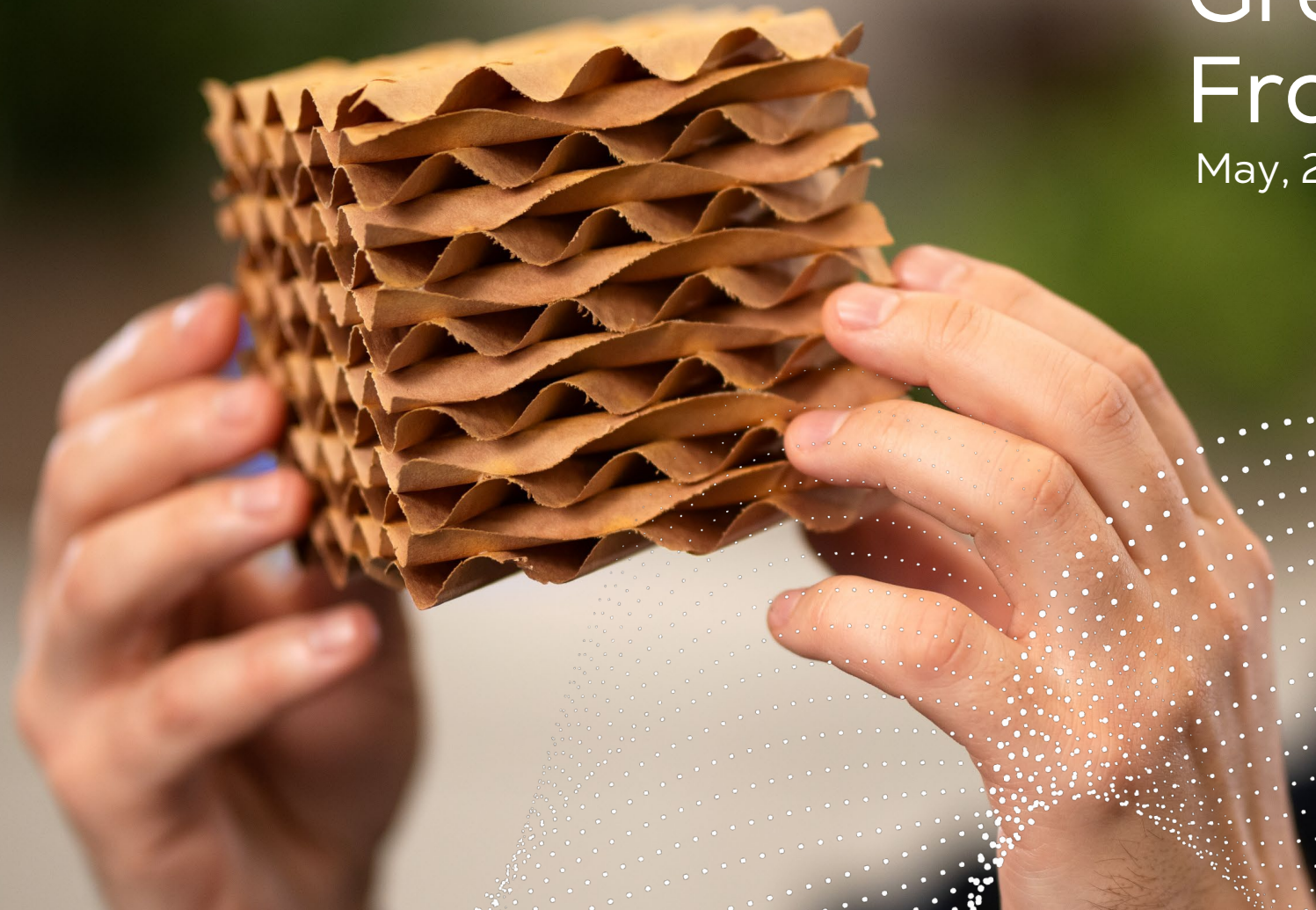


Green Bond Framework

May, 2025

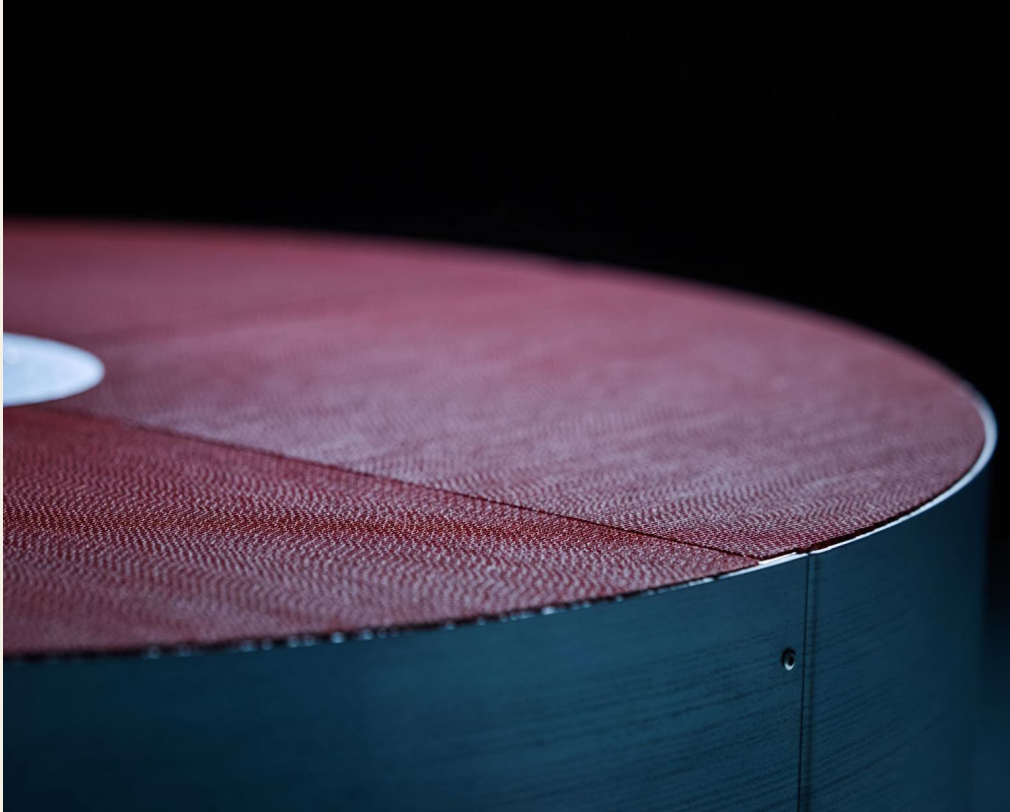


Contents

1. Introduction.....	3
About Munters.....	3
Sustainability at Munters.....	4
Managing sustainability.....	7
2. Green Bond Framework.....	8
Use of Proceeds.....	9
Process for project Evaluation and Selection.....	11
Reporting.....	13
3. External review.....	14
Pre-issuance review.....	14
Post-issuance reivew.....	14



Introduction



About Munters

Munters Group AB (publ) ("Munters", "Company", "us", "we") is a global leader in climate control solutions for mission-critical processes. Through innovative technologies, we create the most optimal climate for demanding industrial and agricultural applications where controlling humidity, temperature and air quality is mission-critical. By offering cutting-edge climate control systems we assist our customers in a wide range of industries, from battery and pharmaceutical to data center cooling and food production.

With our innovative and efficient products and solutions, we secure their operations and production quality as well as limit the use of energy and water.

Munters Group AB is listed on Nasdaq Stockholm since 19 May 2017.

Sustainability at Munters

Sustainability is at the heart of our operations. We contribute to sustainable development through our offering of *energy-efficient climate solutions*. We ensure the sustainability of our business by setting ambitious goals, not only financial, but also regarding emissions reduction, resource efficiency, diversity, safety, and ethical business practices.

Munters has three overarching directions for its sustainability work: [Environment and resource efficiency](#), [Society and people](#), and [Governance and responsible practices](#).



Sustainability at Munters

Environment and resource efficiency

Munters aims to offer sustainable products, solutions, and services that enable our customers to improve their resource and energy efficiency. We strive for reduced emissions and a smaller climate footprint throughout our value chain.

We commit to providing our customers with energy and resource-efficient products and solutions that help them reduce their environmental impact and carbon footprint. Our service offerings can extend the life span of products.

Through responsible production and work process optimization, we aim for efficient resource use, emission reduction, increased recycling rates, and limited water usage.

Our goal is to reduce carbon dioxide emissions across our entire value chain and in 2024, we committed to near term targets for reduction of Scope 1 & 2 and relevant Scope 3 categories in line with the Paris Agreement 1.5C scenario as validated by the Science Based Target initiative. The overwhelming majority or 99% of all upstream and downstream emissions come from the use of sold products, category 3.11. Therefore, Munters has concentrated its Scope 3 target and transition plan to this category. However, in line with being a responsible business, we also work actively to reduce emissions in other categories, through continuous innovation and development, efficient transportation, reduction of waste and responsible choices of materials and suppliers.

Goals:

- Reduce Scope 1 & 2 emissions by 42% by 2030, from the base year 2023 in line with the Paris Agreement 1.5C scenario as validated by the Science Based Target initiative
- Reduce emissions in Scope 3.11 by 51.6% per unit sold by 2030, from the base year of 2023, in line with the Paris Agreement 1.5C scenario as validated by the Science Based Target initiative
- All production facilities operational in 2020 to be certified according to ISO 9001, 14001 and 45001 by 2026, with more recently acquired production facilities to follow after integration
- Continuously reduce the use of electricity in relation to the production value in our factories



Sustainability at Munters

Society and people

We believe employee engagement is the foundation of business success. A diverse and inclusive workplace unlocks innovation. Fostering a workplace culture that recognizes different viewpoints, promotes collaboration, and supports opportunities for personal growth creates more value for our customers' businesses and our own. Employee health and well-being are essential, and we aim to achieve a zero-accident workplace. Through collaborative efforts, we actively contribute to the betterment of our local communities.

Goals:

- No accidents shall occur in the workplace by 2030
- No deaths due to workplace accidents
- Proportion of female employees: Increase the proportion of employees who are women to 30 percent by 2030
- Proportion of female managers: Increase the proportion of salary-setting managers who are women to 30 percent by 2030

Governance and responsible business practices

The foundation of an ethical and long term business is compliance with laws and regulations. By acting ethically and with respect for human rights, we create credibility and strong relationships. We require our business partners to adhere to the same business ethics guidelines we have committed ourselves to.

Goals:

- All employees are to undergo training in the Code of Conduct at least every other year. Newly hired employees are to be trained when employment begins
- 100 percent of our major suppliers to sign the Supplier Code of Conduct



Managing sustainability

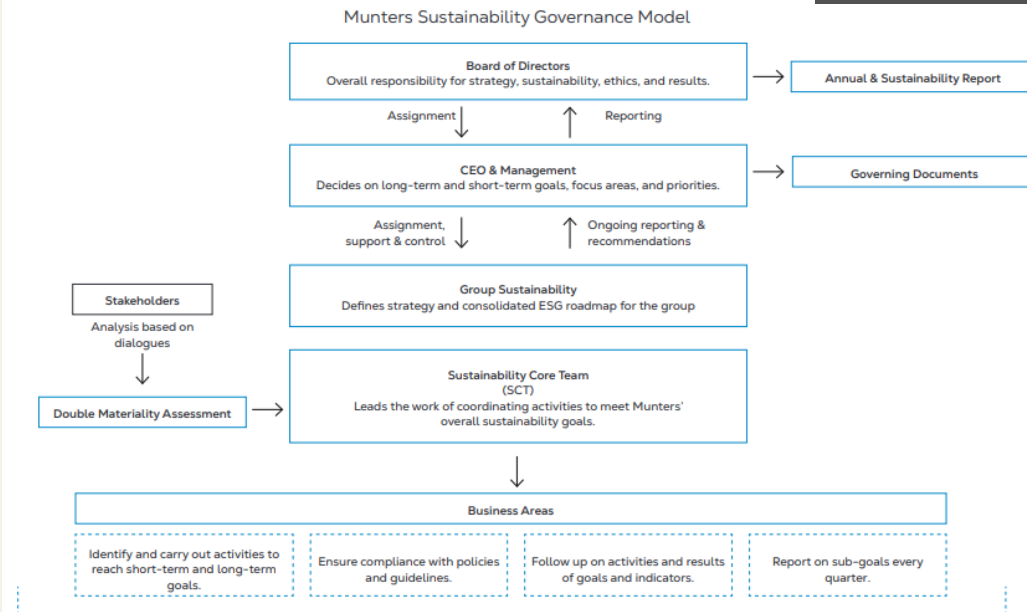
As a global actor and partner for climate solutions, we demonstrate responsible leadership by developing our products and services to be energy and resource-efficient. By promoting collaborations, exploring new ideas, and reducing our climate impact throughout the value chain, we contribute to a healthier planet and create value for society. Sustainability work is integrated into all parts of the business strategy.

We are a committed participant of the UN Global Compact (UNGC) and its Ten Principles on human rights, labour, environment and anti-corruption. Since 2020, we have reported on our sustainability performance annually in line with the UNGC's Communication of Progress process.

Our reporting shows how we implement the ten principles and support broader UN goals. Munters' other sustainability ratings, reviews and commitments can be found on our website.

The Board of Directors is ultimately responsible for Munters business model, governance structure and business strategy. Sustainability, including environment, social and governance aspects, is fully integrated into Munters business strategy. Munters President and CEO is responsible for the execution of the strategic priorities including target setting and follow up of all strategic and financial goals and KPIs. Munters Group Management executes the business strategy, including environmental, social and governance aspects, and follow up on decided targets.

Strategy and policy documents are decided by the Board of Directors and the Group Management once a year and are available on Munters intranet. The Board of Directors also reviews and approves the Annual and Sustainability Report.



Code of Conduct

Our employees and suppliers must sign and adhere to the Munters Codes of Conduct and Munters Supplier Code of Conduct, based on the UN Global Compact's ten principles on human rights, labor, the environment, and anti-corruption. We monitor and report compliance each year to our Board of Directors. We also encourage our employees, suppliers, and customers to report unethical behavior, such as forced labor and human trafficking. To demonstrate our position on this issue, we are committed to complying with Section 54 of the Modern Slavery Act 2015.

Green Bond Framework

Munters has a business model aimed at offering innovative, high-quality, and energy efficient solutions for air treatment and indoor climate to businesses that need precise air and climate control. To deliver long-term sustainable value growth towards a carbon-neutral economy, Munters works with purpose-driven innovation and process and method optimization. This Green Bond Framework ("Framework") is established to support us on this mission.

The Framework is done in alignment with the 2021 version of the Green Bond Principles (GBP), including the updated Appendix I of June 2022¹. In addition, we have taken into account market developments, voluntary standards and recent regulatory developments in the preparation of this Framework.

The four core components of Green Bond Principles are:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

This Framework is applicable for issuance of green bond instruments where an amount equal to the net proceeds will be applied to finance or re-finance, in part or in full, new and/or existing expenditures and assets with clear environmental benefits, as defined in this Framework ("Green Financing").

EU Taxonomy

The European Union (EU) Taxonomy regulation (the "EU Taxonomy") is a green classification system that translates the EU's climate and environmental objectives into criteria for specific eligible economic activities aimed at directing capital towards sustainable investments. The Use of Proceeds section builds upon two primary objectives; climate change mitigation and transition to a circular economy. Our products and services reduce environmental impacts through energy efficiency and reduction of emissions and advance circularity by extending products' lifetime.



¹The Green Bond Principles are published by the International Capital

Use of Proceeds

An amount equivalent to the net proceeds from our Green Financing will be used to finance or re-finance, in part or in full, Green Assets and Expenditures (as defined in the table on section Use of Proceeds). The environmental objectives are 'climate change mitigation' and 'transition to a circular economy' through provision products and solutions that increase environmental efficiency by, for example, reduce energy consumption and enhance environmental performance by carbon savings, and advance circularity by extending products' lifetime.

Financing and refinancing of tangible assets, intangible assets, capital expenditure (with no specific age restriction) and operational expenditure (with up to three (3) year lookback period before the issuance of any Green Financing) can qualify. The combined allocated amount to a specific asset or expenditure, by one or several sources of financing through eligible use of proceeds, may not exceed its value.

We currently operate in approximately 40 countries. This Framework and listed Green Assets and Expenditures cover all of our operations.

Exclusions

The eligibility criteria outlined in this Framework aims to support and enhance transparency. The proceeds of Munters' Green Assets and Expenditures will not be used to (re-)finance investments in products or equipment that are driven or powered by fossil fuels in addition to products, equipment or technology that are designed or intended for fossil fuel operations.





Use of Proceeds

ICMA GBP Green Project Category: Climate Change Mitigation	Contribution towards European Union Environmental Objective: Climate Change Mitigation
<p>Munters provides climate control products, services and solutions to control humidity, temperature and air quality in a wide range of industries and infrastructure. These climate control products, services and solutions support companies to reduce energy consumption and enhance environmental performance by carbon savings – enabling Munters' customers' green transition. Investments into the Climate Change Mitigation category may include investments into property, plants and equipment, technologies, R&D and capital investments which meet at least one of the below eligibility criteria:</p>	
<ol style="list-style-type: none"> Capital and operating expenditures related to activities fully aligned with the Technical Screening Criteria defined in the Climate Delegated Act of EU Taxonomy, such as; <ol style="list-style-type: none"> 3.5 Manufacture of energy efficiency equipment for buildings, 3.6 Manufacture of low carbon technologies, 8.2 Data-driven solutions for GHG emissions reductions Capital and operating expenditures related to eligible activities for the Technical Screening Criteria defined in the Climate Delegated Act of the EU Taxonomy, which fulfil substantial contribution criteria linked to either; <ol style="list-style-type: none"> 3.5 Manufacture of energy efficiency equipment for buildings, 3.6 Manufacture of low carbon technologies, 8.2 Data-driven solutions for GHG emissions reductions Assets, capital and operating expenditures in relation to; <ul style="list-style-type: none"> Installation of renewable energy technologies in the form of solar photovoltaic systems for the purpose of self-generated electricity Electrification of fossil-driven processes within Munters' operations with the requirement of 100% renewable electricity sourcing 	

ICMA GBP Green Project Category: Circular economy adapted products, production technologies and processes	Contribution towards European Union Environmental Objective: Circular Economy
<p>Munters' service offerings help optimize energy use and extend the lifespan of their products. By carrying out repair, refurbishment or upgrades. Munters extends the product's lifespan and/or ensures high energy efficiency. Investments into the Circular economy adapted products, production technologies and processes category may include investments into property, plants and equipment, technologies, R&D and capital investments which meet at least one of the below eligibility criteria:</p>	
<ol style="list-style-type: none"> Capital and operating expenditure related to activities fully aligned with the Technical Screening Criteria defined in the Climate Delegated Act of EU Taxonomy, such as; <ol style="list-style-type: none"> 5.1 Repair, refurbishment and remanufacturing Capital and operating expenditures related to eligible activities for the Technical Screening Criteria defined in the Climate Delegated Act of the EU Taxonomy, which fulfil substantial contribution criteria linked to; <ol style="list-style-type: none"> 5.1 Repair, refurbishment and remanufacturing 	

Process for Project Evaluation and Selection

The evaluation and selection process for eligible Green Assets and Expenditures is a key in ensuring that an amount equal to net proceeds from Green Financing is allocated to assets and expenditure that meet the criteria in this Framework.

The Green Project evaluation and selection process follows Munters' sustainability management principles and targets, which are strategy driven and based on our core values, Sustainability Policy, Code of Conduct, Supplier Code of Conduct and other sustainability-related group policies, as well as the procedures, instructions and guidelines associated with these policies.

To oversee the selection of eligible Green Assets and Expenditures, a Green Bond Committee has been established with members from CFO, VP Group Strategy & Business Control, Head of Treasury and VP of Sustainability. All decisions are made in consensus; however, the CFO holds veto right on decisions related to the definitions of eligible Green Assets and Expenditures.

Green Bond Committee will convene when necessary, and at least once a year to validate and report eligible Green Assets and Expenditures and will keep track of all decisions made.

The Committee will continuously exercise its professional judgement, discretion and sustainability expertise when identifying and evaluating the Green Assets and Expenditures.

The Green Bond Committee holds following responsibilities:

- Any Green Bond Committee member may propose potential assets and/or expenditures to be evaluated in alignment with this Framework and Munters' Sustainability Policy
- The Green Bond Committee confirms, with the help of other Munters units where necessary, that proposed potential assets and/or expenses are eligible and aligned with the criteria in this Framework
- If necessary, the Green Bond Committee may escalate decisions to Munters' Group Management
- The Green Bond Committee is responsible for the maintenance of this Framework



Management of Proceeds

Amount equal to the net proceeds from Munters Green Financing will be tracked by Group Treasury using a register where all issued amounts of green debt instruments and underlying Green Assets and Expenditures will be monitored (“Green Debt Register”). The purpose of the Green Debt Register is to ensure that an amount equal to the Green Financing net proceeds only support the financing or refinancing of Green Assets and Expenditures.



Munters will maintain a possibility to choose, at our own discretion, the most suitable allocation method for any Green Financing net proceeds. Commonly used approaches, as described in the Green Bond Principles, are based on a portfolio approach and gradual approach. Munters will maintain high level of transparency in reporting to investors and will always state the chosen allocation method at the latest in connection to the first allocation and impact reporting of each Green Financing instrument. Munters will ensure full allocation of proceeds at each individual Green Financing instrument’s maturity or redemption/repayment at latest, in line with EU Green Bond Regulation’s² approach.

The list of Green Assets and Expenditures is monitored always at issuance of Green Financing, and at least annually thereafter ensure that the proceeds are sufficiently allocated to eligible Green Assets and Expenditures. Assets and expenditures can, if deemed by Green Bond Committee to not fulfil eligibility criteria, be removed or added to/from the Green Debt Register.

Temporary holdings

There may be periods where the net proceeds of Green Financing have not yet been fully allocated to Green Assets and Expenditure. Any unallocated proceeds will be placed in the liquidity reserve, consisting of cash and cash equivalents, and are managed in accordance with our liquidity management policy.

². https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202302631

Reporting

To enable investors, lenders, and other stakeholders to follow the development of the assets and expenditure (re-)financed by Green Financing, a dedicated or investor report will be made available on our website ("Green Bond Report"). First such report will, subject to the timing of inaugural Green Financing instrument issuance, cover either i) rolling 12-month period from issuance or ii) the ongoing financial year.

The Green Bond Report will be published either as a stand-alone document or it may be integrated into our Annual Review or Financial Statements. The Green Bond Report will include information about allocation and impact of proceeds.

Impact of proceeds will be published annually as long as there are Green Financing outstanding and depending on reporting method, information on allocation will be reported until full allocation of proceeds.

Each Green Financing instrument will have at least one Green Bond Report available during its lifetime, and multiple Green Bond instruments may be combined in one Green Bond Report.

Allocation reporting

Information included in the allocation section shall include at least:

- Total amount (SEK and/or other currencies) of Green Financing outstanding during the reporting period
- Share of proceeds used for refinancing and financing
- Share of unallocated proceeds (if any)
- Chosen allocation method (portfolio or bond-by-bond)
- Distribution of allocated proceeds between each eligible category listed in this Framework

Impact reporting

The impact report includes metrics related to the environmental impacts of our eligible Green Assets and Expenditures financed under this Framework. Given the enabling nature of our products and solutions, the impact report is dependent on the data collected from end-customers, and calculations will be made on a best effort basis, potentially relying on estimates, with used methodologies always explained. The impact report will include at least one of the below listed metrics:

- Climate change mitigation: EU Taxonomy reporting, environmental impacts through solutions and products provided, such as estimated CO2 emission reductions or energy efficiency improvements
- Circular economy adapted products, production technologies and processes: EU Taxonomy reporting, descriptions of selected projects in which life cycle of customers products have been extended, descriptions of gained life cycle benefits

External Review

Pre-issuance review

To confirm the transparency, robustness and alignment with market standards of this Framework, we have engaged Moody's Ratings to act as an external reviewer of this Green Bond Framework. Amongst other things, the independent Second Party Opinion by Moody's Ratings confirms the alignment of this Framework with the Green Bond Principles set out in 2021 by ICMA. This Framework and the Second Party Opinion will both be publicly available under the investors section on Munters' website. Munters shall acquire new Second Party Opinion in connection to any potential update to this Framework, and shall publish both updated documents on Munters' website.

Post-issuance review

Allocation of proceeds shall be subject to an external auditor's review annually until full allocation or if material re-allocation is done for already allocated amounts. We may publish external review in connection to the Green Bond Report or the external review may be included as a part of our Annual Review or Financial Statements.



