



# **2014 Sustainability Report**



**Munters Corporation**  
**Buena Vista, Virginia Factory**

225 South Magnolia Road.  
Buena Vista, Virginia 24416

Date: 12-31-2014

## **“We take our Corporate Social Responsibilities seriously.”**

As a global leader in energy efficient air treatment solutions, we at Munters take our Corporate Social Responsibility seriously. We understand how we impact the world we all live in.

This is why at Munters we work every day to create “Your Perfect Climate”. For our customers we provide products and solutions that reduce their energy consumption. This contributes to the reduction of the world’s emissions.

In our manufacturing we have a sustainable approach, focusing on efficient usage of natural resources, while reducing and recycling our waste. Because at Munters, one of our core values is to think “there is always a better way”.

We have made significant improvements but we pledge to always seek opportunities to improve our products as well as our manufacturing practices.

Munters will continue to be a part of creating a sustainable future for everyone.

**John-Peter Leesi**

CEO, Munters AB

## 2014 Objectives & Targets Summary

*EH&S Corporate Objectives for manufacturing sites: (baseline 2013, target EOY 2015)*

### Corporate Objective #1

Implement or refine an *Environmental, Health, & Safety Management Program*

**Target:** Refine the current EH&S Program(s) and further integrate into our daily business management systems.

**Result:** Steps taken to update EH&S Programs. Implementation of programs will begin in 2015.

### Corporate Objective #2

Drive continuous improvements through a prioritized *EH&S Facility Risk-Aspect List*

**Target:** To assess, select and prioritize our EH&S Risk-Aspects and drive risk reduction within each chosen aspect. Risk reduction shall be measured by the aspect scoring system.

**Result:** Assessments, selection and priorities completed. The implementation of improvements will begin in 2015.

### Corporate Objective #3

Reduce *TRIR Rate* by 10% (*e.g. outside medical treatment, lost work days, restricted duty*)

**Target:** Reduce our 2013 TRIR Rate from 6.53 to 5.87 by improving our injury root cause analysis process and our corrective actions effectiveness, with emphasis on injury trends.

**Result:** 2014 ended with a higher than expected TRIR of 7.3. (an 11.8% increase), A review of past recordable incidents has been tabulated and action plans developed to reduce recordable incidents by 50%

### Corporate Objective #4

Reduce *Energy / Resource Use* (*e.g. electricity, natural gas, propane, diesel, oil, water*)

**Target:** Reduce electricity use throughout our administration and manufacturing facilities through curtailment practices, more efficient machinery, and refined lighting and HVAC use.

**Result:** Curtailments implemented and light fixture bulb reduction completed. Target completed.

### Corporate Objective #5

Reduce *Water* consumption and/or waste of processes or factory (*reduces, reuse, recycle or capture*)

**Target:** Reduce municipal water use by means of implementing water capturing methods and establishing more efficient use of water within our production process.

**Result:** A 15,000 gallon tank of non-potable water is recycled / reused for leak testing of the evaporative cooling units in the test area.

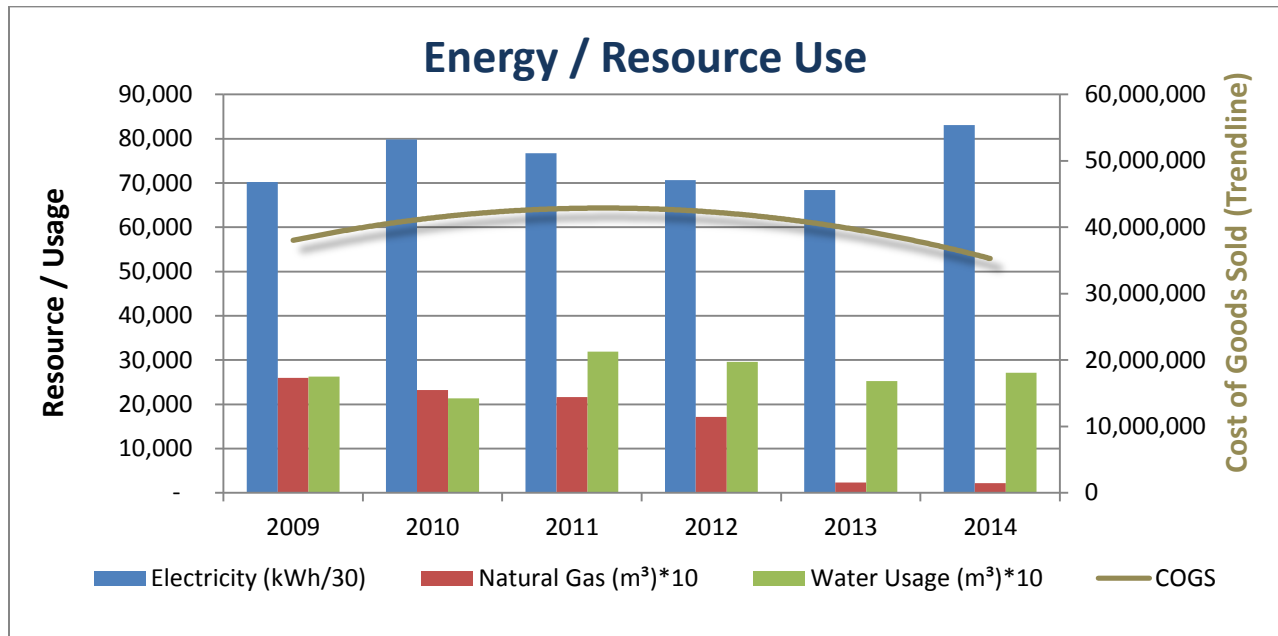
### Corporate Objective #6

Reduce *Non-Recycled* type waste (*non-recycled wastes, reduce, reuse or recycle*)

**Target:** Redirect our non-recycled wood waste to a wood recycle center. Further reduce wood waste by using reusable containers with suppliers.

**Result:** Our supplier that provides us with sheet metal delivers that stacks on material on wood pallets. Once the material is consumed our supplier re-uses the wood pallets for the next delivery of sheet metal.

## Performance Data Summary



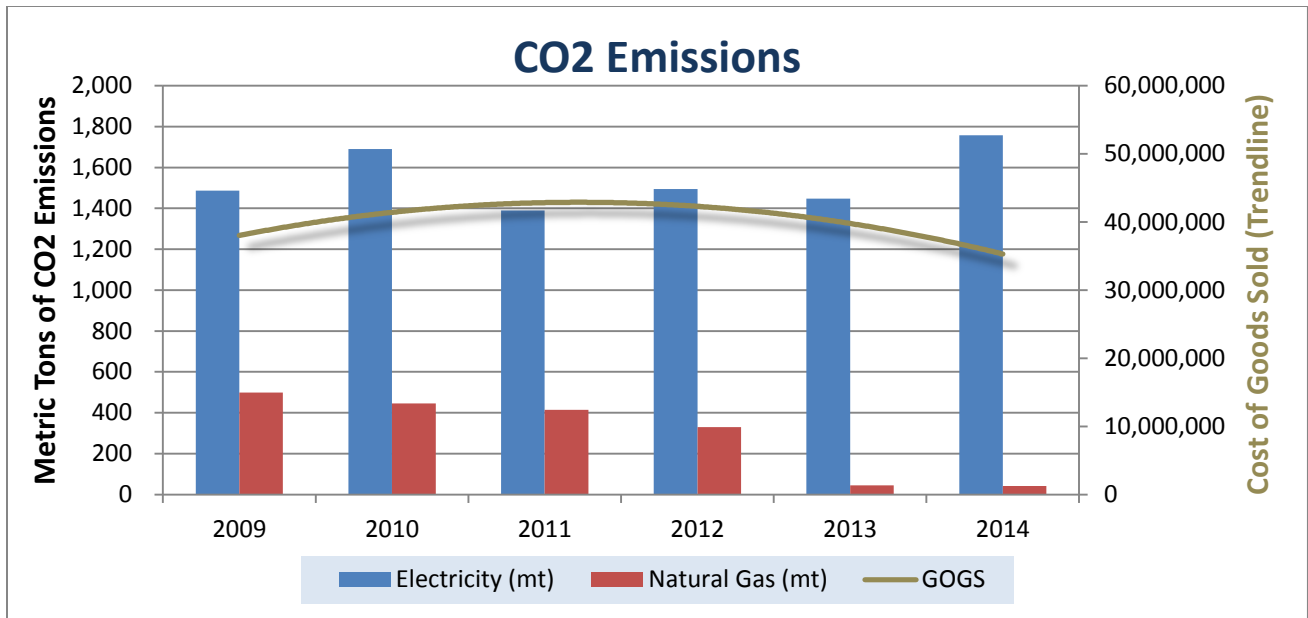
Resource / Usage	2009	2010	2011	2012	2013	2014
Electricity (kWh/30)	70,208	79,856	76,750	70,640	68,400	83,040
Natural Gas (m³)*10	26,002	23,229	21,617	17,161	2,306	2,213
Water Usage (m³)*10	26,250	21,325	31,928	29,608	25,226	27,158
Cost of Goods Sold	41,191,000	32,586,000	48,401,000	46,900,000	33,373,000	37,217,000

**Notes:**

- \* Trend line represents finish goods / Cost of Goods Sold (COGS)
- \* All data is raw, not normalized: therefore increases are due to thruput increases unless otherwise noted.

**Summary:**

In 2014 Munters VA is getting estimated costs for high efficiency lighting to help reduce electricity costs. Our compressed air system is a big part of our electricity use, so we will also be rolling out a plan later in the year to work on our compressed air system (Air lines specifically) to fix leaks which will help our compressor to not have to run as much leading to less electricity use. We will also watch and learn from our Texas plant to see if there is a more efficient compressed air system that uses less electricity. We will continue to participate in the energy curtailments with Enernoc in 2014-2015.



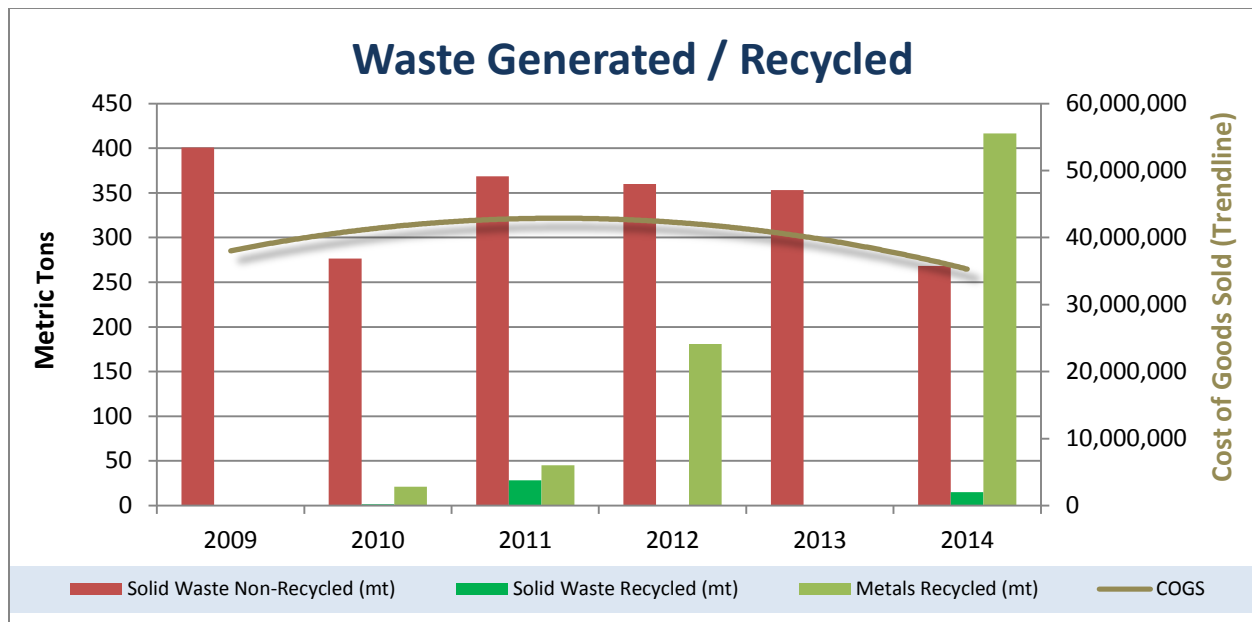
CO2 Emissions	2009	2010	2011	2012	2013	2014
Electricity (mt)	1,486	1,690	1,389	1,495	1,448	1,758
Natural Gas (mt)	499	446	415	329	44	42
Total CO2 Emissions (mt)	1,985	2,136	1,804	1,824	1,492	1,800
Cost of Goods Sold	41,191,000	32,586,000	48,401,000	46,900,000	33,373,000	37,217,000

**Notes:**

- \* Trend line represents finish goods / Cost of Goods Sold (COGS)
  - \* All emissions calculated through EPA's emission calculators (mt/CO2)
- <http://www.epa.gov/cleanenergy/energy-resources/calculator.html>

**SUMMARY:**

Munters' Virginia largest contributor to CO2 emissions is electricity and gas for heating. For this reason we focus our emission improvement targets towards reducing electricity needs of our lighting. Efforts can be seen from a Natural Gas aspect, but most gains are from warmer than normal winters.



Waste Recycled	2009	2010	2011	2012	2013	2014
Solid Waste Non-Recycled (mt)	401	277	369	360	353	268
Solid Waste Recycled (mt)	0	1	28	0	0	15
Metals Recycled (mt)	0	21	45	181	0	417
Cost of Goods Sold	41,191,000	32,586,000	48,401,000	46,900,000	33,373,000	37,217,000

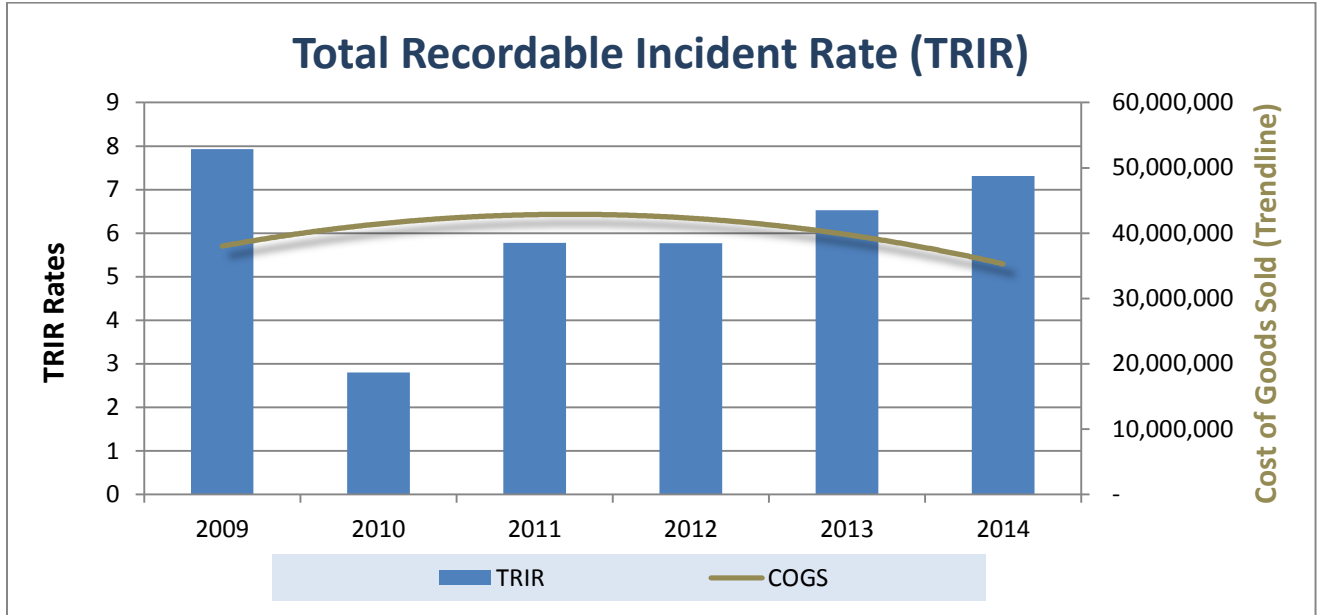
**Notes:**

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- \* All data is raw, not normalized; therefore increases are due to throughput increases unless otherwise noted.

**Summary:**

Data was not tracked during 2012 and 2013 for recycled solid waste. We implemented (Starting Jan 2014) tracking for this metric. One of our larger remaining non-recycled waste streams is our wood waste from packaging and crating. We will develop plans for implementing the process (Sorting) to recycle wood waste in 2014-2015. Currently, there is no demand for recycled wood. Our supplier for sheet metal delivers material on wood skids that are reused and when the skids become too damaged to repair they are either cut up for employees to use in wood stoves or discarded in to a wood hopper and sent to the land fill.

## Safety & Health Performance



Safety Rates	2009	2010	2011	2012	2013	2014
TRIR	7.93	2.8	5.78	5.77	6.5	7.31
Cost of Goods Sold	41,191,000	32,586,000	48,401,000	46,900,000	33,373,000	37,217,000

**Notes:**

\* Trend line represents finish goods / Cost of Goods Sold (COGS)

\*TRIR Industry Average (US) = 5.9 (Based on BLS 2011 Q1 NAICS tables – 333415 /50-250)

**Summary:**

2014 ended with a higher than expected TRIR of 7.3 (an 11.8% increase). A review of past recordable incidents has been tabulated and action plans developed to reduce recordable incidents by 50%. The Plant is investigating a number of improvements for material handling. i.e. lifting and transporting parts and equipment (carts). In addition, investments are being made to improve fall protection.