving back to communities where our associates live and work. We believe it benefits the economic and social vitality of these communities; we believe this also enables us to attract the talent we need to continue our business growth and development. We support organizations and programs that strengthen and enrich the community, especially in the areas of youth and education, civic and community development, arts and culture, environment and conservation and community-based giving. Through the Ecolab Foundation alone, we annually contribute 1.2 percent of our U.S. pretax earnings to domestic charitable organizations. In addition, our businesses contribute to a number of educational, civic and community programs across the United States. In 2005, our total giving exceeded \$4.3 million dollars to our communities, and over \$1 million of that was invested in educational programs supporting youth. Over the past 10 years, Ecolab has contributed more than \$30 million to our communities with these efforts. Our support doesn't end there. During times of natural disaster we have donated millions of dollars worth of sanitizing solutions, helping to serve those in need.

## ECOLAB FOUNDATION GIVING 2005



## ECOLAB FOUNDATION CHARITABLE GRANTS



## ENVIRONMENT AND CONSERVATION

Environmental organizations are one of the focus areas for the Ecolab Foundation. Approximately 50 percent of donations in this category are allocated to support youth education in the area of conservation and the environment. For example, Ecolab has recently established a partnership with the Minnesota Zoo's School of Environmental Studies. Students from the school helped install 25 bluebird houses and assisted in the removal of invasive buckthorn bushes on our Allan L. Schuman Campus in Eagan, Minn.

Among the organizations we support are the Nature Conservancy, a leading international, nonprofit organization dedicated to preserving the diversity of life on earth; the Deep Portage Environmental Learning Center; and the Trust for Public Land, which conserves land for people to enjoy as parks, gardens and other natural places, ensuring livable communities across the United States for generations to come.

We have made multi-year commitments to support long-term projects across the country supporting organizations whose sole commitment is protection and preservation of the environment. Ecolab associates also understand that they are part of a community that is much larger than their local facilities, and many take their personal time to volunteer and serve on boards for organizations that share their philosophy, defending and conserving the environment.

Ecolab's long-standing support and leadership in the hospitality industry includes donations to the National Restaurant Association Educational Foundation to help serve the needs of foodservice operators in educating and mentoring the industry's future leaders.



The Trust for Public Land conserves land for people to enjoy as parks, gardens and other natural places, ensuring livable communities across the nation for generations to come.

**COMMUNITY INVOLVEMENT**

Ecolab is committed to volunteerism and community service, enhancing the health and well-being of our communities by active outreach and involvement. We believe that success is measured not only by the satisfaction of our customers, but by the contributions of our associates to the communities where they work and live. Ecolab encourages and fosters the thousands of hours of volunteer work our associates commit to charitable organizations. By offering matching grants to organizations in which Ecolab associates volunteer, more than \$200,000 has been donated in the last five years. Along with our monetary support, Ecolab annually conducts blood, clothing, food, school supplies and holiday gift drives for many charitable organizations.

**DISASTER RELIEF**

As the world leader of cleaning and sanitizing solutions, our products were in high demand around the world following the tsunami in Southeast Asia and during both Hurricane Katrina and Hurricane Rita in the U.S. Gulf Coast. Ecolab donated more than \$3 million in hand and surface sanitizers and other cleaning products to the relief efforts. Cash donations to the American Red Cross topped \$300,000 as associates from around the globe responded to these terrible disasters.



Ecolab encourages associates to volunteer to help build homes through Habitat for Humanity.

**IDA C. KORAN TRUST FOR ASSOCIATES**

Thanks to the significant generosity of Ida Koran, Ecolab's first associate, current and former Ecolab associates worldwide have a place to turn when they face financial hardship due to

disabilities, medical problems or need help for education expenses. Over the past 12 years, this trust fund has contributed close to \$15 million to Ecolab families and the communities where they live.



Ecolab field associates participate in relief efforts in the wake of Hurricane Katrina.

**BIOSECURITY/PUBLIC HEALTH**

Since 2001, Ecolab experts have served on several government and industry trade association groups addressing security threats. We participated in efforts to identify decontamination protocols for Anthrax spores and foot-and-mouth disease viruses. Ecolab also volunteered expertise to FDA-funded efforts to identify food bioterrorism risks.

We actively support the Department of Homeland Security through participation in the U.S. National Center for Food Protection and Defense. Ecolab's involvement includes individuals on the Industry Advisory Board, an adjunct professor in the Department of Food Science and Nutrition, and support of a current associate's graduate work as part of the center. Ecolab provided expertise to areas affected by the 2003 SARS outbreak, as well as a major Norwalk virus outbreak affecting evacuees from Hurricane Katrina. We recently upgraded our public website (www.ecolab.com) to provide the very latest information on Avian influenza and a potential human pandemic.

**BRIBERY**

Ecolab is prohibited by U.S. law from directly or indirectly offering, promising to pay or authorizing the payment of money or anything of value to a government official, employee or politician outside the United States for the purpose of influencing the acts or decisions of that official; inducing that official to act or fail to act in violation of his or her lawful duties; or inducing the official to use his or her influence to assist in obtaining or retaining business to any person.

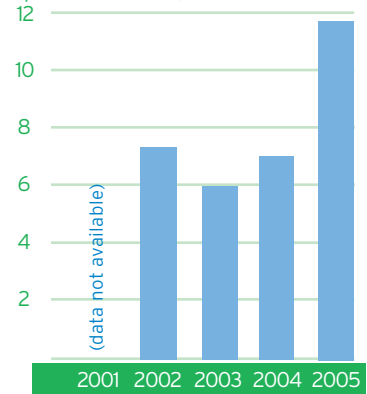
**POLITICAL CONTRIBUTIONS**

No corporate funds or other assets will be paid or furnished, directly or indirectly, to a political party or political candidate or incumbent, unless legally permissible and if approved in writing in advance by the office in charge of Public Affairs, the general counsel and the controller of Ecolab.

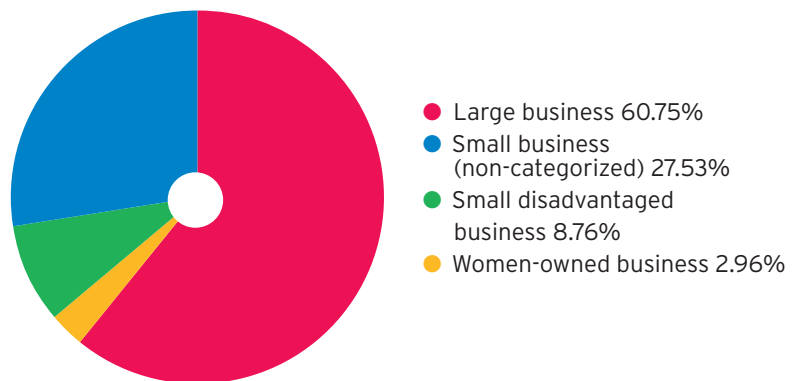
**PURCHASING FROM DISADVANTAGED SUPPLIERS**

To promote sustainable growth across different social sectors, Ecolab supports small and disadvantaged businesses in a number of ways. For example, Ecolab participates in an annual job and procurement fair for minority business enterprises. In addition, Ecolab actively requests proposals from small disadvantaged and women-owned businesses when purchasing items for the company. In 2005, Ecolab purchased \$52 million (up from \$23 million in 2004) worth of products and services from small disadvantaged businesses and \$17.6 million (up from \$12.5 million in 2004) from women-owned businesses in the United States.

**U.S. DIVERSITY PURCHASING**  
(percent of total)



**DIVERSITY BUSINESS PURCHASES (U.S. 2005)**





## Awards and Recognition

- For the seventh year in a row, Ecolab was named to the “100 Best Corporate Citizens” by *Business Ethics* magazine.
- Ecolab Textile Care Europe’s new reverse osmosis wastewater purification unit (*H.E.R.O.*) was honored at the 2005 Global 110 Eco-Tech Awards Sept. 1 in Nagoya, Japan. It was one of the top 100 global environmental technologies that “contribute significantly to the resolution of global environmental problems and to the creation of a sustainable future for both businesses and all living things.”
- Ecolab was named to Forbes Platinum 400, also known as “America’s Best Big Companies” list, compiled annually by *Forbes* magazine. Along with only 44 other companies, Ecolab has earned inclusion on this list every year since its inception in 1999.
- Ecolab was awarded the American Red Cross Circle of Humanitarians Award, which recognizes financial and in-kind donations that Ecolab gave in support of Red Cross tsunami and hurricane relief efforts in 2005.
- Ecolab was listed as number three on *Selling Power* magazine’s list of the 50 “Best Companies to Sell For” in the United States.
- Ecolab was named 2005 Business of the Year by Comunicadades Latinas Unidas En Servicio (CLUES), Minnesota’s premier Latino social and behavioral health services agency.
- Ecolab was designated one of the “Best Workplaces for Commuters” by the U.S. Environmental Protection Agency and U.S. Department of Transportation.
- Ecolab earned a spot on Industry Week’s third annual 50 Best Manufacturing Companies report for its exceptional business performance.



Ecolab Chairman, President and CEO Doug Baker (right) accepts the Circle of Humanitarian Award on behalf of Ecolab from Rick Grinnan, a member of the National Board of Governors for the American Red Cross on Dec. 21, 2005.

*Data in this report summarizes Ecolab’s growing environmental, product stewardship and social responsibility activities from Jan. 1, 2005, through Dec. 31, 2005. Financial information is given in U.S. dollars. For more information on Ecolab’s investor relations, please visit [www.ecolab.com](http://www.ecolab.com).*

*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](http://www.ecolab.com/investor) as soon as reasonably practicable after such material is filed with or furnished to the Securities and Exchange Commission.*

*In addition, the following governance materials are available on our website at [www.ecolab.com/investor/governance](http://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 e-mail request to [investor.info@ecolab.com](mailto: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.*



## Earning Your Trust

We take our role as global citizens very seriously at Ecolab. This includes complying with a wide variety of laws and regulations where we conduct business. This commitment to doing what's right for the long term has helped Ecolab achieve sustainable, profitable growth in the past and will continue to guide us in the future.

But we understand that sustainable financial performance is only part of our responsibility as a company. To continuously earn the trust of our customers, shareholders and associates, Ecolab must also grow with integrity. This means ethical business conduct everywhere we do business, a strong code of conduct, and fair and honest reporting. Because while we value and expect good business results, we place equal value on how we achieve those results.

For 2006, our major sustainability goals are:

- Sustain continuous growth of our business to support the health and welfare of our associates, customers and shareholders
- Measure, monitor and continuously improve progress on the performance metrics listed in this report
- Draft and adopt global EHS&T Sustainability Policy
- Initiate global ISO 14001 and OHSAS 18001 implementation plans
- Implement EPA Climate Leaders Program to establish baseline of greenhouse gas emissions
- Formalize ethical sourcing standards for our strategic suppliers
- Improve our use of common sustainability metrics outside North America to expand the scope of our sustainability efforts globally

Thank you for your interest in our Sustainability Report. We have based this report on the Global Reporting Initiative's sustainability reporting guidelines, and we are always interested in new ideas. Please share your views on this report by contacting us at [investor.info@ecolab.com](mailto:investor.info@ecolab.com).

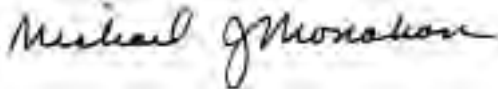
For further information regarding Ecolab's Sustainability Programs, see [http://www.ecolab.com/CompanyProfile/Environmental\\_Principles/](http://www.ecolab.com/CompanyProfile/Environmental_Principles/)



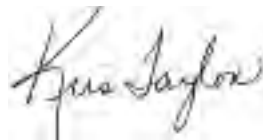
Steven M. Christenson  
Vice President, Regulatory Affairs



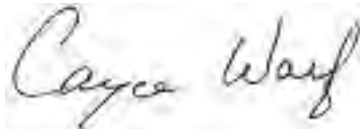
Bruce R. Cords  
Vice President, Environmental Food Safety and Public Health



Michael J. Monahan  
Vice President, External Relations



Kris J. Taylor  
Director, Community Relations



C. Cayce Warf  
Director, Environmental Sustainability Programs

CATEGORY AND ELEMENTS				SELF-EVALUATION	PAGE OR REF
1. Vision and Strategy			1.1	■	3
			1.2	■	2
2. Profile	Profile		2.1	■	3
			2.2	■	3
			2.3	■	(a)
			2.4	■	(a)
			2.5	■	3
			2.8	■	4, (a)
			2.9	■	3
	Report Scope		2.10	■	17
			2.11	■	16
			2.12	■	2, (a)
			2.13	■	(b)
			2.14	□	---
			2.15	■	(a)
	Report Profile		2.16	■	(a)
			2.17	▲	17
			2.18	■	---
			2.19	■	(a)
			2.20	▲	8
		2.21	▲	7	
		2.22	■	16	
3. Governance Structure and Management Systems	Structure and Governance		3.1	■	(a)
			3.2	■	(a)
			3.3	■	(a)
			3.4	▲	(a)
			3.5	■	(a)
			3.6	■	4, (a)
			3.7	■	(c)
			3.8	■	(a)
	Stakeholder Engagement		3.9	▲	3
			3.10	□	---
			3.11	□	---
			3.12	□	---
	Overaction Policies and Management Systems		3.13	□	---
			3.14	▲	
			3.15	■	5-6
			3.16	■	5, 9, 17
			3.17	▲	5
			3.18	▲	6
			3.19	■	5-7, (a)
			3.20	■	8
4. GRI Content Index	Integrated Indicators		4.1	▲	18-19
5. Performance Indicators			Systemic Indicators	□	---
			Cross-cutting Indicators	□	---

Key: ■ - Full; ▲ - Partial; □ - Not Addressed

(a) See 2005 Annual Report; 2005 10-K - [www.ecolab.com](http://www.ecolab.com)

(b) This report focuses on environmental and social sustainability; In-depth economic reporting is found in the Annual Report and Ecolab's 10-K for 2005.

(c) See Ecolab Profile; Code of Conduct, Quest for Excellence, Ecolab Environmental Principles - [www.ecolab.com](http://www.ecolab.com)

CATEGORY AND ELEMENTS			SELF-EVALUATION	PAGE OR REF		
5. Performance Indicators (cont.)	Economic Performance Indicators	Customers	EC1	■	4	
			EC2	▲	(a)	
		Suppliers	EC3	■	(a)	
			EC4	□	---	
		Employees	EC5	□	---	
		Providers of Capital	EC6	■	(a)	
			EC7	■	(a)	
		Public Sector	EC8	▲	6	
			EC9	□	---	
			EC10	■	12-13	
	Environmental Performance	Materials	EN1	□	---	
			EN2	□	---	
		Energy	EN3	▲	6	
			EN4	▲	6	
		Water	EN5	□	---	
		Biodiversity	EN6	□	---	
			EN7	□	---	
		Emissions, Effluents and Waste	EN8	□	---	
			EN9	■	9	
			EN10	□	---	
			EN11	□	---	
			EN12	▲	6	
			EN13	▲	11	
		Products & Services	EN14	■	5, 6	
			EN15	□	---	
		Compliance	EN16	■	7	
	Social Performance Indicators	Labor Practices and Decent Work Employment	Employment	LA1	▲	3, (a)
				LA2	□	---
				LA3	□	---
				LA4	□	---
			Health & Safety	LA5	▲	
				LA6	▲	
				LA7	▲	
				LA8	□	---
			Training & Education	LA9	□	---
			Diversity & Opportunity	LA10	■	10, (a)
		LA11		■	(a)	
		Human Rights	Strategy & Management	HR1	■	10-11, (a)
				HR2	▲	14, 15
				HR3	□	---
			Non-discrimination	HR4	■	10-11
			Freedom of Association/ Collective Bargaining	HR5	□	---
			Child Labor	HR6	□	---
Forced & Compulsory Labor		HR7	□	---		
Society		Community	SO1	■	12-15	
		Bribery & Corruption	SO2	■	15	
		Political Contributions	SO3	■	15	
Product Responsibility		Customer Health & Safety	PR1	■	9-10	
		Products & Services	PR2	■	7	
	Respect for Privacy	PR3	□	---		



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**ENVIRONMENTAL SAVINGS:**

Number of trees saved = 30 • Water (gallons) = 5,260 • Energy (000 BTUs) = 7,129 • Solid Waste (lbs.) = 558  
Water-borne wastes (lbs.) = 36 • Atmospheric emissions (lbs.) = 1,082

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