



2016 Sustainability Report



Munters Corporation

Araucária, Brazil Factory

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Araucária – PR - Brazil

Date: 12-31-2016

“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

2016 Objectives & Targets Summary

EH&S Corporate Objectives for manufacturing sites:

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: Our EH&S Program is now integrated into our daily culture. EH&S objectives, targets and KPI's now drive both performance & annual performance reviews for employees & mgt.

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: The PPRA (Risk Prevention Program) was created in 2015. All risks were listed and addressed by our safety staff.

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 5.0 to 4.5 by improving our injury root cause analysis process and our corrective actions effectiveness, with emphasis on injury trends.

Result: The Munters Brasil TRIR rate was maintained at 6,8. More efforts being implemented to get closer to target.

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: Energy cost decreased in 2015 due to more hydropower and less gas turbine generation. New factory plant illumination changed to LED reducing 30% of its energy consumption.

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 capturing our HVAC condensation water and capturing rain water, for use throughout our manufacturing processes.

Result: Munters Brazil started collecting the water consumption data for the new factory plant in 2015.

Corporate Objective #6

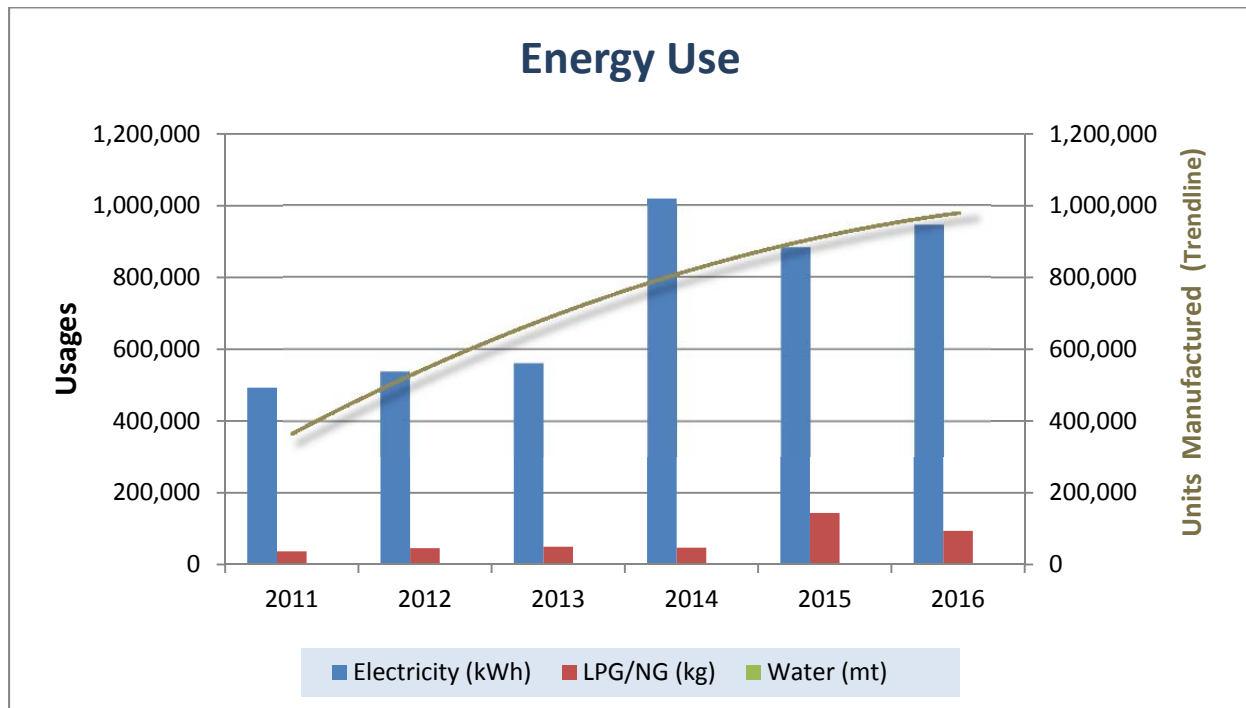
Reduce *Non-Recycled* type waste (*non-recycled wastes, reduce, reuse or recycle*)

Target: Redirect our non-recycled wood waste to a wood recycle center. While further reducing wood waste in conjunction with our suppliers, by use of reusable containers.

Result: Munters Brazil reduced the cost for waste destination by 13% compared to 2014 and continues to work with Environmental Waste Solutions to seek means to be a 100% wood recycling facility.

Performance Data Summary

Environmental Performance Data



<u>Usage</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Electricity (kWh)	492.599	583.023	561.047	1.019.865	882.457	944.325
Propane/ <u>NG</u> (kg)	36.707	45.454	49.594	46.745	<u>143.808</u>	<u>93.717</u>
Water Usage (mt)	n/a	n/a	n/a	n/a	1.223	1.207

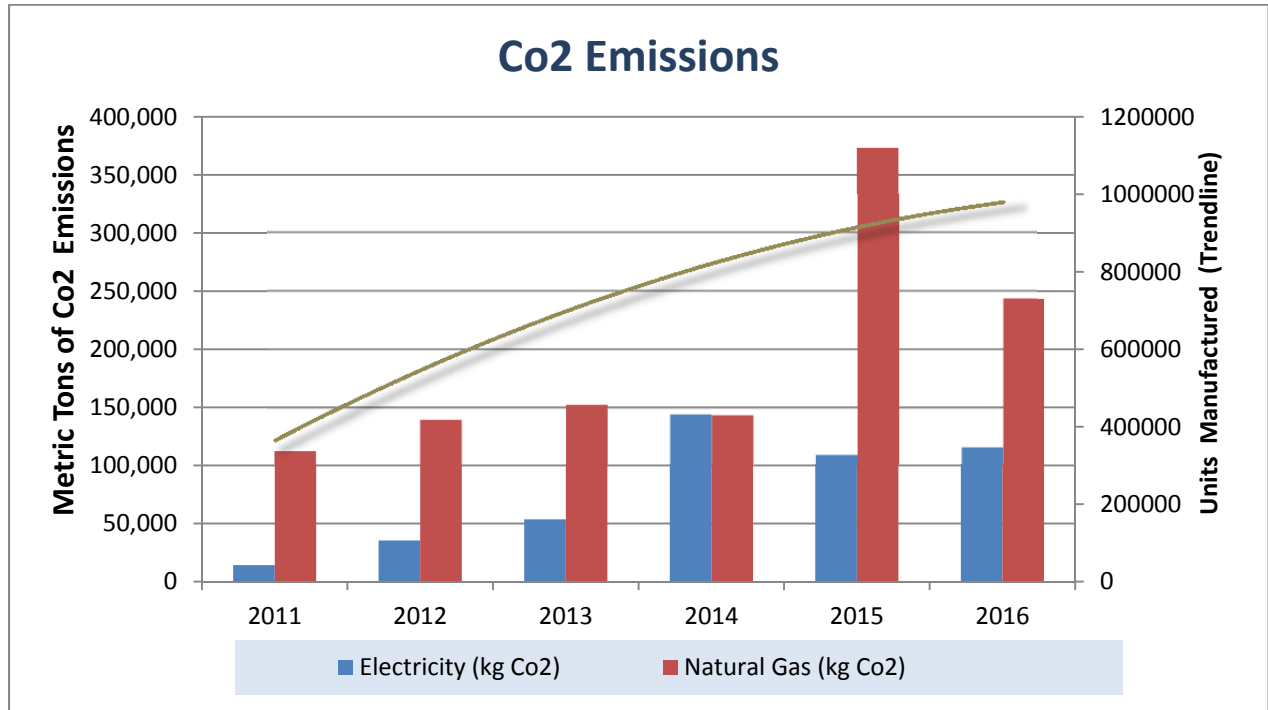
Notes:

- Cubic Meters or Therms (US)
- COGS (Cost of Goods Sold) or Units Manufactured

Summary:

Energy cost decreased in 2015 due to more hydropower and less gas turbine generation. New factory plant illumination changed to LED reducing 30% of its energy consumption.

Energy cost in 2016 is aligned with production trendline.



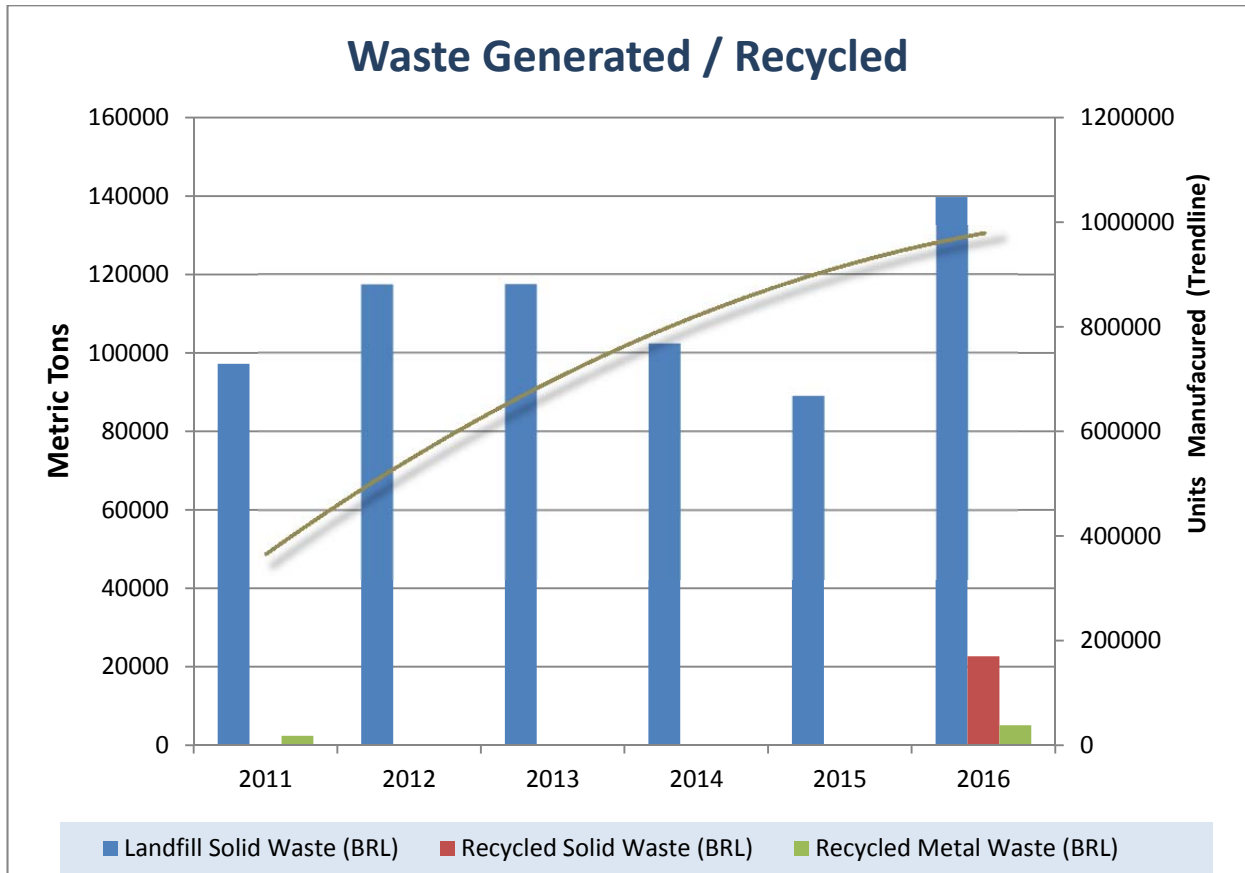
<u>CO2 Emissions</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Electricity (kg CO2)	14.152	35.461	53.592	144.096	109.411	115.847
Propane/NG (kg CO2)	112.626	139.463	152.165	143.424	373.354	243.308
Total CO2 Emissions (kg CO2)	126.778	174.924	205.757	287.520	482.765	359.155

Notes:

- Trend line represents finish goods/units manufactured
- Most of the electricity produced in Brazil comes from Hydro electrical plants (around 85%). Higher CO2 emissions in Brazil in 2014 due to higher use of Natural Gas as energy source in the country.

Summary:

Same as Energy Use



<u>Waste/Recycled</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Solid Waste to Landfill (BRL)	97217	117355	117430	102.370	89.019	139.725
Solid Waste Recycled (BRL)	0	179	127	NA	NA	22.664
Metals Recycled (BRL)	2400	0	0	NA	NA	5.070

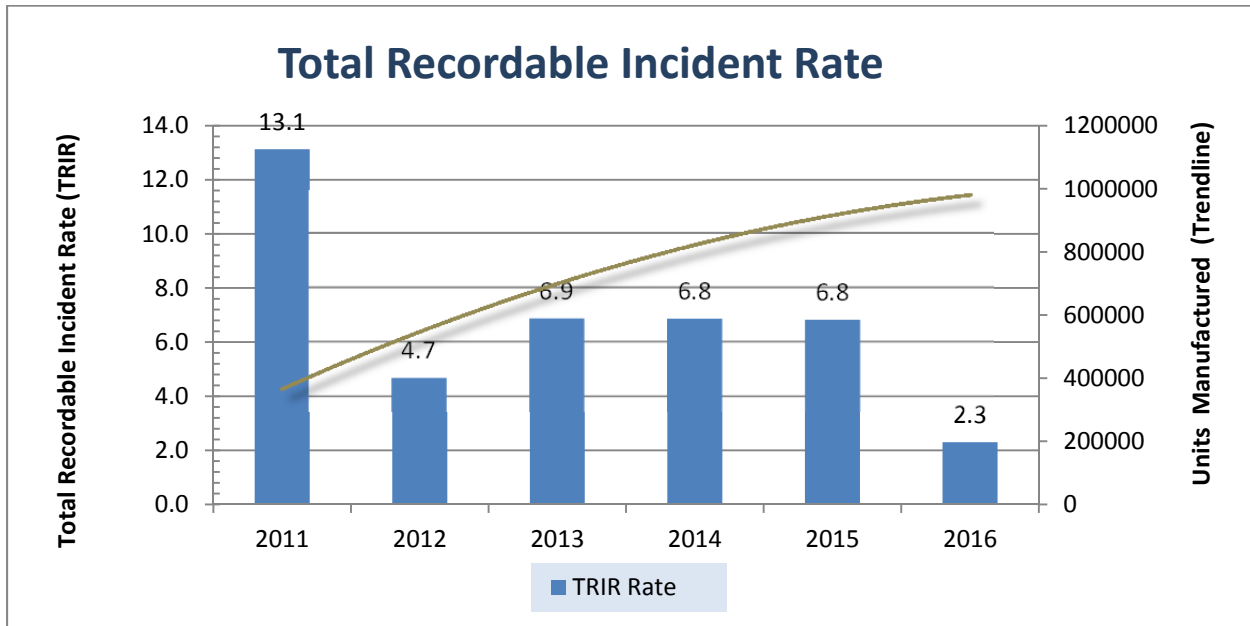
Notes:

- Trend line represents finish goods/units manufactured
- All data is raw, not normalized; therefore increases are due to throughput increases unless otherwise noted.
- Volumes of Solid Waste are not recorded, only the cost for disposal
- Most of the volume comes from scrap of Evaporative Pads production

Summary:

- Our target is to use Evaporative Pads scrap for co-generation.

Safety & Health Performance



Safety Rates

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
TRIR	13.1	4.7	6.9	6.8	6.8	2.3

Notes:

- TRIR Industry Average (US) = 5.9 (Based on BLS 2011 Q1 NAICS tables – 333415 /50-250)
- Trend line represents finish goods / units manufactured.

Summary:

- All accidents and Incidents (non-recordable) reviewed in monthly Internal Safety Committee meetings.