

# Stock Story: Ecolab

December 2024

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Impact Director Edward Whitten explains how water management company Ecolab is applying over 100 years of expertise to benefit both its customers and the planet.

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**Edward Whitten:** There is nothing more precious to human life than water.

But how businesses extract and create value from water is increasingly in competition with the need of households to access safe and sufficient amounts of it.

The North American company Ecolab has spent over 100 years developing products and services that benefit both sides. Its primary mission is to help companies all around the world be better stewards of water – at the same time saving them resources and money.

Ecolab is perhaps best known for its hygiene and food safety services, but it is much more than a chemicals business. It works at over three million customer locations around the world, for companies big and small in industries ranging from food and beverages to mining, and from hospitality to manufacturing.

For Ecolab, it is by design, not chance, that the value it creates for customers also helps them reduce their environmental impact.

Often behind the scenes, Ecolab, and its subsidiary Nalco, provide solutions, grounded in chemistry, which, on average, help customers reduce water use by over 30 per cent. Water use is typically related to energy use, and so Ecolab also helps customers reduce greenhouse gas emissions.

But most importantly, these solutions help its customers reduce costs and achieve their financial objectives. This alignment between value and purpose is why Ecolab has been so successful for so many years, and we think it will continue to unlock growth opportunities among the company's existing client base, but also in new growth areas like datacentres and microelectronics.

For us, the key to any company's long-term success is in how it approaches its customer relationships. It's how a company proves its worth – not just at the point of sale, but also how it adds more value over time and achieves pricing power.

In isolation, interventions are important but make a small dent in the global challenge of managing freshwater use and climate change. But incremental changes delivered at the scale Ecolab has achieved, mean big numbers and bold targets.

By 2030, the company plans to help customers save over 300 billion gallons of water annually, or enough to meet the annual drinking water needs of one billion people.

Growing expectations that businesses must reduce their environmental impact, as well as the age-old need for businesses to improve their bottom lines, mean that, as it enters its second century, there has never been a more exciting time to be invested in Ecolab.

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