

# Governance Report

Company Name: Ecolab  
Ticker: ECL US Equity  
Sector: Materials  
Industry: Chemicals  
Year of Review: 2026



Assessment Date: May 2026 | Financial Year Assessed: Year ended 31 December 2025

CATEGORY	SCORE	RATING
Governance Assessment	81%	Very Good

\*Assessment Framework and Scoring methodology in Appendix

## Summary Scorecard

#	Criterion	Verdict	Status
2	Is the CEO separate to the Chairman/Chair?	No	●
3	Is there an Independent Chair, or Lead Independent Director?	Yes	●
4	Is the Audit Committee populated solely by independent Non-Executive Directors?	No	●
5	Is the Remuneration Committee populated by a majority of independent Non-Executive Directors?	Yes	●
6	Is the Nominations Committee populated by a majority of independent Non-Executive Directors?	Yes	●
7	Is the overall Board Composition at least two-thirds independent Non-Executive Directors?	Yes	●
8	Does the Board Composition reflect a balanced mix of board tenures?	Yes	●
9	Does the Board reflect a suitable diversity of skills, experience, age, and gender?	Yes	●
10	Are all board members elected annually?	Yes	●
11	Is an annual appraisal of the board conducted and the results publicly disclosed?	Yes	●
12	Is Executive Remuneration fair, linked to performance, and long-term in nature?	Yes	●
13	Is there only a single class of listed stock?	Yes	●
14	Is management's Capital Allocation track record good?	Partial	●

**Overall: 10.5 / 13 criteria met (10 Yes + 1 Partial)**

**Corporate Governance Score: 81%**

Ecolab Inc. demonstrates a strong overall governance profile, scoring 81% across the 13 assessed criteria. The board is well-refreshed, with a healthy spread of tenures, five female directors (38%), and skills coverage that maps directly onto Ecolab's water, hygiene, life sciences, and data centre markets. A robust Lead Independent Director structure with genuine stockholder engagement partially offsets the structural concentration of power created by combining the Chairman and CEO roles in Christophe Beck. The Audit Committee carries one non-independent member under Delta Outcomes' tenure rules (Suzanne M. Vautrinot, 11 years), and capital allocation receives an amber rating reflecting sub-9% ROIC in 2021 and 2022 - a period of supply chain and cost headwinds - against a strong 2023–2025 recovery to 9.7%, 14.2%, and 12.5% respectively. All other criteria are met in full.

## 1. Board of Directors

Following the 2026 Annual Meeting of Stockholders (7 May 2026), the Ecolab Board of Directors comprises 13 directors. Victoria J. Reich (17 years of service) did not stand for re-election. No employee representatives serve on the board. Independence is assessed under Delta Outcomes' rules: any director serving more than 10 years, or affiliated with the company, is classified as Not Independent regardless of exchange-based standards.

Name	Age	Gender	Classification	Committees	Year Joined	Yrs Served	Notes
Judson B. Althoff	53	M	Independent	Finance, SH&E	2024	1	
Shari L. Ballard	59	F	Independent	Audit, SH&E	2018	7	
Christophe Beck	58	M	Not Independent	SH&E	2020	5	Chairman & CEO
Michel D. Doukeris	52	M	Independent	-	2025	0	
Eric M. Green	56	M	Independent	Comp & HCM (Chair), Governance	2022	3	
Marion K. Gross	65	F	Independent	-	2025	0	
Michael Larson	66	M	Not Independent	Finance (Chair), SH&E	2012	13	>10 years
David W. MacLennan	66	M	Independent	Comp & HCM, Governance (Chair)	2015	10	Lead Ind. Director
Tracy B. McKibben	57	F	Independent	Comp & HCM, Governance	2015	10	
Lionel L. Nowell III	71	M	Independent	Audit (Chair), Finance	2018	7	
Suzanne M. Vautrinot	66	F	Not Independent	Audit, SH&E (Chair)	2014	11	>10 years
Julie P. Whalen	55	F	Independent	Audit, Finance	2025	0	
John J. Zillmer	70	M	Not Independent	Comp & HCM, Finance	2006	19	>10 years

## 2. Is the CEO separate to the Chairman/Chairperson/Chair?

### Verdict: No

The roles of Chairman and Chief Executive Officer are combined and held by Christophe Beck, who was appointed CEO in 2021 and Chairman in May 2022. The Board's Corporate Governance Principles explicitly permit this structure, citing Mr. Beck's deep operational knowledge of Ecolab's businesses accumulated over 18 years at the company. This means the same individual sets the Board agenda and leads the executive management team, reducing the structural independence of the board from management oversight.

This requires engagement with the company, because in cases where the board is chaired and ultimately overseen by the Chief Executive Officer, this structure relinquishes the Board's ability to hold the Chief Executive Officer accountable when his/her duties have not been appropriately fulfilled.

## 3. Is there an Independent Chair, or Lead Independent Director?

### Verdict: Yes

Whilst the Chair (Christophe Beck) is not independent, the Board has appointed David W. MacLennan as Lead Independent Director. Mr. MacLennan joined the Board in 2015 and has served exactly 10 years to the end of the 2025 financial year, which does not exceed the 10-year threshold under Delta Outcomes' independence rules; he is therefore classified as Independent. His role carries substantive responsibilities: chairing executive sessions of the independent directors at every Board meeting, acting as liaison between the Chairman and independent directors, reviewing and approving meeting agendas, and engaging directly with major stockholders. In 2025, Mr. MacLennan participated in conversations with stockholders representing approximately 34% of Ecolab's outstanding shares, demonstrating genuine independent oversight in practice.

## 4. Is the Audit Committee populated solely by independent Non-Executive Directors?

### Verdict: No

Following the 2026 Annual Meeting, the Audit Committee will comprise five members: Lionel L. Nowell III (Chair), Shari L. Ballard, Michel D. Doukeris, Suzanne M. Vautrinot, and Julie P. Whalen. Under NYSE listing standards, all five members are classified as independent. However, applying Delta Outcomes' tenure-based independence rules, Suzanne M. Vautrinot is classified as Not Independent, having served 11 years on the Board as at 31 December 2025 - one year beyond the 10-year threshold. The remaining four Audit Committee members (Nowell, Ballard, Doukeris, and Whalen) are fully independent under our rules. The presence of one non-independent director on the Audit Committee is a governance weakness under our assessment framework, notwithstanding Ms. Vautrinot's valuable cybersecurity expertise.

This requires engagement with the company, because shareholders and creditors place significant emphasis on the statutory audit as a protection mechanism against errors, omissions, and potential wrongdoing by the company, and an independent and effective audit committee is vital to ensuring and protecting the integrity of the financial accounts.

## 5. Is the Remuneration Committee populated by a majority of independent Non-Executive Directors?

**Verdict: Yes**

The Compensation & Human Capital Management Committee (Ecolab's equivalent of a Remuneration Committee) comprises five members: Eric M. Green (Chair, 3 years), Marion K. Gross (0 years), David W. MacLennan (10 years), Tracy B. McKibben (10 years), and John J. Zillmer (19 years). Applying Delta Outcomes' independence rules, Mr. Zillmer is classified as Not Independent due to his 19 years of board service. The remaining four members are Independent, representing 80% (4 of 5) of the committee, comfortably exceeding the majority threshold. The proxy confirms no member is or was formerly an officer or employee of the company and there are no compensation committee interlocks.

## 6. Is the Nominations/Nominating Committee populated by majority by independent Non-Executive Directors?

**Verdict: Yes**

The Governance Committee serves the nominations function and will comprise four members following the 2026 Annual Meeting: David W. MacLennan (Chair, Lead Independent Director, 10 years), Michel D. Doukeris (0 years), Eric M. Green (3 years), and Tracy B. McKibben (10 years). Victoria J. Reich, who previously sat on this committee, is not standing for re-election. Under Delta Outcomes' independence rules, all four remaining members are classified as Independent. The committee therefore consists entirely of independent directors (100%), well exceeding the majority threshold. The Governance Committee leads all board refreshment activities, conducts annual CEO performance evaluations, and reviews corporate governance principles.

## 7. Is the overall Board Composition (specifically excluding any members elected by the employees (employee representatives) as Board members) at least two thirds independent Non-Executive Directors?

**Verdict: Yes**

Of the 13 directors following the 2026 Annual Meeting, nine are classified as Independent under Delta Outcomes' rules: Althoff, Ballard, Doukeris, Green, Gross, MacLennan, McKibben, Nowell, and Whalen. Four are classified as Not Independent: Beck (executive/CEO), Larson (13 years), Vautrinot (11 years), and Zillmer (19 years). There are no employee representatives to exclude. This gives an independence ratio of 9/13 = 69.2%, which exceeds the two-thirds (66.7%) threshold. The company reports 12 of 13 nominees as independent under NYSE listing standards; the difference reflects the application of Delta Outcomes' 10-year tenure rule, which is stricter than NYSE requirements. The overall board independence satisfies this criterion, albeit marginally.

## 8. Does the Board Composition (specifically excluding any members elected by the employees (employee representatives) as Board members) reflect a balanced mix of board tenures?

**Verdict: Yes**

The Board exhibits a well-balanced spread of tenures across all three bands. Six directors fall within the 0–5 year band (Althoff, Beck, Doukeris, Green, Gross, Whalen), four within the 5–10 year band (Ballard, MacLennan, McKibben, Nowell), and three in the over-10-year band (Larson, Vautrinot, Zillmer). No single band dominates to the exclusion of others, and the distribution ensures a blend of fresh external perspective, accumulated company knowledge, and long institutional memory. The 2026 proxy notes the deliberate addition of four new directors in 2024–2025 and the rotation of 80% of committee chairs since 2021, reflecting a proactive approach to board refreshment.

Name	Year Appointed	Years Served	Tenure Band
Judson B. Althoff	2024	1	0–5 years
Christophe Beck	2020	5	0–5 years
Michel D. Doukeris	2025	0	0–5 years
Eric M. Green	2022	3	0–5 years
Marion K. Gross	2025	0	0–5 years
Julie P. Whalen	2025	0	0–5 years
<b>Sub-total: 0–5 years</b>		<b>6 directors</b>	46% of Board
Shari L. Ballard	2018	7	5–10 years
David W. MacLennan	2015	10	5–10 years
Tracy B. McKibben	2015	10	5–10 years
Lionel L. Nowell III	2018	7	5–10 years
<b>Sub-total: 5–10 years</b>		<b>4 directors</b>	31% of Board
Michael Larson	2012	13	> 10 years
Suzanne M. Vautrinot	2014	11	> 10 years
John J. Zillmer	2006	19	> 10 years
<b>Sub-total: &gt; 10 years</b>		<b>3 directors</b>	23% of Board

## 9. Does the Board Composition (specifically excluding any members elected by the employees (employee representatives) as Board members) reflect a suitable diversity of skills, experience, age, and gender?

### Verdict: Yes

Gender diversity: Of the 13 directors, 5 (38%) are female (Ballard, Gross, McKibben, Vautrinot, Whalen) and 8 (62%) are male. This exceeds the 30% female representation widely cited as a meaningful governance threshold.

Age diversity: Director ages range from 52 (Doukeris) to 71 (Nowell), a 19-year spread with a median of approximately 62. This balances experience with energy and fresh perspective.

Skills diversity: The board collectively covers CEO experience (Beck, Ballard, Doukeris, Green, McKibben, Zillmer), accounting and financial expertise (Larson, MacLennan, Nowell, Whalen), global business operations (all 13 directors), science and innovation (Beck, Althoff, Green, McKibben, Vautrinot), digital and cybersecurity (Althoff, Vautrinot), supply chain and manufacturing (Green, Gross), water and energy (Beck, McKibben, Larson), and human capital management (Ballard, Gross, Green, MacLennan, McKibben, Zillmer).

Experience diversity: Directors bring backgrounds spanning technology (Althoff at Microsoft), consumer and hospitality (Ballard at Best Buy), global food and beverage (Doukeris at AB InBev, MacLennan at Cargill), pharma and life sciences (Green at West Pharmaceutical Services), supply chain (Gross at McDonald's), institutional investment management (Larson for Gates/Cascade), clean energy and environmental policy (McKibben), corporate finance and treasury (Nowell at PepsiCo), cybersecurity and military leadership (Vautrinot), technology and travel finance (Whalen at Expedia), and global food services (Zillmer at Aramark). This breadth is directly relevant to Ecolab's multi-sector portfolio.

## 10. Are all board members elected annually?

### Verdict: Yes

All 13 director nominees are proposed for election to a one-year term at the 2026 Annual Meeting of Stockholders, to hold office until the 2027 Annual Meeting or until their successors are elected. The company operates a majority voting standard in uncontested director elections: a nominee is elected only if votes cast for exceed votes cast against, and a director resignation policy is in place for any director who fails to receive a majority vote. Annual election of all directors is confirmed in the 2026 proxy statement.

## 11. Is an annual appraisal of the board's activities and effectiveness conducted, and are the results of this appraisal presented in the publicly available company reports?

### Verdict: Yes

Ecolab conducts a formal annual evaluation of the Board and all five of its committees. The process is led by the Governance Committee, which determines the format each year with input from directors; the format may vary year to year based on the needs of the Board. Results of each committee evaluation are discussed

by the respective committee, and the full Board reviews the results of both the Board and committee evaluations. The existence of this annual appraisal process is publicly disclosed in the proxy statement under "Board and Committee Evaluations." Both parts of the criterion are satisfied: an annual appraisal is conducted, and its existence and governance framework are disclosed in publicly available company reports.

## 12. Is Executive Remuneration fair, linked to performance, and long-term in nature such that it is sufficiently aligned with shareholders?

### Verdict: Yes

Fairness of quantum: CEO Christophe Beck received total direct compensation of \$17.4 million in 2025, representing a 12% increase over 2024 and positioned within the market median for a size-adjusted peer group of 21 companies. His base salary of \$1.39 million received a 3.5% merit increase in line with the company's broader employee salary increases. Given Ecolab's \$16 billion in revenue, \$74 billion market capitalisation, 48,000 employees, and operations in 170 countries, the pay quantum is reasonable relative to company size and sector norms.

Performance linkage: Annual cash incentives (MIP) for the CEO are 100% weighted to adjusted diluted EPS performance. In 2025, adjusted EPS reached \$7.53 versus a target of \$7.27, producing a 137% payout before application of the Growth & Impact modifier, which adjusts total MIP payout by up to ±10% based on water intensity reduction, employee engagement, and retention metrics, subject to a 200% cap. Other NEOs have measures covering adjusted EPS, business unit performance, enterprise performance, and individual strategic goals, creating differentiated accountability.

Long-term alignment: Long-term equity incentives account for at least 50% of total direct compensation, comprising 60% Performance-Based Restricted Stock Units (PBRsUs) and 40% stock options. The 2026–2028 PBRsUs use organic ROIC as the performance measure, incorporate a 200% maximum payout, and include a relative TSR modifier, directly aligning outcomes with long-term shareholder returns. The CEO holds shares worth 14.2x his base salary as at 31 December 2025, far exceeding the 6x ownership guideline. Robust clawback policies cover both misconduct and financial restatement scenarios.

## 13. Is there only a single class of the listed stock

### Verdict: Yes

Ecolab has a single class of listed common stock, traded on the New York Stock Exchange under the ticker symbol "ECL." The company has authorised 800 million shares of common stock (par value \$1.00 per share). In addition, 15 million shares of preferred stock are authorised but remain unissued and undesignated. There is no dual-class share structure, no differential voting rights, and no supervoting shares in issue. All common stockholders vote on a one-share-one-vote basis. There is no poison pill in place and the Certificate of Incorporation and Bylaws do not include supermajority voting requirements to amend.

## 14. Is management's Capital Allocation track record good?

### Verdict: Partial (Amber)

ROIC analysis: Return on Invested Capital is calculated as NOPAT (Operating Income multiplied by (1 – Effective Tax Rate)) divided by total Invested Capital (Total Debt plus Total Equity). Results for the five years to

31 December 2025 are set out in the table below. The cost of equity hurdle applied is 9%, consistent with Delta Outcomes' framework.

Year	Op. Income (\$M)	Tax Rate	NOPAT (\$M)	Total Debt (\$M)	Total Equity (\$M)	Inv. Capital (\$M)	ROIC
2025	2,737.6	17.8%	2,250.3	8,236.3	9,804.5	18,040.8	12.5%
2024	2,802.4	17.1%	2,323.2	7,564.9	8,789.2	16,354.1	14.2%
2023	1,992.3	20.6%	1,581.9	8,181.8	8,072.2	16,254.0	9.7%
2022	1,562.5	17.5%	1,289.1	~8,375	7,258.6	~15,634	8.2%
2021	1,598.6	19.1%	1,293.3	~8,647	7,253.1	~15,900	8.1%

Note: 2022 and 2021 total debt figures are estimated using reported long-term debt plus approximate current maturities. All figures in USD millions.

Over the five-year period 2021–2025, Ecolab's ROIC exceeded the 9% cost of equity threshold in three of five years (2023: 9.7%, 2024: 14.2%, 2025: 12.5%). In 2021 and 2022, ROIC fell below the hurdle at approximately 8.1% and 8.2% respectively, reflecting post-pandemic supply chain disruptions, elevated raw material and energy costs, and significant special charges. Management responded with sustained value pricing and productivity improvements, driving a record adjusted operating income margin of 18.0% in 2025 and organic operating income growth of 13% year-on-year.

Secondary assessment: Capital allocation discipline is further evidenced by the 34th consecutive annual dividend increase (12% increase in 2025), disciplined capital expenditure (\$1.05 billion in 2025), and strong free cash flow generation (\$2.95 billion operating cash flow). The company maintains investment-grade ratings from S&P, Moody's, and Fitch. The 2025 Ovivo Electronics acquisition is dilutive to near-term ROIC as the invested capital base expands, but adds long-term strategic value. The capital allocation track record is assessed as Partial (Amber): the recent recovery is impressive and returns are consistently above the hurdle from 2023 onwards, but the 2021–2022 dip below 9% prevents a full pass under the strict five-year consistency test.

## APPENDIX

### Governance Assessment Framework

Delta Outcomes Limited applies stringent requirements for corporate governance based on what we believe constitutes 'best practice' and ensures management teams act with integrity, follow sound corporate governance principles, and act on behalf of all shareholders. Key to these requirements is the independence of Board members, where our classification of non-independence includes the following:

- If the Board member represents a significant provider of financial capital to the company or a shareholder (5% plus or owns securities in the company, the value of which is material to the personal wealth of the director) or is an officer, employee or a representative of such a provider / shareholder
- A three-year cooling off period is recommended if the Board member had a material relationship with the company, e.g. was previously an audit partner / legal advisor to the company / an executive of the company
- Is a member of the Board of a significant customer of or supplier to the investee company
- Is a member of the Board of a related party to the investee company
- Is entitled to remuneration contingent on the performance of the organisation
- Has close family ties through the company's advisors, directors, senior employees or business relations
- Holds cross directorships with other directors through involvements in other companies, bodies or business enterprises
- Board member tenure of longer than 10 years (note that such directors may remain on the board provided that the majority (2/3) of the directors of the board remain independent)

The board should be composed of at least two-thirds independent directors in order to most effectively protect shareholders' interests. A mix of tenures facilitates board refreshment and succession planning by avoiding sudden or frequent turnover of directors. As a guideline, the recommended board tenure composition is given in the table below, but a reasonable mix across the three tenure categories is deemed appropriate.

Tenure	% of directors
1-5 years	30-40%
5-10 years	30-40%
10+ years	Less than 1/3 (to comply with the 2/3 Independence requirement)

### Governance Assessment score methodology

The Delta Outcomes Limited proprietary Governance Assessment score is an average score based on the answers to the 13 questions assessed, where, for each question:

Yes = 100%

No = 0%

## Important Information

Delta Outcomes Limited

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