



2016 Sustainability Report



Munters Corporation

Selma, Texas Factory

16900 Jordan Rd.

Selma, Texas 78154

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 Munters manufacturing sites.

Corporate Objective #1

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

Target: Continued to refine the EH&S Program(s) and culture while further integrating EH&S into our daily business management systems.

Result: Our EH&S Program is now well 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

Drove continuous improvements through our 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: In 2016, risk reduction was noted within Hazard Communication, PPE and our Powered Industrial Truck program (forklifts).

Corporate Objective #3

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

Target: Reduce our 2015 TRIR Rate 50% from 8.0 to 4.0 by improving our injury root cause analysis process and our corrective actions effectiveness, with emphasis on injury trends.

Result: The Texas Selma TRIR rate was reduced from 8.0 to 4.0. This represents a 50% reduction as a whole including both our factory and the U.S. Field Service Technicians.

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: Munters' Texas curtailed 1,865 Kwh of electricity throughout 2016 helping alleviate peak load demand for our local power company and community.

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 own administrative building's HVAC condensation water, for use throughout our manufacturing facility and processes.

Result: Munters Texas continued throughout 2016 to capture, filter and use the administrative building's HVAC condensation water. This captured water was used for our administrative drinking water, water fountain and office plant watering.

Corporate Objective #6

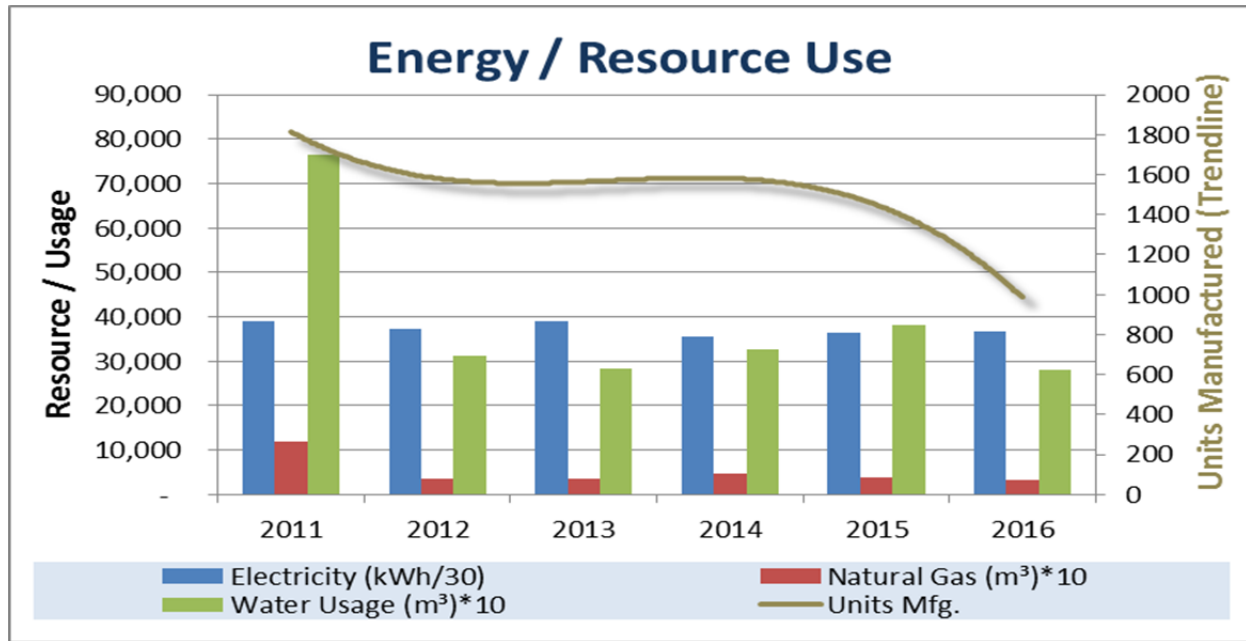
Reduce *Non-Recycled* type waste (*non-recycled wastes, reduce, reuse or recycle*)

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 Texas along with Environmental Waste Solutions has sought the means in 2016 to be a 100% wood recycling facility and is now moving to the implementation stage for 2017. We also continue to build upon a growing use of reusable materials containers with our vendors.

Performance Data Summary

Environmental Performance Data



Resource / Usage	2011	2012	2013	2014	2015	2016
Electricity (kWh/30)	39,040	37,171	39,040	35,520	36,326	36,672
Natural Gas (m³)*10	11,802	3,403	3,402	4,772	3,940	3,114
Water Usage (m³)*10	76,503	31,268	28,239	32,630	38,081	28,012
Units Manufactured	1,823	1,538	1,657	1,493	1,498	983

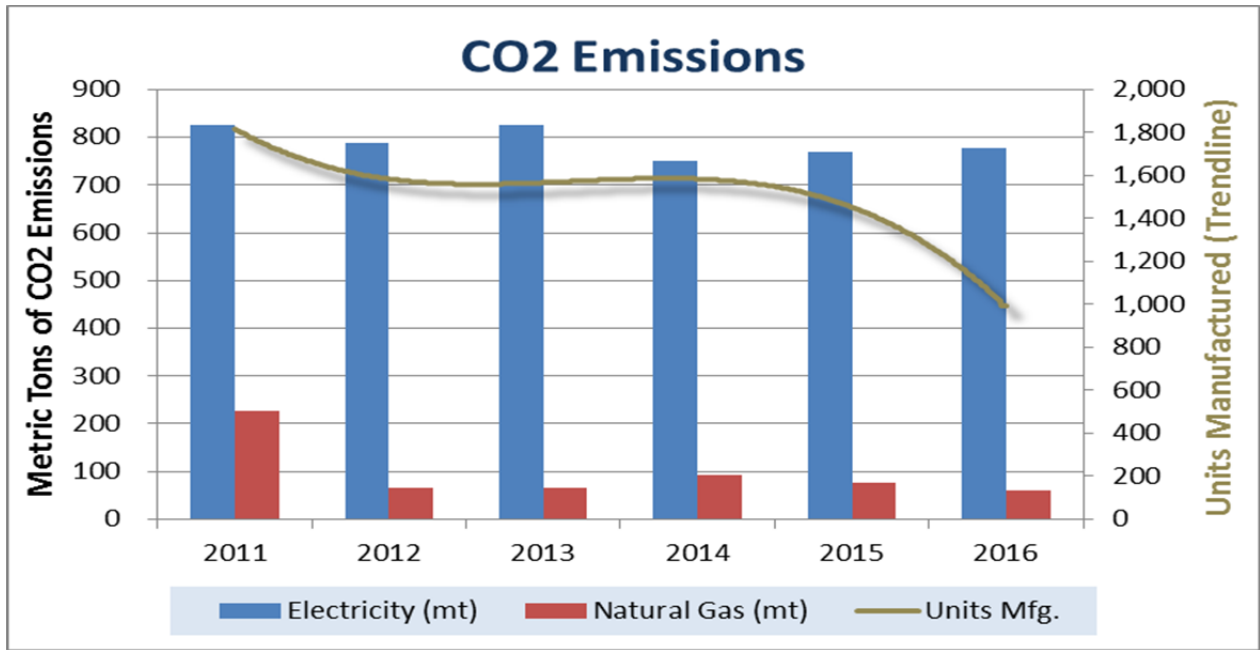
Note:

* Water spike in 2010-2011 due to an R&D project simulating customer water use.

* Trend line represents finish goods / units manufactured

Summary:

Munters' Selma curtailed 1,865 Kwh of electricity throughout 2016 without the use of supplementary generators. This helps alleviate peak load demand on the grid for our local San Antonio CPS Power Company while contributing to the reduction of level two CO2 emissions.



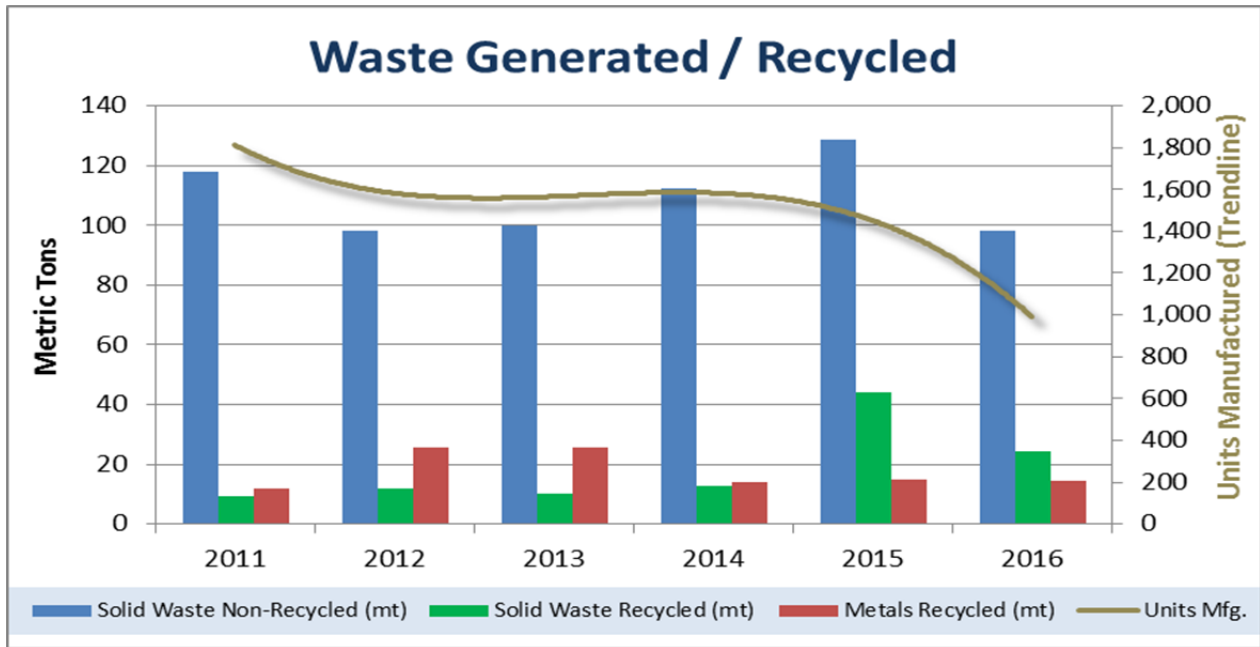
CO2 Emissions	2011	2012	2013	2014	2015	2016
Electricity (mt)	826	787	826	752	769	776
Natural Gas (mt)	226	65	65	92	76	60
Total CO2 Emissions (mt)	1,053	852	892	843	845	836
Units Manufactured	1,823	1,538	1,657	1,493	1,498	983

Note:

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

Summary:

The Munters' Selma facility's largest contributor of CO2 emissions is electricity and for this reason we focus most improvement efforts heavily towards electricity. Munters' Selma curtailed 1,865 Kwh of electricity throughout 2016 without the use of supplementary generators. This helps alleviate peak load demand on the grid for our local San Antonio CPS Power Company while contributing to the reduction of level two CO2 emissions.



Waste Recycled	2011	2012	2013	2014	2015	2016
Solid Waste Non-Recycled (mt)	118	98	100	112	129	98
Solid Waste Recycled (mt)	9	12	10	13	44	24
Metals Recycled (mt)	12	26	26	14	15	14
Units Manufactured	1,823	1,538	1,657	1,493	1,498	983

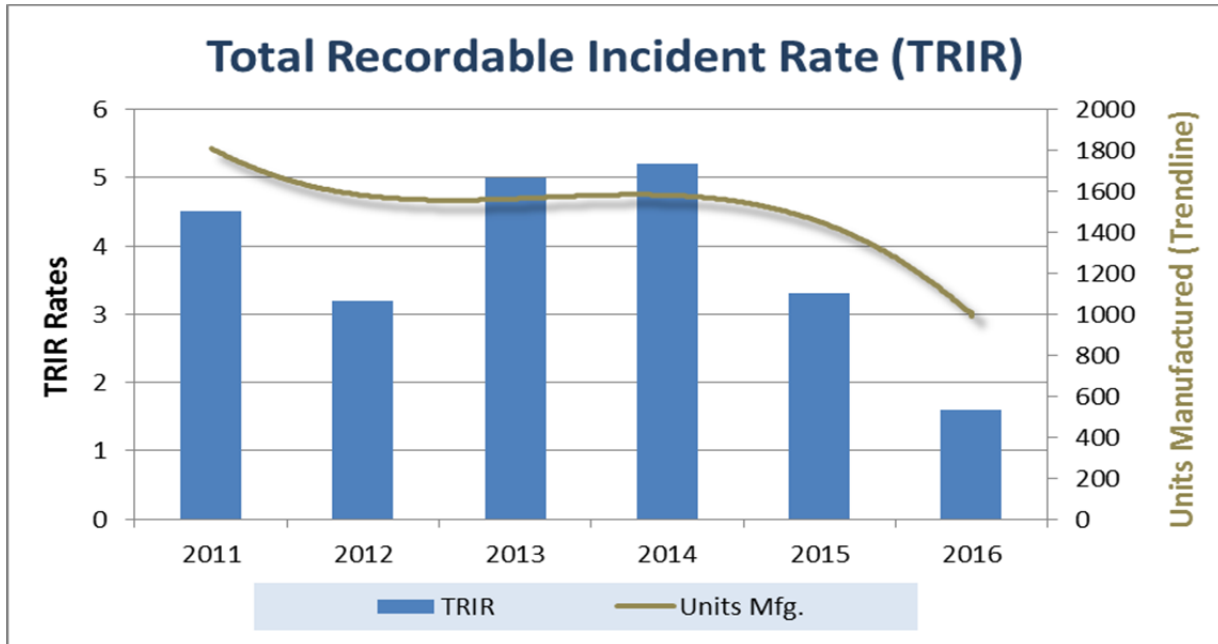
Note:

- * Trend line represents finish goods / units manufactured
- * 2014 & 2015 Solid Waste Recycled and Non-Recycled increase due to...
 - Specific customer product increase (2015 boom)
 - Now capturing office paper, plastics and cans
 - Improved recordkeeping processes
- * All data is raw, not normalized: therefore increases are due to throughput increases unless otherwise noted

Summary:

70 % of Munters Selma’s non-recycled waste (landfill waste) is wood. Munters Selma, along with Environmental Waste Solutions has sought the means in 2016 to be a 100% wood recycling facility. We now move into the implementation stage targeting to be a 100% wood recycling facility by year end 2017.

Safety & Health Performance



Safety Rates	2011	2012	2013	2014	2015	2016
TRIR	4.5	3.2	5.0	5.2	3.3	1.6
Units Manufactured	1823	1538	1657	1493	1498	983

Note:

- * Trend line represents finish goods / units manufactured
- * TRIR Industry Average (US) = 6.3 (Based on BLS 2015 TRIR Calculator - NAICS tables – 333415 /50-250)

Summary:

In 2016 Munters Selma made another significant impact in reducing our TRIR injury rate by 50% again for the second year. This is attributed to increased effectiveness of our EH&S Program, EH&S culture, in causal analysis and corrective actions focused specifically within foreign objects in eyes, hand arm lacerations and ergonomics (shoulders & arms).