



2015 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

2015 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: Means and Measurements completed. We updated and implemented new SOPs to maintain compliance with our new Air Emission Permits, Stormwater Pollution Prevention Plan and other regulatory requirements.

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: Considerable progress was made with full implementation of our SWPPP. The results of an audit of our facility from the Virginia Department of Environmental Quality showed that we are in compliance with the regulations. Progress was made towards meeting the targets in the Welding area and with our Hearing Conservation program. Further improvements are targeted for 2016.

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: Target was achieved. 2015 ended with a TRIR of 4.76 which exceeded the initial goal of 5.87 (27% reduction)

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: Targets met. We continue participation with curtailment practices and light bulb reduction plan. Capital plans for LED lighting upgrade for the plant scheduled for 2016.

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. A system for capturing the water for the floor leak testing has been built and is being implemented.

Corporate Objective #6

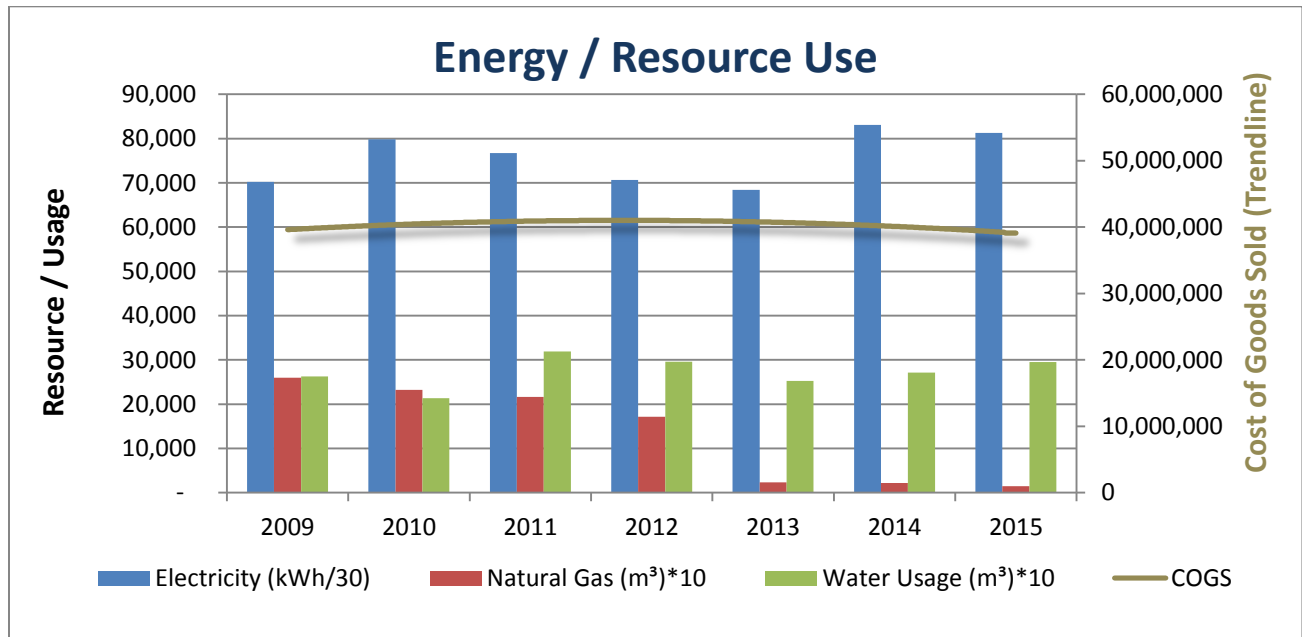
Reduce **Non-Recycled** type waste (*non-recycled wastes, reduce, reuse or recycle*)

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

Result: Recycling collection areas are set up throughout the facility for cans, plastic and paper. A group of employees has taken on the responsibility of taking the recyclables to the recycling center in town. Jemison, our supplier of sheet metal has reduced the number of wood pallets used to ship sheet metal to us by “kitting” the material. In addition they are reusing the wood pallets once we have consumed the material. BASF, reuses the 250 gallon metal containers to provide us with the foam for our foam injection and foam spray processes.

Performance Data Summary

Environmental Performance Data



Resource / Usage	2010	2011	2012	2013	2014	2015
Electricity (kWh/30)	79,856	76,750	70,640	68,400	83,040	81,280
Natural Gas (m³)*10	23,229	21,617	17,161	2,306	2,213	1,453
Water Usage (m³)*10	21,325	31,928	29,608	25,226	27,158	29,530
Cost of Goods sold	32,586,000	48,401,000	46,900,000	33,373,000	37,217,000	42,323,000

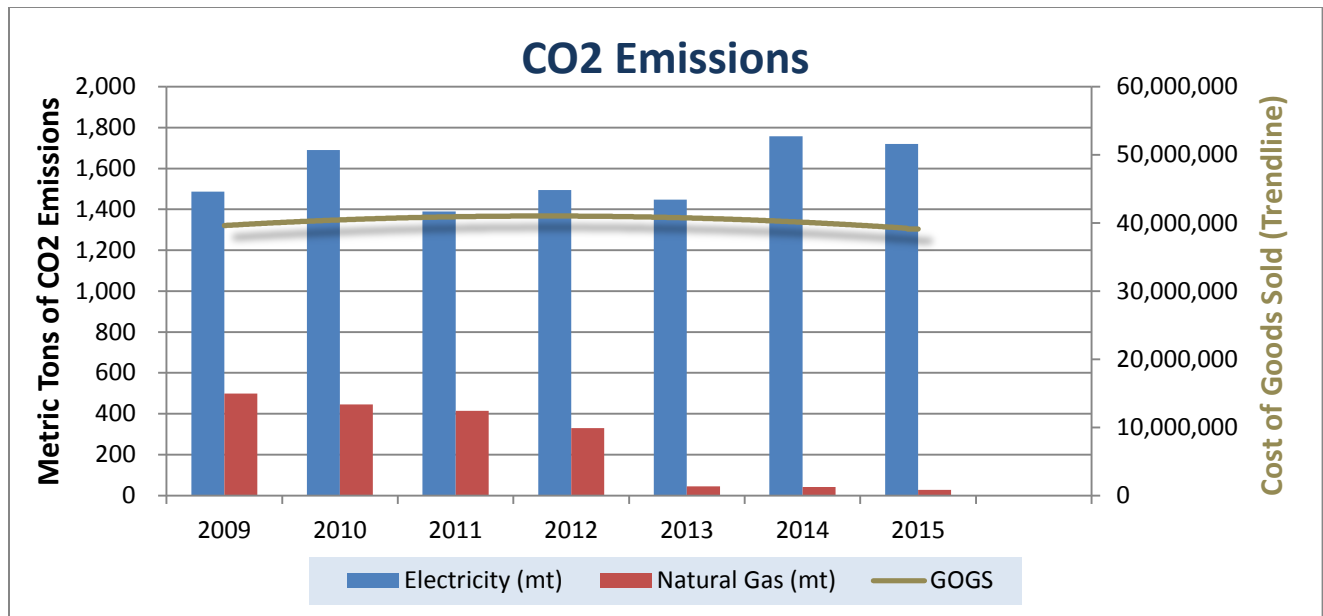
Notes:

* Trend line represents finished goods / \$\$\$ manufactured. (COGS) Cost of Goods Sold or Units Manufactured.

* All data is raw, not normalized: therefore increases are due to thru put increases.

Summary:

In 2015 Munters Virginia continues to participate in the energy curtailments with Enernoc. We are still pursuing a capital project to reduce electricity cost with replacing current HID and fluorescent lighting with new efficient LED lighting. In addition we are looking at other means to reduce electricity. Our compress air system, comprised of two air compressors could reconfigured to provide more efficient use during second shift operations and continue fixing airline leaks as they occur.



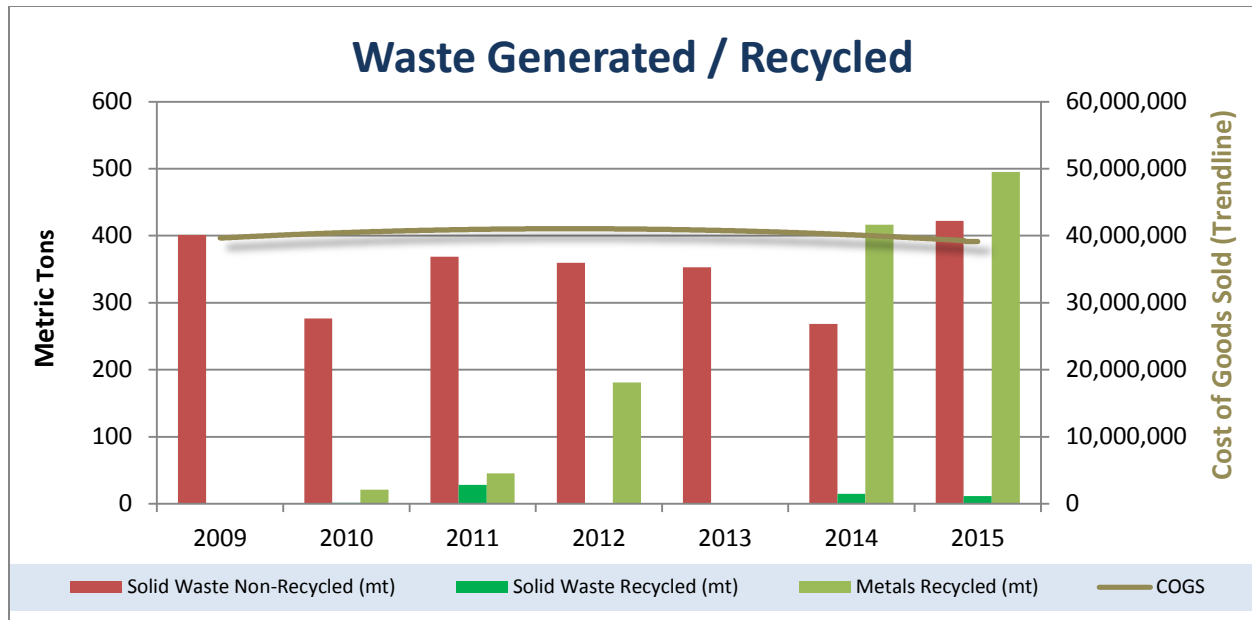
CO2 Emissions	2010	2011	2012	2013	2014	2015
Electricity (mt)	1,690	1,389	1,495	1,448	1,758	1,720
Natural Gas (mt)	446	415	329	44	42	28
Total CO2 Emissions (mt)	2,136	1,804	1,824	1,492	1,800	1,748
Volume Trend line						
Cost of Goods Sold	32,586,000	48,401,000	46,900,000	33,373,000	37,217,000	42,323,000

Notes:

- * Trend line represents finished goods / \$\$\$ manufactured. (COGS) Cost of Goods Sold or Units Manufactured.
- * All data is raw, not normalized: therefore increases are due to thru put increases unless otherwise noted.
- * 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. We lower thermostats during off hour in the plant, but most gains are from warmer than normal winters.



Waste Recycled	2010	2011	2012	2013	2014	2015
Solid Waste Non-Recycled (mt)	277	369	360	353	268	422
Solid Waste Recycled (mt)	1	28	0	0	15	12
Metals Recycled (mt)	21	45	181	0	417	495
COGS	32,586,000	48,401,000	46,900,000	33,373,000	37,217,000	42,323,000

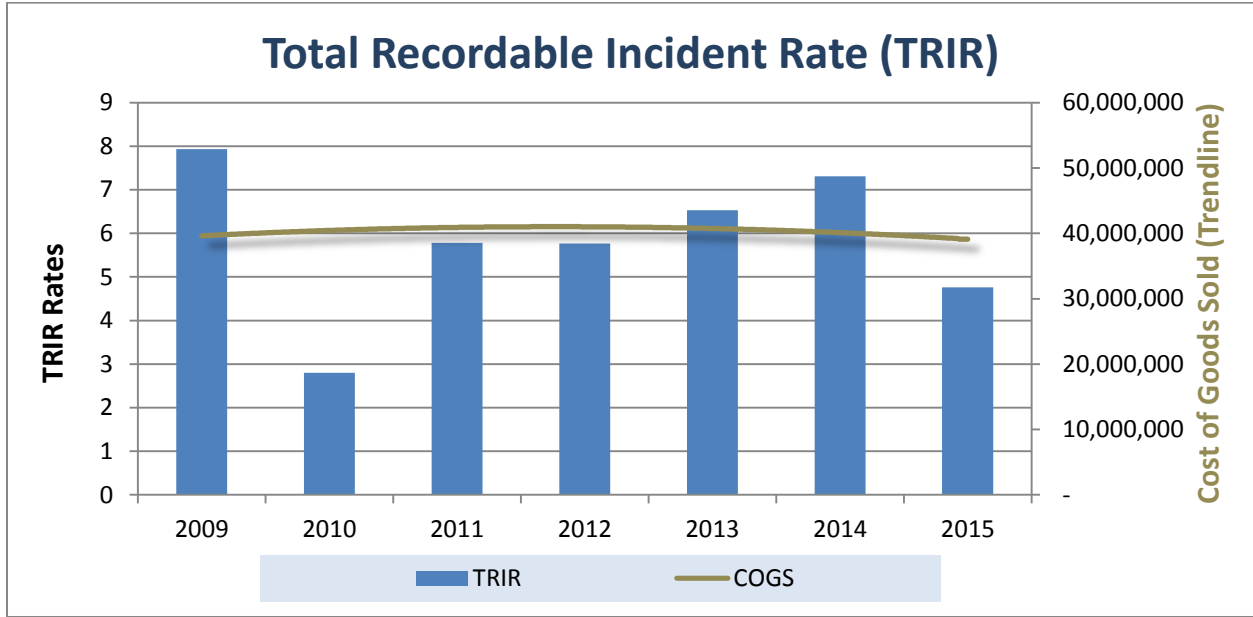
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Summary:

Munters Virginia is doing a better job of recycling our drop and scrap metals from our metal fabrication processes. We have recycling collection areas set up throughout the facility for cans, plastic and paper. A group of employees has taken on the responsibility of taking the recyclables to the recycling center in town. Jemison, our supplier of sheet metal has reduced the number of wood pallets used to ship sheet metal to us by “kitting” the material. In addition they are reusing /recycling the wood pallets once we have consumed the material. BASF, provides us with reusable 250 gallon metal containers for our foam injection and foam spray processes.

Safety & Health Performance



Safety Rates	2010	2011	2012	2013	2014	2015
TRIR	2.8	5.78	5.77	6.5	7.31	4.76
COGS	32,586,000	48,401,000	46,900,000	33,373,000	37,217,000	42,323,000

Notes:

* Trend line represents finished goods / \$\$\$ manufactured. (COGS) Cost of Goods Sold or Units Manufactured.

*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 7.31 (an 11.8% increase), A review of past recordable incidents was tabulated and action plans developed to reduce recordable incidents by an aggressive 50%.

For 2015 we improved our safety awareness as well as risk assessment in our manufacturing processes. We ended the year with a TRIR of 4.76. This is a reduction of 35% from previous the year, which is a very good result. We will strive for 30% reduction in recordable injuries for 2016.