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PRESS RELEASES

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Ecolab and Trucost Expand Water Risk Monetizer to Include Revenue-at-Risk Assessment

New analysis informs decisions in response to increasing water scarcity

ST. PAUL, Minn.--(BUSINESS WIRE)--The WaterRisk Monetizer, industry's first publicly available financialmodeling tool that enables businesses to factor current and future waterrisks into decision making, now provides users with insights into howwater scarcity impacts revenue. The tool's new assessment helpswater-dependent businesses better understand the full value of water totheir operations and identify revenue at risk based on current andprojected water scarcity.

The Water Risk Monetizer, first introduced inNovember 2014, wasdeveloped byEcolab Inc., a global leader in water technologies andservices, and Trucost, a global leader in valuing natural capital.Ecolaband Trucost are committed to increasing understanding of globalwater risks and helping businesses make more informed decisions forresponsible water use. The Water Risk Monetizer is a secure siteavailable at no cost to businesses throughout the world, and only theuser has access to the information provided.

The tool is designed to help companies address the impact of waterscarcity on their ability to operate, generate profit and grow. Thepremise for the tool in its expanded form is:

- Water scarcity has the potential to increase the cost of water which makes operations more expensive and reduces profit margins.
- Water scarcity limits availability, making it more difficult to access the water a business needs to operate which can decrease production and result in loss of revenue.

"As water scarcity increases around the world, business leaders needactionable information to help them understand and manage their currentand future water-related risks," said Douglas M. Baker, Jr.,Ecolabchairman and chief executive officer. "The Water Risk Monetizer helpsbusinesses make informed decisions to enable growth in this new era ofwater scarcity."

Developing effective water management strategies can be hindered by twomajor factors. First, water is often not priced to reflect its fullvalue. As a result, many businesses are not factoring potential costimplications associated with water scarcity into business decisions.Second, businesses rely on water and often take its availability forgranted and assume necessary water supplies will be available in thefuture. The reality is that the world's water supplies are limited.Demand is increasing and quality is declining due to the need for morefood and energy, increased economic development and other factors. Thetool provides businesses potential financial implications related towater scarcity risks and the likelihood that these implications willoccur.

The tool assesses the potential cost or impact of water risks in wayssimilar to how other risks are considered in planning and capitalallocation by providing:

- Risk-adjusted water cost: monetary estimate of the full value of water at a facility level, based on what water would cost if supply and demand were accurately reflected.
- Potential revenue at risk: estimated amount and likelihood of the revenue that could potentially be lost at a facility due to the impact of water scarcity on operations.

"The new revenue-at-risk indicator illuminates the threat thatbusinesses face from water scarcity," said Richard Mattison, chiefexecutive of Trucost. "It helps companies raise awareness about the needfor investing in sustainable water management, as well as providing apractical water risk assessment tool to factor water scarcity intobusiness decisions."

HOW IT WORKS

The Water Risk Monetizer uses scientific modelsdeveloped by Trucost to quantify the potential impact of water scarcityon a facility in monetary terms.

Risk-Adjusted Water Cost *(introducedNovember 2014)*

To calculate a risk-adjusted water cost, thewater risk premium model correlates local water scarcity toconsiderations that contribute to the full value of incoming water,based on scarcity, for a specific facility, including:

- Current and projected water use
- Current and projected local water scarcity
- Economic variance and purchasing power
- Historical trends in country-level water tariffs

Using algorithms derived from published scientific studies on waterscarcity and in-stream water values, such as groundwater recharge, wasteassimilation, wildlife habitat and recreational activities, the toolcorrelates a facility's water use to these local water scarcityconsiderations to calculate a "water risk premium."

The water risk premium, when added to the local price a business paysfor water, quantifies the value a business should place on water basedon real and future water scarcity risks (current, three-, five- andten-year projections).

Potential Revenue at Risk *(introducedAugust 2015)*

To calculate revenue at risk, this new assessmentestimates the value of the revenue that could potentially be lost at afacility due to the impact of water scarcity on operations. The tooluses a revenue-at-risk model to estimate the amount of water availableto the facility - its "share" of total water available to industry waterusers in the basin based on the facility's contribution to the localeconomy.

Because water is a finite resource that is shared by many users in awater basin, the amount of water that should be available to a facilitymay be less than what a facility needs.

The amount available also could change over time, as water scarcityincreases or as a local economy grows (the tool forecasts revenue atrisk over three, five and ten years). The revenue-at-risk model comparesthe estimated amount of water a facility requires to generate revenue(cubic meter per USD of revenue) to the facility's share of water in thebasin if water were allocated among water users based on economicactivity (contribution to basin-level GDP). If more water is requiredthan the basin share of water allocated (as determined by the model),then a proportion of the facility's revenue is potentially at risk.

For more information and to try the tool, visit www.WaterRiskMonetizer.com.

AboutEcolab

A trusted partner at more than one millioncustomer locations,Ecolab(ECL) is the global leader in water, hygieneand energy technologies and services that protect people and vitalresources. With 2014 sales of$14 billionand 47,000 associates,Ecolabdelivers comprehensive solutions and on-site service to promote safefood, maintain clean environments, optimize water and energy use andimprove operational efficiencies for customers in the food, healthcare,energy, hospitality and industrial markets in more than 170 countriesaround the world. For moreEcolabnews and information, visit www.ecolab.com.

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About Trucost

Trucost has been helping companies, investors,governments, academics and thought leaders to understand the economicconsequences of natural capital dependency for over 15 years. Ourworld-leading data and insight enable our clients to identify naturalcapital dependency across companies, products, supply chains andinvestments; manage risk from volatile commodity prices and increasingenvironmental costs; and ultimately build more sustainable businessmodels and brands. Key to our approach is that we not only quantifynatural capital dependency, we also put a price on it, helping ourclients understand environmental risk in business terms. For moreTrucost news and information, visit www.trucost.com.

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