



CLEANER.
SAFER.
HEALTHIER.

2006 SUSTAINABILITY REPORT

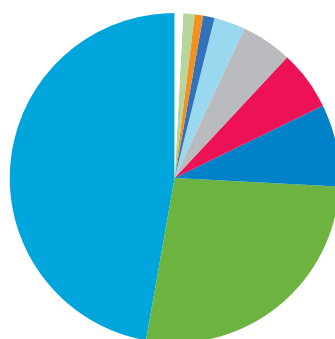
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ABOUT ECOLAB

Ecolab is the world's leading provider of cleaning, food safety and health protection products and services. Ecolab reaches customers in more than 160 countries, employing more than 23,000 associates worldwide. Customers include hotels and restaurants; foodservice, healthcare and educational facilities; quickservice (fast food) units; commercial laundries; light industry; dairy plants and farms; and food and beverage processors.

BUSINESS MIX 2006
PERCENT OF TOTAL SALES



UNITED STATES (53%)

- Institutional (27%)
- Food & Beverage (8%)
- Pest Elimination (6%)
- Kay (5%)
- GCS Service (3%)
- Healthcare (1%)
- Vehicle Care (1%)
- Textile Care (1%)
- Water Care Services (1%)

INTERNATIONAL (47%)

- Europe/Middle East/Africa (32%)
- Asia Pacific (7%)
- Latin America (4%)
- Canada (3%)
- Other (1%)



A MESSAGE FROM ECOLAB CHAIRMAN, PRESIDENT AND CEO

Ecolab is committed to helping our customers achieve cleaner, safer and healthier surroundings so they can conduct their business around the globe successfully. We take into account the total picture for our customers - superior efficacy; ease of application; minimal product, energy and water usage; and reduced end-of-life disposal volume - in order to provide effective results at the lowest total impact environmentally and economically.

Around the globe, the focus on the full scope of the product cycle has grown, and sustainability is becoming a mainstream market issue. Customer and investor support for our sustainability activities has strengthened Ecolab's overall brand reputation and shareholder value, and we continue to look for new ways to create solutions that deliver outstanding performance, which we define as great results at the lowest possible impact.

One of the most important ways we do this is by partnering with customers and industry leaders. For example, Ecolab is participating in a major retailer's sustainability network for chemical-intensive products, which provides us with early visibility into market trends.

We helped set the new Green Seal® standard for liquid hand soap in the United States and Canada in 2006 - boosting Ecolab's launch of new Green Seal®-certified liquid and foam hand soaps in 2007. We are also issuing new policies on selected ingredients that will enable us to get ahead of customer demand.

As we work toward our strategic priorities, we remain focused on being a good neighbor. We believe that success is measured not only by the satisfaction of our customers, but by the contributions we make to our communities. Ecolab has a strong history of supporting the communities where our associates live and work through financial giving and employee volunteerism.

The Ecolab Foundation, celebrating its 20th anniversary this year, has contributed more than \$35 million to our communities since its inception. We sustained this strong giving tradition in 2006 by contributing \$4 million to charitable organizations.

The combination of our strong customer focus, innovation and a culture of determination has enabled us to become the global leader and a trusted partner for our customers. Because of this, our customers look to us more than ever before to help them manage their operations and work toward meeting their own sustainability objectives. As our goals regarding social and environmental responsibility continue to evolve, we are determined to find new ways to distinguish Ecolab as a leader in everything we do.



DOUGLAS M. BAKER, JR.
Chairman of the Board, President
and Chief Executive Officer

GLOBAL SUSTAINABILITY PRINCIPLES

Cleaner. Safer. Healthier.

At Ecolab, making the world a cleaner, safer 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. Sustainability is inherent in our products and services. From concentrated, solid formulations to innovative packaging and dispensing methods, our products are designed to help increase safety, lower the use of water and energy, and reduce the chemicals and waste released to the environment. Strengthened by the expertise of our associates and combined with our dedication to social responsibility, these offerings provide value to our customers and the global economy – and help foster a more sustainable world.

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.

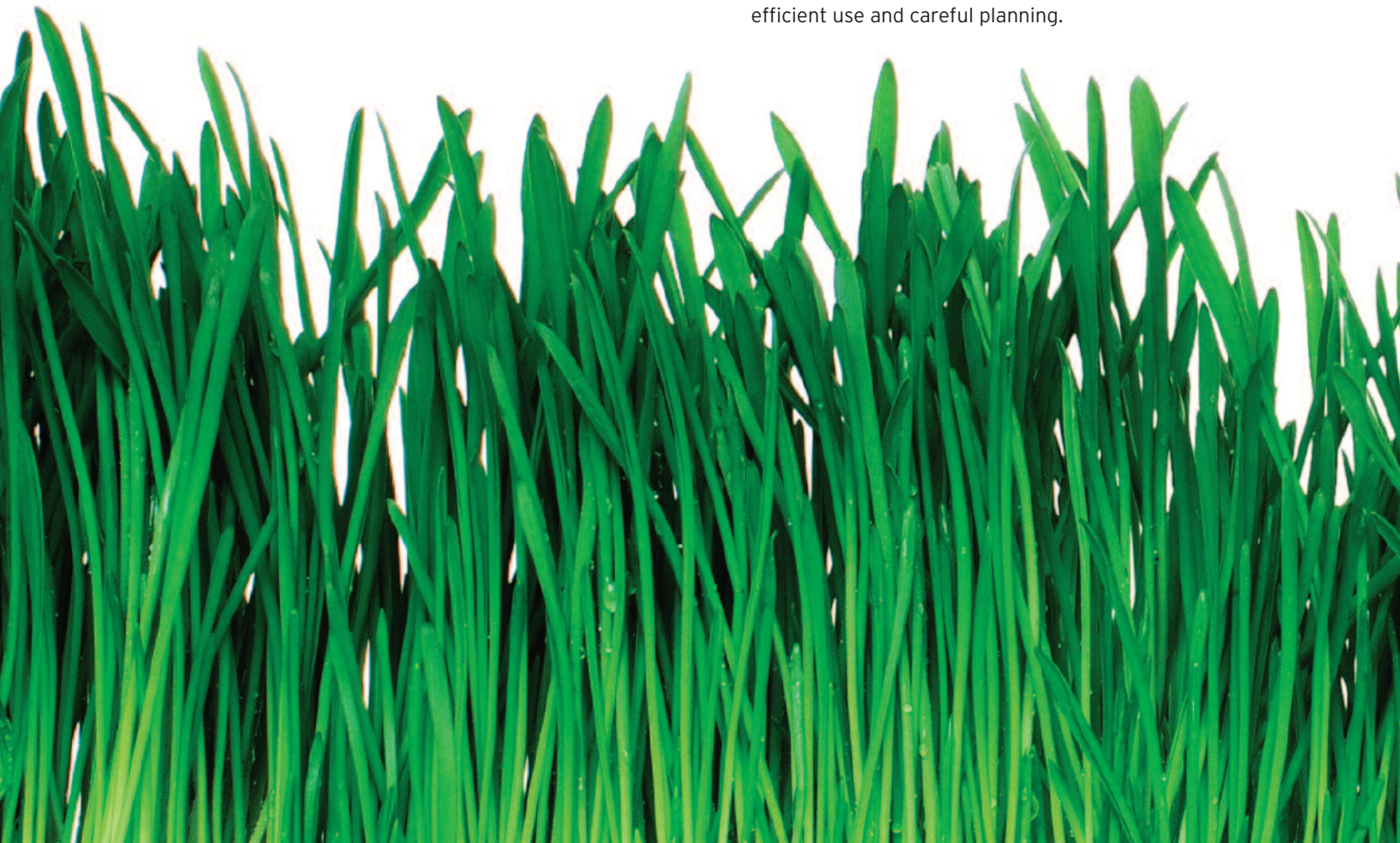
- We deliver effective results at the lowest total impact environmentally and economically.
- We serve customers around the world with consistent global solutions.
- We invest in our people, equipping them with the tools, technology and training they need to do their jobs while providing opportunities 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 every effort to use environmentally responsible and sustainable resources to meet our needs, and conserve nonrenewable natural resources through efficient use and careful planning.



- 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 all 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 our responsibility to the communities we serve seriously. 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.

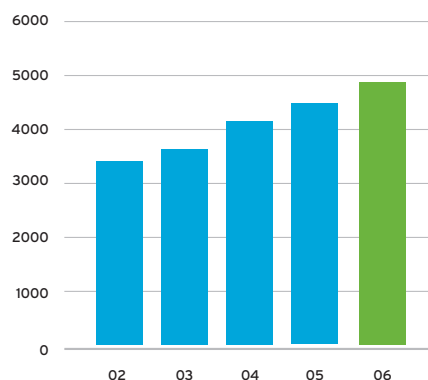


ECONOMIC PROGRESS

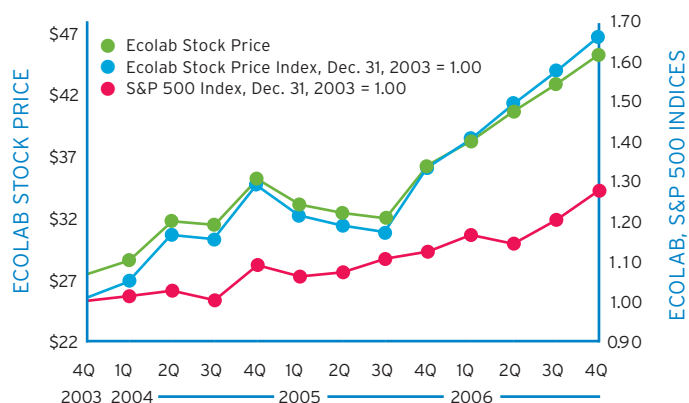
Contributing to a More Sustainable World

Our 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.

NET SALES
DOLLARS IN MILLIONS



ECOLAB STOCK PERFORMANCE COMPARISON



FINANCIAL HIGHLIGHTS

THOUSANDS, EXCEPT PER SHARE

	2006	2005	2004	PERCENT CHANGE 2006	2005
Net Sales	\$4,895,814	\$4,534,832	\$4,184,933	8%	8%
Net Income	368,615	319,481	282,693	15	13
Percent of Sales	7.5%	7.0%	6.8%		
Diluted Net Income Per Common Share	1.43	1.23	1.09	16	13
Diluted Weighted-Average Common Shares Outstanding	257,144	260,098	260,407	(1)	—
Dividends Declared Per Common Share	0.4150	0.3625	0.3275	14	11
Cash Provided by Operating Activities	627,564	590,136	570,908	6	3
Capital Expenditures	287,885	268,783	275,871	7	(3)
Shareholders' Equity	1,680,230	1,649,210	1,598,141	2	3
Return on Beginning Equity	22.4%	20.0%	21.4%		
Total Debt	1,066,036	746,301	701,577	43	6
Total Debt to Capitalization	38.8%	31.2%	30.5%		
Total Assets	\$4,419,365	\$3,796,628	\$3,716,174	16%	2%

All financial information for all periods reflects the company's adoption of Statement of Financial Accounting Standards No. 123 (Revised 2004), "Share-Based Payment" in the fourth quarter of 2005. All prior periods have been restated.

Advancing Progress Through Innovation

Innovation is the cornerstone of success at Ecolab. Our research, development and engineering (RD&E) associates develop new solutions by first understanding customers' needs, taking an innovative systems approach to solving problems, leveraging our technology and competencies on a global basis, and following through with superior technical support and training. All of these attributes provide customer solutions that differentiate Ecolab from the competition in every market we serve - and allow us to have nearly 4,000 patents issued and pending worldwide.

Because of our extensive sales-and-service organization, our associates have an extraordinary knowledge of what is most important to our customers. Customer input is critical to our

Phase Gate innovation process, designed to capture and analyze new ideas for potential development. Throughout the Phase Gate process, researchers use a series of checklists to assure the systems being developed follow corporate sustainability standards.

Innovation and the Environment

Ecolab measures the impact of our RD&E activities using a vitality index that gives the percentage of revenues from products and services developed in the last five years. Currently, that index is greater than 30 percent. We conservatively estimate that 75 percent of these new products will improve environmental or product life cycle performance.

CIRCLE THE CUSTOMER - CIRCLE THE GLOBE

Our Circle the Customer - Circle the Globe strategy is designed to continually expand the range of related products and services we offer to customers, no matter where they do business around the world. This strategy enables Ecolab to fulfill our mission of providing premium results for a cleaner world. And just as the strategy benefits customers with multiple solutions to not only meet - but also exceed - their requirements, it provides outstanding long-term opportunities for Ecolab to continue our legacy of growth.



Ecolab scientists work to develop new solutions that maximize effectiveness and minimize total impact environmentally and economically. Our global product and system development process places high value on concepts that contribute to Ecolab's sustainability philosophy.



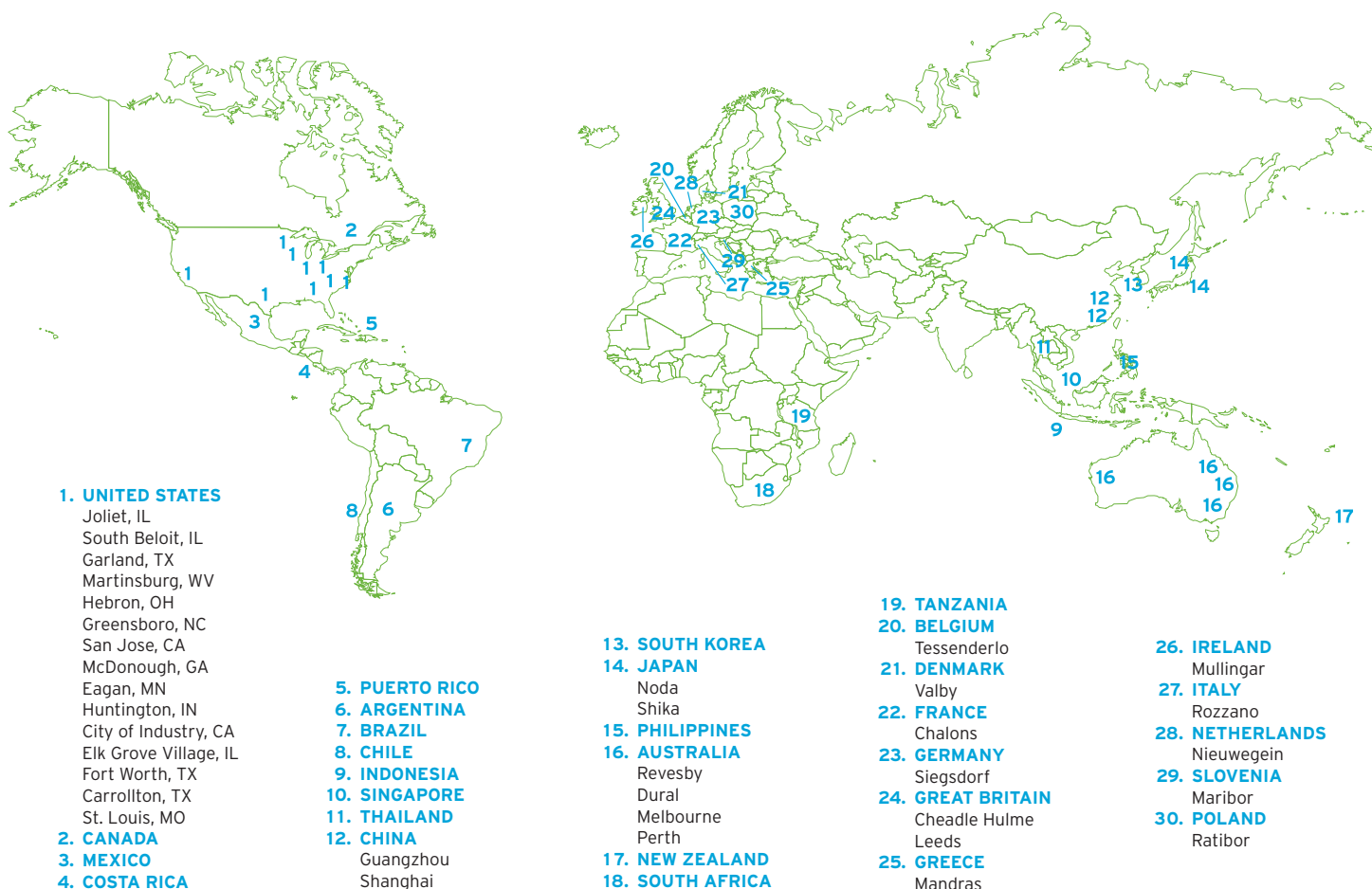
SALES-AND-SERVICE ASSOCIATES

DECEMBER 31	2004	2005	2006
Institutional	3,150	3,245	3,490
Kay	325	350	355
Pest Elimination	1,725	1,830	1,900
Healthcare	70	80	80
GCS Service	470	470	465
Textile Care	75	75	80
Food & Beverage	450	425	435
Water Care Services	95	125	115
Vehicle Care	100	100	105
Europe/Middle East/Africa	3,915	4,150	4,225
Asia Pacific	960	995	1,070
Canada	355	375	395
Latin America	590	690	715
TOTAL	12,280	12,910	13,430

Meeting Global Demand for Our Products

With worldwide headquarters located in St. Paul, Minn., Ecolab operates directly in more than 60 countries around the world. In addition, Ecolab 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. Ecolab's business operations in the United States employ 50 percent of our total associates and account for approximately 51 percent of our sales revenues. Globally, approximately 58 percent of our associates are sales-and-service associates.

Ecolab Global Plant Locations



ENVIRONMENTAL STEWARDSHIP

Reducing Our Customers' Water and Energy Consumption

Reducing water and energy use is a growing area of interest to our customers. Sustainable solutions not only advance our customers' own sustainability goals, they support more cost-effective operations. Our commitment to sustainability at Ecolab begins with a systematic approach to creating products, programs and services that reduce environmental impact. We take pride in creating innovative systems that help our customers achieve the highest hygiene standards while reducing overall energy and water consumption.

Sustainable Solutions

Our Formula 1® laundry system helps reduce our laundry customers' water and energy consumption with a unique system that eliminates unneeded steps in the wash process. A large Formula 1® customer may expect to reduce water consumption by over 300,000 gallons per year.

Clean-in-place (CIP) technology, pioneered by our Food & Beverage business unit, is used to clean and sanitize food and beverage processing facilities. Using an efficient computerized dispensing program, CIP allows processing lines and tanks to be cleaned and sanitized without dismantling the system. This approach reduces water and energy consumption.

The HVAC Hygiene Program helps improve indoor air quality, extends the life of HVAC (heating/ventilation/air conditioning) equipment and reduces energy costs. This simple, preventative maintenance program includes cleaning products, treatment with EPA-registered antimicrobial products, application training and ongoing monitoring to ensure long-term air quality improvements and energy savings.

SUSTAINABILITY SPOTLIGHT



In 2006, Dairy Crest, the UK's largest dairy company, recognized Ecolab with a "Dedication to the Environment" supplier award for our "demonstrated track record of continuous high-quality service and commitment to Dairy Crest's business." Ecolab helped optimize the chemical waste, water and energy consumption of the business, reducing its impact to the environment.



To help Brisbane's Holy Cross Laundry save water, Ecolab associates installed an Energy Optimiser® and an Aquamiser® at the Australian facility. The Energy Optimiser® uses the hot water discharged from the washer to preheat water for new washes. The Aquamiser® filters wastewater to remove lint, sand and other particles so it can be reused. In addition to saving water, less gas and electricity and fewer cleaning products are needed to complete the wash process.

Developing Products for a Safer World

Improving Food Safety

Ecolab continually works to improve food safety through research and development of products and programs that protect food quality and safety. We provide integrated solutions that prevent microbial cross-contamination and reduce the presence of pathogens on food contact surfaces. We also provide products that promote safe hygiene practices among food industry employees. We partner with governmental, industry and professional associations to support forums for discussion and promotion of food safety, and provide food safety education for our customers and associates.

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. Our innovative approaches include a pesticide-free system that blends with facility décor to inconspicuously eliminate flies, proprietary baits that control cockroaches while reducing pesticide usage, and a non-pesticide program that reduces entry of pests by eliminating access points.

PRODUCT SUSTAINABILITY PARTNERS

U.S. EPA Design for the Environment

Ecolab is active in the Design for the Environment Green Formulation Initiative to develop guidelines for environmentally preferable raw materials used in detergent formulations, a collaborative effort of the GreenBlue Institute and the U.S. Environmental Protection Agency (EPA).

AISE Sustainable Cleaning Consortium

The International Association for Soaps, Detergents and Maintenance Products aims to bring about a voluntary reduction in ecological impact and resource intensity throughout the life cycle of household and industrial cleaning products. Our membership in the AISE Sustainable Cleaning Consortium ensures we have access to the best practical technologies.

Green Seal®

Green Seal® is an independent nonprofit organization dedicated to safeguarding the environment and transforming the marketplace by promoting the manufacture, purchase and use of environmentally responsible products and services. In 2006, Ecolab provided funding and served on the steering committee for the development of Green Seal®'s Cleaning Service Standards, GS-42.

Product CareSM

Ecolab is a member of Product CareSM, a voluntary stewardship program of the Consumer Specialty Products Association, created to promote the production and distribution of safe and effective formulated products that provide desirable benefits for household, commercial, institutional and industrial customers as well as consumers, their families and pets.

Improving Product Packaging

At Ecolab, developing innovative packaging is just part of providing our customers with comprehensive solutions. Our unique designs lower risk of product spills, minimize opportunities for exposure to chemicals, reduce waste and save on fuel by keeping down product size and weight.

Recycled Packaging

We are committed to using renewable resource packaging, such as corrugated paper and paperboard, wherever safety is not compromised. Ecolab uses packaging material that is either recyclable or decomposes to nonhazardous end products. To encourage recycling, we continue to search for cost-effective sources of post-consumer recycled plastic.

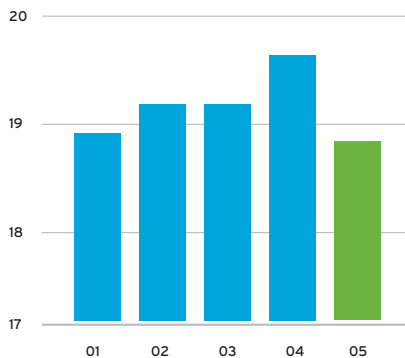
Collapsible Packaging

By using flexible pouches instead of rigid plastic bottles, we have reduced the amount of plastic introduced into the waste system.

Dissolvable Packaging

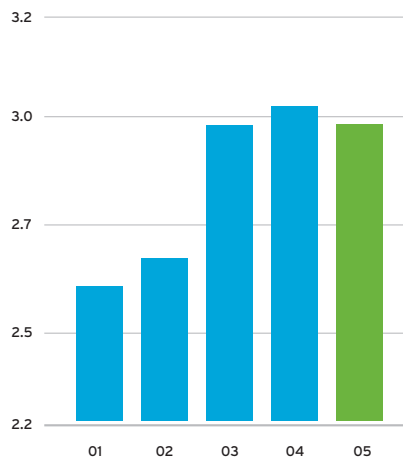
Ecolab has led the industry with the introduction of water-soluble, unit-dose packaging of detergents and sanitizers in the janitorial, institutional and food processing markets. This eliminates the solid waste generated by other forms of unit-dose packaging such as plastics, foils and paper.

NORMALIZED RECYCLED PLASTIC USAGE
PERCENT OF TOTAL PLASTIC



Official 2006 numbers will not be available until mid-2007

POST-CONSUMER RECYCLED PLASTIC USAGE
MILLION LBS



From unique formulations to innovative packaging and revolutionary delivery systems, Ecolab doesn't just sell products and services - we provide total solutions. We build relationships and consult with our customers to help them find the most efficient ways to run clean, safe and healthy businesses.

Evaluating Our Ingredients

Ecolab reviews environmental attributes of new raw materials to systematically eliminate undesirable ingredients in our formulations. Our superior technology, global knowledge base and commitment to research and development allow us to continue investing in creating innovative solutions that provide superior performance while reducing the impact on our environment.

Sustainable Product Design

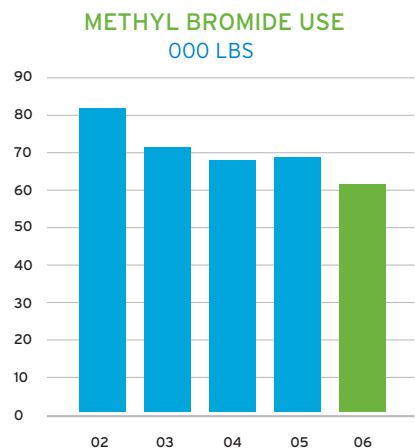
In new product development, environmental impact is evaluated within our integrated quality and environmental management system in Europe and our development process

worldwide. Globally, Ecolab has expanded the sale of skin cleansers formulated with alkylpolyglucosides (APGs), which are made from renewable resources and are biodegradable. In addition to these biobased sustainable ingredients, we have developed cleaning products with low alkalinity, low metal ion content and reduced phosphorous content.

For guidance on raw material selection, Ecolab avoids chemicals that appear on EPA's persistent, bioaccumulative and toxic (PBT) list of chemicals and minimizes chemicals listed as potential carcinogens or reproductive toxins by California Proposition 65.

NEW ZINC-FREE® PRODUCTS

In 2006, Ecolab introduced Zinc-Free® Finish Remover, a revolutionary floor finish remover that uses a new, patent-pending technology to deliver exceptional results using an environmentally responsible formula that is pH-neutral and non-corrosive. We also introduced a companion product, Zinc-Free® Floor Finish. Both products have received Green Seal®'s GS-40 certification.



OZONE-DEPLETING SUBSTANCES

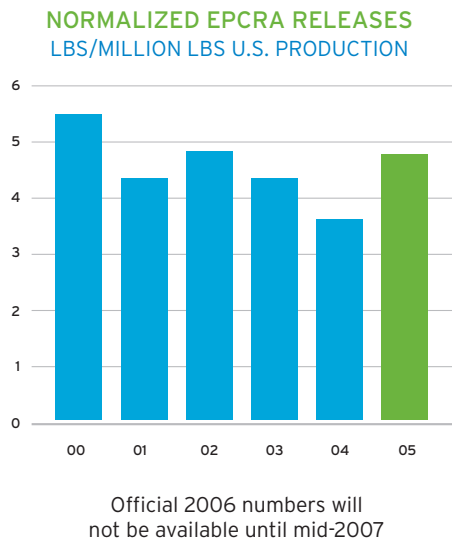
Ecolab has eliminated all ozone-depleting substances (such as CFC propellants) from our cleaning product lines. For pest elimination fumigation of food storage facilities, we are working on alternatives to reduce use of methyl bromide. While Ecolab's fumigation business has grown in recent years with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

Managing Our Manufacturing Impact

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.

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, our U.S. production of cleaning products more than doubled. At the same time, we have held our releases to the environment in pounds in the United States to a level below 0.0005 percent.

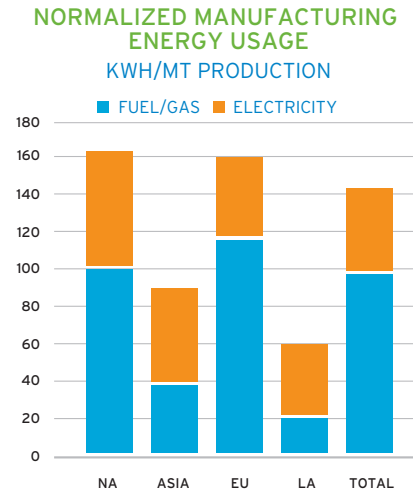


Energy Use

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

Wastewater and Hazardous Waste

Ecolab facilities maintain necessary permits for relevant discharges. Ecolab facilities generate solid or liquid hazardous waste from manufacturing operations. Most U.S. Ecolab facilities are categorized by EPA as large-quantity generators (greater than 100 kg/month). Ecolab's U.S. facilities maintain waste management plans, conduct required training, and properly dispose of hazardous waste at licensed disposal facilities.



GREENHOUSE GAS EMISSIONS AND CLIMATE CHANGE

Ecolab supports a balanced approach to reducing greenhouse gas (GHG) emissions while sustaining economic growth and competitiveness. Ecolab's production and distribution processes are not energy-intensive in comparison with many other industries. The bulk of our production is the simple blending of raw materials and requires minimal energy inputs. Our direct CO₂ emissions are limited, and primarily reflect simple heating in our manufacturing facilities. The total energy costs associated with our production and distribution are minimal compared to large-scale, large-volume industrial manufacturing facilities.



Ecolab has joined EPA's Climate Leaders program, an industry-government partnership that works with companies to develop long-term, comprehensive climate change strategies. By participating in Climate Leaders, we have pledged to develop a corporate-wide GHG emissions inventory and to work with EPA to set a GHG reduction goal in 2007.

Focusing on Continuous Improvement

Ecolab continually monitors 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.

Remediation Sites

Ecolab makes aggressive efforts 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 2006, 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.

EHS Compliance Auditing

To ensure EHS compliance in our manufacturing operations, North American facilities are audited by a third-party consultant every other year. Similarly, in Europe and Asia

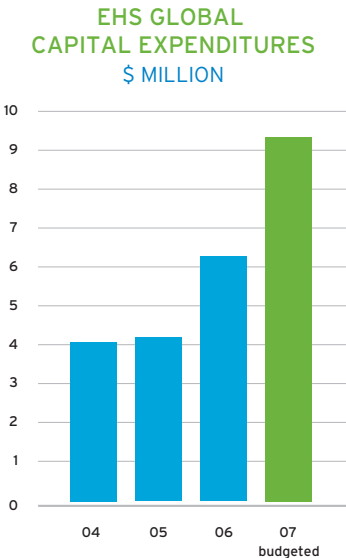
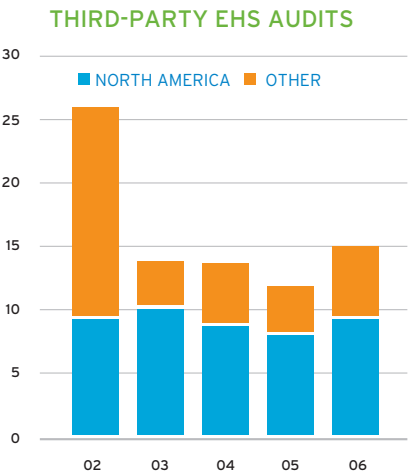
Pacific, an outside EHS consultant audits our plants. In addition, audits are performed when facilities are acquired. Furthermore, our property and casualty insurers conduct fire and worker safety assessments and pressure vessel certifications at Ecolab facilities. These auditing programs help us continuously improve our EHS performance.

An outside EHS consultant audited nine facilities in North America in 2006. In addition to internal ISO 14001 environmental management system reviews in Europe and Asia Pacific, an outside consultant performed EHS compliance audits at six plants.

EHS Capital Expenditures

Our capital expenditures for environmental, health and safety control projects have risen more rapidly than our revenues. Projects have included:

- fire safety systems
- electrical and other occupational safety items
- spill containment and drains
- water and air pollution control equipment



PLANTS/ISO CERTIFICATION

AREA	SQ. FOOTAGE	PRODUCT	ISO 9001	ISO 14001
UNITED STATES				
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	196,000	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)	70,000	LP	Y	N
St. Louis, MO	37,000	Eq	N	N
City of Industry, CA	30,000	Eq	N	N
*some export production; otherwise domestic				
INTERNATIONAL				
Chalons, FRANCE	280,000	LP	Y	Y
Nieuwegein, NETHERLANDS	168,000	P	Y	Y
Tessenderlo, BELGIUM	153,000	SL	Y	Y
Melbourne, AUSTRALIA	145,300	LP	Y	Y
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
São Paulo, BRAZIL	62,325	SL	N	N
Shika, JAPAN	60,000	L	Y	Y
Santiago, CHILE	60,000	LP	Y	N
Revesby, AUSTRALIA	59,200	LP	Y	Y
Cheadle (Hulme), UK	52,575	L	Y	Y
Guangzhou, CHINA	50,230	LP	N	N
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, UK	35,000	L	Y	Y
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	N
Seoul, SOUTH KOREA	22,160	LP	Y	Y
Ratibor, POLAND	20,000	L	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
Manila, PHILIPPINES	7,600	LP	Y	N
Dural, AUSTRALIA	4,300	SL	Y	Y
S - Solids; L - Liquids; P - Powders; Eq - Equipment; Em - Emulsion • 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 12 operational units (11 production sites and our European headquarters in Düsseldorf, Germany). Ecolab is in the process of developing a global implementation program for ISO 14001 environmental management systems.

BEST Workplaces for CommutersSM

Excellence
in Commuter Benefits



www.bwc.gov



Limiting Our Transportation Impact

Ecolab works to minimize fuel consumption through distribution models, network analysis and shipment consolidation to ensure efficient routing of deliveries. Nominal engine size is utilized in vehicles where practical, and we control field stock inventory to ensure proper vehicle weight utilization.

Ecolab also provides highly concentrated and solid products to the marketplace, which result in significant weight reduction and transportation fuel savings.

The U.S. Environmental Protection Agency and the U.S. Department of Transportation have named Ecolab one of the "Best Workplaces for Commuters." Ecolab was recognized as an organization committed to reducing pollution, commuting costs, traffic congestion and employee stress.

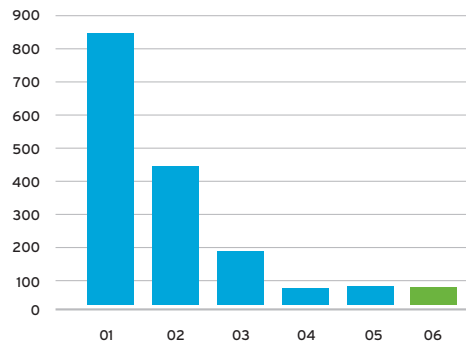
Department of Transportation Spill Tracking

Ecolab's DOT Form 5800 incident rate relating to spills or packaging incidents is comparable to rates in 2004 and 2005. In 2006, Ecolab recorded 85 incidents.

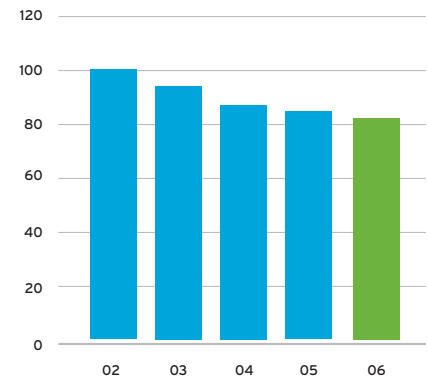
Driver Safety

Since it was introduced in the United States in 2003, the Driver Safety Program has reduced vehicle-related accident rates and the accident cost per vehicle by significant amounts.

PRODUCT SHIPMENT SPILLS OR INCIDENTS U.S. DOT FORM 5800



DRIVER SAFETY TOTAL COLLISION RATE/MILLION MILES (NORMALIZED WITH 100 AS THE BASELINE FOR 2002)



REDUCING FUEL CONSUMPTION AND IMPROVING SAFETY

Solid OvationTM is a revolutionary cleaning system for high-pressure car washes, packaged in 11-pound tubs. Compared to liquid products in 55-gallon drums, this solid product can be shipped using substantially less fuel, with improved ergonomic safety and reduced risk of spills.

SOCIAL RESPONSIBILITY

Fostering a Healthy Work Life for Associates

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, supported, developed and rewarded for their contributions.

Diversity

Ecolab is committed to supporting and encouraging diversity throughout our organization. In all matters affecting employment of associates, including hiring, compensation and promotions, decisions are made on the basis of qualifications and performance. We have a proactive set of programs to ensure that we meet our objective to provide equal employment opportunity.

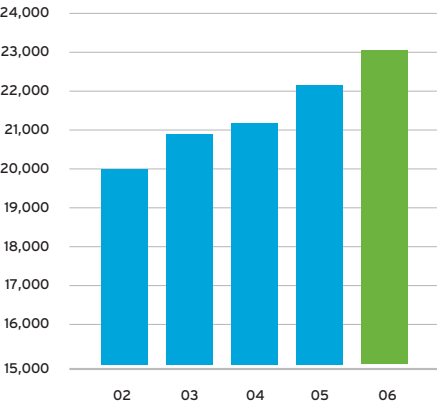
Training and Education

Ecolab offers job-specific technical and skills training, as well as leadership development and associate development training opportunities, on a corporate-wide level. We utilize the Talent Pipeline, a performance review and development program for associates, designed to indicate opportunities for further training and pathways for promotion. A tuition reimbursement program is also available to all U.S. associates.

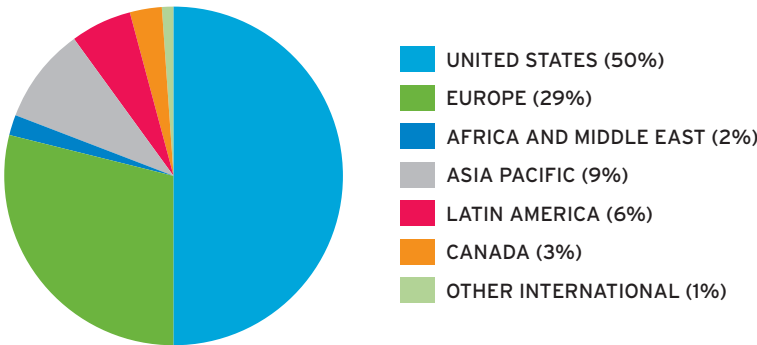
Associate Safety Program

Ecolab actively promotes and pursues a safe work environment for all associates. Our goal is to eliminate associate exposures to accidental injury and to conditions that may adversely affect the health of our associates. The Associate Safety Program has been implemented to provide guidelines for industry best practices.

WORLDWIDE EMPLOYMENT



GEOGRAPHIC BREAKDOWN OF EMPLOYMENT



ASSOCIATE AFFINITY GROUPS

In 2006, Ecolab launched three associate affinity groups to provide resources and opportunities that support diversity.

- E3 is a group designed to empower, engage and energize women through development activities and community efforts.
- EcoEssence is a network dedicated to positively influencing the recruitment, development and retention of African-American employees.
- EcoMondo is a business and social network that provides formal and informal networking opportunities for associates with international interests.

Preserving Human Rights

Ecolab believes in the dignity and human rights of every individual. We support ethical standards internally and promote these standards with our suppliers around the world.

Ethical Sourcing Standards

As a vital member of the global community, Ecolab is committed to high standards of corporate social responsibility. Our Ethical 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 for 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 direct suppliers identify and act swiftly to eliminate any unacceptable conditions or practices in their facilities. Suppliers must be committed to continuous improvement. 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.

Purchasing from Diverse Suppliers

To promote sustainable growth across different sectors, Ecolab supports small, women-owned and minority-owned businesses in a number of ways. For example, we participate in an annual job and procurement fair for small, women-owned and minority-owned business enterprises. In addition, Ecolab actively requests proposals from small, women-owned and minority-owned businesses when purchasing items for the company. In 2006, our U.S. purchases from small businesses totaled more than \$38 million; purchases from minority-owned businesses totaled more than \$52 million; and purchases from women-owned businesses totaled \$19.6 million.



Ecolab is dedicated to providing a safe, healthy and supportive work environment for our associates around the globe. We encourage social responsibility among other organizations by setting high standards for our suppliers and providing our customers' employees with ongoing training and emergency support.

Supporting Our Communities

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 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.

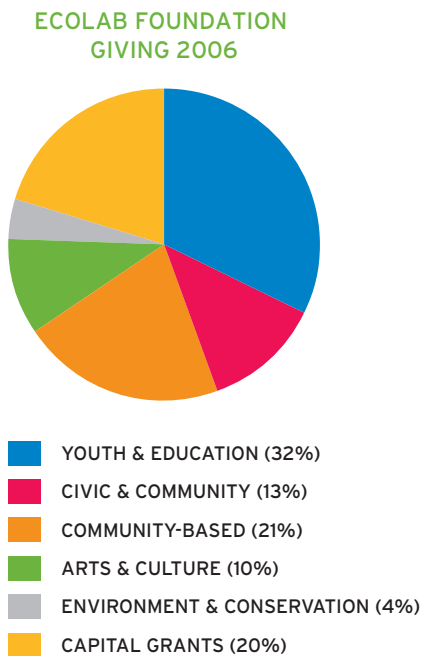
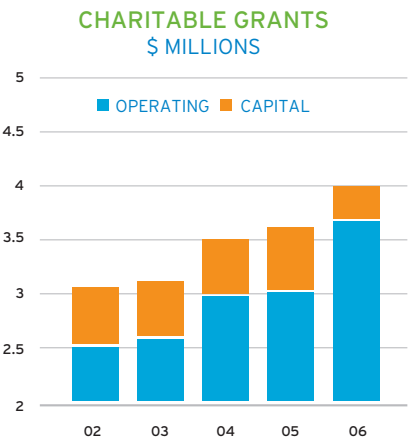
Over the past 20 years, the Ecolab Foundation has contributed more than \$35 million to our communities. We sustained this strong giving tradition in 2006 by contributing \$4 million - approximately 1.2 percent of U.S. pretax earnings.

Associates have the option to contribute to community giving campaigns, with the company matching their contributions. In 2006, associate giving, along with an Ecolab match, totaled more than \$1 million.

Community Involvement

Ecolab fosters 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 also by the contributions of our associates to the communities where they work and live.

Ecolab encourages and supports the thousands of hours of volunteer work our associates commit to charitable organizations. By offering matching grants to organizations where Ecolab associates volunteer as board members, mentors and in other capacities, hundreds of thousands of dollars were donated in the last five years. Along with our monetary support, we annually conduct charitable drives for blood, clothing, food, school supplies and holiday gifts for our community partners and provide in-kind product donations for cleaning and sanitizing solutions during times of natural disasters. In 2006, we donated over \$1 million of Ecolab product to support disaster relief.



HABITAT FOR HUMANITY

In 2006, Ecolab expanded our partnership with Twin Cities Habitat for Humanity, for the first time helping to build a complete housing complex in St. Paul, Minn. - including purchasing materials and volunteering labor. More than 585 associates took a day away from their jobs to help build a three-story, five-townhouse complex from start to finish.

Making a Difference

The Nature Conservancy

Among the organizations we support is The Nature Conservancy, a leading international, nonprofit organization dedicated to preserving the diversity of life on earth. The Ecolab Foundation has supported The Nature Conservancy since 1990, contributing more than \$100,000, including support for the Glacial Ridge Project in northeastern Minnesota, the largest prairie and wetland restoration in U.S. history.

In 2006, we joined The Nature Conservancy's International Leadership Council, which advances the Conservancy's mission by promoting shared learning and continuous improvement among companies interested in biodiversity and habitat conservation. This membership supports activities such as scientific expeditions, surveys and studies into geographies where The Nature Conservancy is already working and will help them expand into new geographies and global conservation priorities.

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 natural disasters, disabilities or medical problems, or when they need help with education expenses. Over the past 12 years, this trust fund has contributed close to \$15 million to Ecolab families.

COMMUNITY FOCUS AREAS

We support organizations and programs that strengthen and enrich our communities.

- Youth and Education - One of our strongest areas; we gave over \$1.2 million to programs dedicated to youth and education in 2006.
- Civic and Community Development - Efforts in this area continue to focus on work readiness, low-cost housing and other programs to stabilize poor, working families striving toward self-sufficiency.
- Arts and Culture - We provide funding to arts organizations with strong education and community outreach programs, often taking the lead in supporting innovative programming that promotes artistic and cultural diversity.
- Environment and Conservation - A consistent area of focus for Ecolab, approximately 50 percent of donations in this category are allocated for the support of youth education to help foster a greater understanding and future interest in this critical area.
- Capital Grants - Totaling \$780,000 in 2006, our capital giving is needed in our growing communities as organizations continue to expand and serve a more diverse audience each year.
- Community-Based Giving - Through manufacturing-plant-based community relations councils and Visions for Learning committees, associates are involved in making giving decisions to support the immediate needs of their communities.

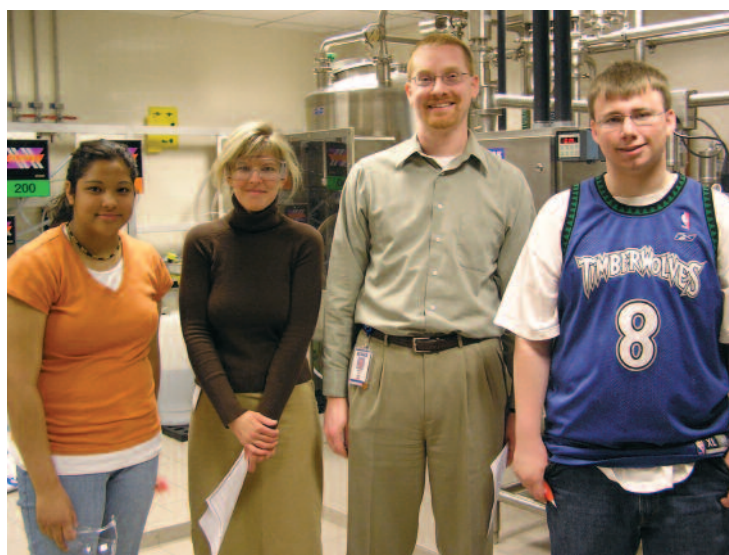
Investing in Education

Visions for Learning

In 2006, Ecolab provided more than \$613,000 in grants through our Visions for Learning program to help teachers enhance their curriculums. We funded 450 grants of \$50 to \$5,000, with most donations awarded to schools with high percentages of low-income, highly diverse and at-risk students.

Partnership with Humboldt Schools

For more than 20 years, Ecolab has partnered with Humboldt schools in St. Paul, Minn., helping to implement programs designed to improve graduation rates and entry into post-secondary schools. In 2006, we provided \$160,000 in financial support to provide college access programming to students in grades seven through 12.



Humboldt students with their Ecolab mentors.

For further information regarding Ecolab's community involvement, see www.ecolab.com/Company/Profile/Foundation.

SUSTAINABILITY SPOTLIGHT



In 2006, Ecolab participated in sponsoring *The Quick and Easy Guide to Green Cleaning in Schools*, a free multimedia guide for school administrators and custodial staff that encourages the use of green products, equipment and practices as part of the Healthy Schools Campaign.



Teams of Ecolab associates volunteer annually for the African-American Science Program and El Día de los Niños at the Science Museum of Minnesota.



Hundreds of Ecolab associates volunteer each week. Shown here are some of the associates who board a school bus each week to travel to a local elementary school as part of a Big Brothers Big Sisters mentoring program.

Conducting Business Responsibly

At Ecolab, we maintain a clear, ethical standard of conduct: Our company's business will be conducted in accordance with the law and stated corporate and societal standards. It follows that our associates are held to the highest standard of integrity, and are expected to avoid situations that conflict with our company responsibilities.

The Code of Conduct

The Ecolab Code of Conduct is a set of guidelines designed to be read and followed by every associate in every location around the world. Available in printed form and translated into more than 25 languages, the Code of Conduct can also be accessed online at www.ecolab.com/investor/governance.

Anti-Competitive Behavior

The Ecolab Code of Conduct forbids any unfair acts against competitors. Prohibited activities include threats and harassment, abuse, equipment tampering, interfering with contractual relationships, making false or misleading statements and unethical gathering of trade secrets or other competitor information.

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.



At Ecolab, our strength has always been in our people. Our team is made up of a diverse group of talented associates who are professional, reliable, trustworthy and honest. We are united by our dedication to every facet of the Ecolab Culture – spirit, pride, determination, commitment, passion and integrity.

Supporting the Safe Use of Products

At Ecolab, much of our business focuses on helping to keep people safe - that's a key goal of many cleaning and sanitation programs. But we also know that keeping customers informed about our products and their proper use is part of keeping people safe. We help customers by providing training programs that include videos, slide shows, wall charts and manuals. We also offer training assistance for our customers' employees to help ensure the optimum and safe use of our products.

Customer Safety Right-to-Know

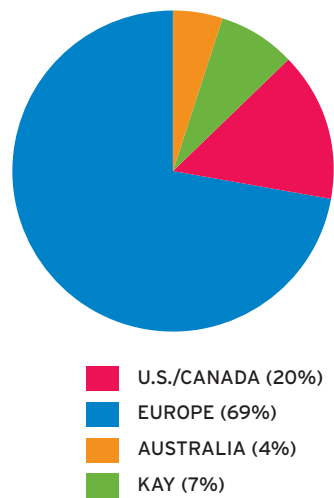
In 2006, Ecolab provided approximately one million material safety data sheets (MSDS) to customers on a global basis. In 2005, Ecolab invested \$1.7 million to implement a new MSDS authoring system in Europe, North America and Australia to

help provide up-to-date, consistent safety information in the local language, in compliance with tightening local regulatory requirements. This system helps Ecolab's customers receive safety information in their preferred language.

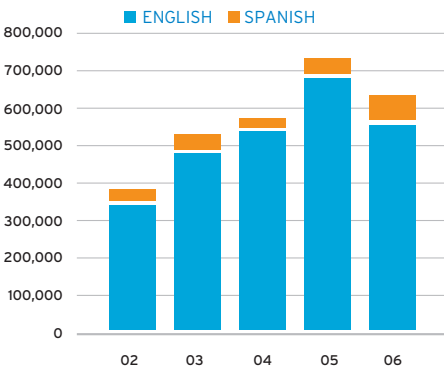
Customer Emergency Support

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. During 2006, calls focused primarily on minor injuries from product splashes or ingestion.

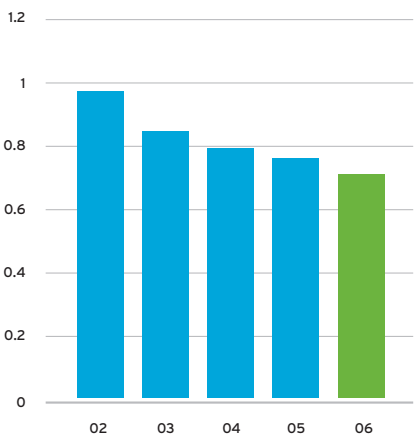
MSDS AUTHORIZING ACTIVITY 2006



U.S. MSDS DISTRIBUTION



NORMALIZED CALL VOLUME PER MILLION \$ NET SALES



Awards and Recognition

Each year, Ecolab is recognized as a leader in corporate integrity and good citizenship. In 2006, Ecolab received the following recognition:

- *Business Ethics* magazine named Ecolab to the "100 Best Corporate Citizens" list; Ecolab has made the list every year since its inception in 2000.
- Ecolab earned seventh place on "America's Best Big Companies Honor Roll," which recognizes the companies that have consistently appeared on *Forbes* magazine's annual list of the 400 best big companies in America (*Forbes* Platinum 400).
- Ecolab was selected as the 2006 recipient of the Black Pearl Award for Corporate Excellence in Food Safety and Quality by the International Association for Food Protection (IAFP).
- The U.S. Environmental Protection Agency and the U.S. Department of Transportation have named Ecolab one of the "Best Workplaces for Commuters."
- Dairy Crest, the UK's largest dairy company, recognized Ecolab with a "Dedication to the Environment" supplier award.
- *Institutional Investor* magazine named Ecolab one of America's "Most Shareholder Friendly Companies." Ecolab was ranked second in the Chemicals/Specialty Sector.
- Ecolab was named one of 50 "Best Companies to Sell For" by *Selling Power* magazine.



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. Our 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.

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, we must uphold our high level of integrity as we grow. 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.

2007 Sustainability Goals

For 2007, 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
- Implement plan to enhance environmental profile of raw materials
- Implement the Ethical Sourcing Standards created in 2006
- Publish Global Sustainability Principles
- Complete greenhouse gas emissions footprint assessment and develop GHG reduction goals in U.S. EPA Climate Leaders program
- Develop strategy to manage and reduce EU REACH risks

For More Information

For further information regarding Ecolab's sustainability programs, please contact us at investor.info@ecolab.com or visit www.ecolab.com.



Steven M. Christenson
Vice President, Regulatory Affairs



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



Michael J. Monahan
Vice President, External Relations



Kris J. Taylor
Director, Community and
Public Relations



C. Cayce Warf
Director, Environmental
Sustainability Programs

GRI/G3 Content Index

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

Profile	G3 Indicator	Page
Strategy and Analysis	1.1 - 1.2	3, 13
Organizational Profile	2.1 - 2.10	3, 8
Report Parameters	3.1 - 3.13	27
Governance, Commitments and Engagement	4.1 - 4.7	27
Economic Principles		
We provide innovative and effective solutions that help our customers prosper and grow.	EC1	7, 9-12
We invest in research and development to create the best solutions at the best value.	EC2	7
We deliver effective results at the lowest total impact environmentally and economically.	EC1	6, 7
We serve customers around the world with consistent global solutions.	EC9	2, 8
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	17
We contribute financial investments that increase the long-term vitality of our communities.	EC1, EC8	3, 6
We provide our shareholders with superior value.	EC1	6
<i>Additional information on the above principles can be found in the Ecolab 2006 Annual Report.</i>		
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.	EN2, EN6, EN26	9, 10, 11
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.	EN1	7, 12
We use environmentally responsible and sustainable energy sources, and invest in improving energy efficiency in our operations on an ongoing basis.	EC3, EN4, EN5 EN6, EN7, EN29	13, 15, 16
We minimize emissions, effluents and waste caused by our operations, and dispose of all wastes through safe and responsible methods.	EN16, EN18, EN19, EN23	13
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.	EN1	7, 12
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.	EN28	14

Social Principles		
We respect the human rights of all people.	HR2, HR5, HR6, HR7	18
We are committed to supporting and encouraging diversity throughout our organization.	LA1, LA11	17
We provide a safe work environment for our associates through comprehensive safety policies, programs and training.	LA8	17
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, HR5, HR6, HR7	18
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, HR6, HR7	18
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.	PR1, PR3, PR5	23
We are dedicated to the communities in which we live and work, and we support them through charitable giving and community involvement.	SO1	19, 20, 21
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, SO3, SO6	22

Data in this report summarizes Ecolab's growing environmental, product stewardship and social responsibility activities from Jan. 1, 2006, through Dec. 31, 2006. 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 e-mail 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.



This report was printed on 100%
post-consumer recycled paper.

ENVIRONMENTAL SAVINGS:

Number of trees saved	46
Water (gallons)	7,952
Energy (000 BTUs)	10,776
Solid Waste (lbs.)	844
Water-borne wastes (lbs.)	54
Atmospheric emissions (lbs.)	1,636

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