

## C0. Introduction

---

### C0.1

---

**(C0.1) Give a general description and introduction to your organization.**

Munters is a global leader in energy efficient and sustainable air treatment and climate solutions. Using innovative technologies, Munters creates the perfect climate for customers in a wide range of industries, the largest being the food, pharmaceutical and data center sectors. Munters has been defining the future of air treatment since 1955. Today manufacturing, sales and services are carried out in more than 30 countries. We have about 3,100 employees, including temporary workers and an annual net sales of about SEK 7.1 billion. Munters is listed on Nasdaq Stockholm. Munters is a truly global company with 18 manufacturing plants, six assembly hubs , and 55 sales and service centers around the world.

Munters operates in two business areas:

#### AIRTECH

AirTech is a global leader in energy-efficient air treatment for industrial and commercial applications. We offer solutions for mission-critical processes that require exact control of moisture and temperature, with a focus on energy efficiency and sustainable climate systems. Our climate systems also provide better indoor air quality and comfort, as well as increased production capacity.

#### FOODTECH

FoodTech is one of the world's leading suppliers of innovative, energy-efficient climate systems for livestock farming and greenhouses, as well as software for controlling and optimizing the entire food production value chain. Our solutions increase productivity while contributing to sustainable food production, where strict requirements are placed on quality, animal health and food safety.

Munters has a sustainability agenda with eight focus areas divided into three priorities: Resource efficiency, Responsible business practices and People & Society. The area where we can make the largest contribution to the environment is with the products and solutions that we offer to our customers. By offering very resource and, in particular, energy efficient products we help the customers reduce their environmental impact. You can read more about our sustainability agenda in our Annual and Sustainability Report 2020 that can be found on Munters.com.

### C0.2

---

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1 2020	March 31 2021	Yes	1 year

### C0.3

---

**(C0.3) Select the countries/areas for which you will be supplying data.**

Australia  
Belgium  
Brazil  
Canada  
China  
Czechia  
Denmark  
Finland  
France  
Germany  
India  
Israel  
Italy  
Japan  
Mexico  
Netherlands  
Republic of Korea  
Singapore  
South Africa  
Spain  
Sweden  
Thailand  
Turkey  
United Kingdom of Great Britain and Northern Ireland  
United States of America

**C0.4**

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

SEK

**C0.5**

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

**C1. Governance**

**C1.1**

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

**C1.1a**

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board Chair	Munters sustainability agenda is part of the Company's strategy, the strategy includes specific climate related initiatives and targets. The Board of Directors approve the Company's strategy and monitor strategy execution and goals achievement, including those related to climate and sustainability overall. The Chairman and Board of Directors also approve management incentives related to climate targets. The Company's basic approach to sustainability issues is described in a number of policies and governing documents. The two most important documents are the Code of Conduct and the special Code of Conduct for suppliers; these documents are approved by the Board of Directors. Compliance with these policies is monitored each year and reported to the Board of Directors
Director on board	One Director appointed to in particular oversee the Company's sustainability agenda and advise the Company management on it's climate related activities. This Director is engaged in the Company's sustainability agenda in greater detail through continuous dialogue

**C1.1b**

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues Other, please specify (Approving incentives relating to sustainability goals, for example reaching a target of 60% electricity from sun wind and water by 2022.)	<Not Applicable>	Our sustainability initiatives are on the Board of Director's agenda periodically for updates and progress. With sustainability goals and activities integrated in the overarching strategy, Board oversight and review will increase in coming years.
Other, please specify (Management report to the Board regularly includes comments on performance or activities relative to sustainability)	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues Other, please specify (Approving incentives relating to sustainability goals)	<Not Applicable>	Our sustainability activities and progress are reported on regularly in performance reports and during the Board of Directors meetings.

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (The management team of the Company)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other C-Suite Officer, please specify (Group Vice President HR & Sustainability)	<Not Applicable>	Other, please specify (Overarching leader and coordinator for sustainability within the Company)	<Not Applicable>	More frequently than quarterly

**C1.2a**

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

1. CEO - reporting to the Chairman of the Board. The President and CEO bears ultimate responsibility for integrating the sustainability agenda in the strategy and for meeting the company's various goals including climate related goals. Monitoring through follow up of initiatives and strategic plans in meetings and climate related reports and KPI s.

2. Management team- all members of this team report to the CEO. Responsible for proposing sustainability and climate related targets, KPI's, priorities, coordinating and planning Group-wide sustainability efforts, monitoring established goals and regularly communicating results and outcomes to the Board of Directors and affected parts of the organization. For each of the prioritized climate related activities, an individual is assigned responsibility for the work in their area and for reporting the goals and results. Monitoring results through meetings and KPI reports.

3. Group Vice President HR & Sustainability - reporting to the CEO. Responsible for driving and coordinating sustainability and climate related agenda on behalf of the management team. Responsible for managing the Company's policies, processes and reporting related to sustainability and climate. Monitoring climate related issues through meetings and quarterly KPI reporting. Makes recommendations about corrective actions or new targets or initiatives to the management team. Meets with Board Directors on sustainability specific issues and incentive programs, including incentives based on climate related targets.

**C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	The Company has three goals related to sustainability, of which two are climate related, in it's 2020 long-term incentive/ stock option program and also the program for 2021. The two climate related goals are meeting a minimum % of renewable electricity used in production units out of total electricity, and code of conduct of suppliers, which include environmental criteria.

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Environmental criteria included in purchases Supply chain engagement Other (please specify) (The portion of green electricity (from sun, water and wind) consumed in the Group's production units as % of total amount of electricity consumed by these units in year 2022 to reach a min. level of 40% ( program 2021 has higher target, 60% ) )	
Management group	Monetary reward	Environmental criteria included in purchases Supply chain engagement Other (please specify) (The portion of green electricity (from sun, water and wind) consumed in the Group's production units as % of total amount of electricity consumed by these units in year 2022 to reach a min. level of 40% ( program 2021 has higher target, 60% ) )	
Other, please specify (Up to 66 other key employees)	Monetary reward	Environmental criteria included in purchases Supply chain engagement Other (please specify) (The portion of green electricity (from sun, water and wind) consumed in the Group's production units as % of total amount of electricity consumed by these units in year 2022 to reach a min. level of 40% ( program 2021 has higher target, 60% ) )	

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	1	2	We have a strategic planning process that spans over 5 years. Included in this is a forecast period of one year. We continuously follow-up both on the forecast period and the action plan tied to the strategic plan. At Munters the "actionizing of the strategy" is very important. Therefore we have clear defined KPIs for our 5-year ambitions (and sometimes longer timeperiods for these ambitions) and these are followed up on a quarterly basis by our Finance and Strategy team.
Medium-term	2	4	
Long-term	4		

### C2.1b

**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

At Munters we define risk according to a set definition based on an evaluation of the estimated likelihood, the operational impact as well as the financial impact. These three aspects are evaluated for each perceived risk. Risks are categorized into strategic, operational, compliance and financial risks. For all risks defined, including climate risks, Munters has predefined criterias for the evaluation. For Likelihood the risk is graded from Very Low to Very High.

Very high is graded for risks that are almost certain to occur. This relates to an event that can be anticipated to happen every year or more frequently. High is graded for risks that are Likely to occur and this relates to events that can be anticipated to happen once every five years. Medium is graded for risks that are possible to occur. This relates to an event that can be anticipated to occur once every ten years. Low is graded for risks that are unlikely to occur. It relates to a rare event that might occur once every 15 years. Very low is graded for risks that are very unlikely to occur. It relates to an event that might occur less than once every 15 years. The mentioned risks are also graded on financial impact from 1-5 and operational impact from 1-5. For the financial impact evaluation every grade has a set span for the estimated financial impact that is estimated for the risk. Also the operational impact is evaluated from set variables for each grading.

### C2.2

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

Annually

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

Risk assessment and management are an important part of the company's strategic planning process. Risk management is also an important part of the internal control process. Management of operational risks at Munters is integrated in the strategic planning process and various business processes and controls, e.g., approval requirement for certain decisions. Certain cross-process risks are coordinated centrally, such as information security, IT security, responsible business practices, and anti-corruption and bribery. Financial risk management is governed by a Group policy and carried out by Group Treasury. For more information on financial risk management, refer to Note 3 in the Annual Report 2020. The Board of Directors has ultimate responsibility for the Group's risk management and approves the company's risk management policy. Group Management identifies, evaluates and manages risks in their respective areas of responsibility. The CFO is responsible for coordinating risk evaluation and compiles the documentation reported to the Audit Committee and to the Board of Directors. Sustainability risks and climate risks are included in the annual risk assessments. This also includes looking at opportunities arising from the risks. The mitigation plans that are set after the review are follow-up are followed up throughout the year. Enterprise Risk Management (ERM) is an integral part of Munters' overarching management system consisting of various policies. The purpose of ERM is to give a comprehensive overview of the risks and uncertainties that the company is exposed to and to support value creation, ensure risk awareness and balance risks versus return. The ERM framework is designed to identify and manage existing risks in order to reach the company's strategic goals. The framework provides methods to identify and evaluate risks. In addition, the ERM process ensures that Group Management has reached a consensus on Munters' risk tolerance in relation to the company's goals. Every business area and Group function within Munters is responsible for identifying and managing risks within their organization in accordance with the Munters risk process and current policies and guidelines. The ERM function, which reports to the CFO, is responsible each year for overseeing a Group-wide risk evaluation as part of the strategy process. In 2020, this process was carried out in autumn. The risk evaluations are compiled by the business areas and Group functions, which identify and evaluate risks based on their probability and potential impact on the business. The most significant risks and uncertainties, and how they are managed, are regularly reported to Group Management, the Audit Committee and the Board of Directors. The Munters ERM shifts focus based on how the strategic priorities change. A new strategy was adopted in early 2020, based on which new risk areas were given higher priority. In addition, Munters has an ambition to develop a more focused ERM strategy, where risk analysis is a more integral part of strategy development. The ERM function is responsible for implementation of the ERM strategy and ERM activities at the Group level. Responsibility for the company's primary risks is delegated among members of Group Management, and each line manager is responsible for managing the risks that arise within their respective area of responsibility. Those responsible for each Group function and business area appoint one or more risk officers to implement the risk work within the unit. The GVP and CFO are responsible for oversight of the ERM, and the Board of Directors and the Audit Committee are responsible for monitoring the effectiveness and appropriateness of the ERM. Munters' risk culture is the attitude, the conduct and the understanding of risk that affects decisionmaking. For Munters to manage its risks centrally and independently, strong risk awareness is needed at every level of the organization, and it is important to have the right resources to ensure that the requirements set forth in the framework can be met, monitored and supported in an appropriate way. The ERM process applies to the entire Group and to all roles with responsibility for risk management activities. The focus is on getting the Group functions and business areas to clearly link their risks to strategic goals and decisionmaking responsibility. Risk management planning is done collaboratively by those with risk responsibility in the Group functions and business areas, together with the Enterprise Risk Management function. Current risks within each business area are identified through a bottom-up process. Different risk categories are used as inspiration to identify risks as they arise and ensure that the company's risk register covers all applicable risk areas. Munters' primary risks are defined as the company's most important identified risks every year and for 2020 these are presented on pages 54–55 of the Annual Report 2020. Responsibility for each such risk is delegated to a member of Group Management. The ERM function identifies potential risks in Munters' risk register in connection with a workshop with the various business areas and Group functions. These risks are then discussed and consolidated by Group Management, after which key risks are allocated to a member of Group Management. The ERM function is then responsible for coordinating risks and monitoring them within the company. The impact of an identified risk is estimated from three different perspectives: financial, strategic and operational. See answer to question above. The highest risks for each unit are presented in a risk map (see the example on page 50 of the Annual Report 2020). The map shows the impact and probability of each risk area. The ERM function helps to identify opportunities to consolidate risks based on common characteristics.

**Value chain stage(s) covered**

Upstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

Annually

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

An annual risk assessment and review is conducted where our sustainability and climate risks are discussed. This also includes looking at opportunities arising from the risks. The mitigation plans that are set after the review are follow-up are followed up throughout the year. More info about the process here: Risk assessment and management are an important part of the company's strategic planning process. Risk management is also an important part of the internal control process. Management of operational risks at Munters is integrated in the strategic planning process and various business processes and controls, e.g., approval requirement for certain decisions. Certain cross-process risks are coordinated centrally, such as information security, IT security, responsible business practices, and anti-corruption and bribery. Financial risk management is governed by a Group policy and carried out by Group Treasury. For more information on financial risk management, refer to Note 3 in the Annual Report 2020. The Board of Directors has ultimate responsibility for the Group's risk management and approves the company's risk management policy. Group Management identifies, evaluates and manages risks in their respective areas of responsibility. The CFO is responsible for coordinating risk evaluation and compiles the documentation reported to the Audit Committee and to the Board of Directors. Sustainability risks and climate risks are included in the annual risk assessments. This also includes looking at opportunities arising from the risks. The mitigation plans that are set after the review are follow-up are followed up throughout the year. Enterprise Risk Management (ERM) is an integral part of Munters' overarching management system consisting of various policies. The purpose of ERM is to give a comprehensive overview of the risks and uncertainties that the company is exposed to and to support value creation, ensure risk awareness and balance risks versus return. The ERM framework is designed to identify and manage existing risks in order to reach the company's strategic goals. The framework provides methods to identify and evaluate risks. In addition, the ERM process ensures that Group Management has reached a consensus on Munters' risk tolerance in relation to the company's goals. Every business area and Group function within Munters is responsible for identifying and managing risks within their organization in accordance with the Munters risk process and current policies and guidelines. The ERM function, which reports to the CFO, is responsible each year for overseeing a Group-wide risk evaluation as part of the strategy process. In 2020, this process was carried out in autumn. The risk evaluations are compiled by the business areas and Group functions, which identify and evaluate risks based on their probability and potential impact on the business. The most significant risks and uncertainties, and how they are managed, are regularly reported to Group Management, the Audit Committee and the Board of Directors. The Munters ERM shifts focus based on how the strategic priorities change. A new strategy was adopted in early 2020, based on which new risk areas were given higher priority. In addition, Munters has an ambition to develop a more focused ERM strategy, where risk analysis is a more integral part of strategy development. The ERM function is responsible for implementation of the ERM strategy and ERM activities at the Group level. Responsibility for the company's primary risks is delegated among members of Group Management, and each line manager is responsible for managing the risks that arise within their respective area of responsibility. Those responsible for each Group function and business area appoint one or more risk officers to implement the risk work within the unit. The GVP and CFO are responsible for oversight of the ERM, and the Board of Directors and the Audit Committee are responsible for monitoring the effectiveness and appropriateness of the

ERM. Munters' risk culture is the attitude, the conduct and the understanding of risk that affects decisionmaking. For Munters to manage its risks centrally and independently, strong risk awareness is needed at every level of the organization, and it is important to have the right resources to ensure that the requirements set forth in the framework can be met, monitored and supported in an appropriate way. The ERM process applies to the entire Group and to all roles with responsibility for risk management activities. The focus is on getting the Group functions and business areas to clearly link their risks to strategic goals and decisionmaking responsibility. Risk management planning is done collaboratively by those with risk responsibility in the Group functions and business areas, together with the Enterprise Risk Management function. Current risks within each business area are identified through a bottom-up process. Different risk categories are used as inspiration to identify risks as they arise and ensure that the company's risk register covers all applicable risk areas. Munters' primary risks are defined as the company's most important identified risks every year and for 2020 these are presented on pages 54–55 of the Annual Report 2020. Responsibility for each such risk is delegated to a member of Group Management. The ERM function identifies potential risks in Munters' risk register in connection with a workshop with the various business areas and Group functions. These risks are then discussed and consolidated by Group Management, after which key risks are allocated to a member of Group Management. The ERM function is then responsible for coordinating risks and monitoring them within the company. The impact of an identified risk is estimated from three different perspectives: financial, strategic and operational. See answer to question above. The highest risks for each unit are presented in a risk map (see the example on page 50 of the Annual Report 2020). The map shows the impact and probability of each risk area. The ERM function helps to identify opportunities to consolidate risks based on common characteristics.

---

**Value chain stage(s) covered**

Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

Please select

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

Risk assessment and management are an important part of the company's strategic planning process. Risk management is also an important part of the internal control process. Management of operational risks at Munters is integrated in the strategic planning process and various business processes and controls, e.g., approval requirement for certain decisions. Certain cross-process risks are coordinated centrally, such as information security, IT security, responsible business practices, and anti-corruption and bribery. Financial risk management is governed by a Group policy and carried out by Group Treasury. For more information on financial risk management, refer to Note 3 in the Annual Report 2020. The Board of Directors has ultimate responsibility for the Group's risk management and approves the company's risk management policy. Group Management identifies, evaluates and manages risks in their respective areas of responsibility. The CFO is responsible for coordinating risk evaluation and compiles the documentation reported to the Audit Committee and to the Board of Directors. Sustainability risks and climate risks are included in the annual risk assessments. This also includes looking at opportunities arising from the risks. The mitigation plans that are set after the review are followed up throughout the year. Enterprise Risk Management (ERM) is an integral part of Munters' overarching management system consisting of various policies. The purpose of ERM is to give a comprehensive overview of the risks and uncertainties that the company is exposed to and to support value creation, ensure risk awareness and balance risks versus return. The ERM framework is designed to identify and manage existing risks in order to reach the company's strategic goals. The framework provides methods to identify and evaluate risks. In addition, the ERM process ensures that Group Management has reached a consensus on Munters' risk tolerance in relation to the company's goals. Every business area and Group function within Munters is responsible for identifying and managing risks within their organization in accordance with the Munters risk process and current policies and guidelines. The ERM function, which reports to the CFO, is responsible each year for overseeing a Group-wide risk evaluation as part of the strategy process. In 2020, this process was carried out in autumn. The risk evaluations are compiled by the business areas and Group functions, which identify and evaluate risks based on their probability and potential impact on the business. The most significant risks and uncertainties, and how they are managed, are regularly reported to Group Management, the Audit Committee and the Board of Directors. The Munters ERM shifts focus based on how the strategic priorities change. A new strategy was adopted in early 2020, based on which new risk areas were given higher priority. In addition, Munters has an ambition to develop a more focused ERM strategy, where risk analysis is a more integral part of strategy development. The ERM function is responsible for implementation of the ERM strategy and ERM activities at the Group level. Responsibility for the company's primary risks is delegated among members of Group Management, and each line manager is responsible for managing the risks that arise within their respective area of responsibility. Those responsible for each Group function and business area appoint one or more risk officers to implement the risk work within the unit. The GVP and CFO are responsible for oversight of the ERM, and the Board of Directors and the Audit Committee are responsible for monitoring the effectiveness and appropriateness of the ERM. Munters' risk culture is the attitude, the conduct and the understanding of risk that affects decisionmaking. For Munters to manage its risks centrally and independently, strong risk awareness is needed at every level of the organization, and it is important to have the right resources to ensure that the requirements set forth in the framework can be met, monitored and supported in an appropriate way. The ERM process applies to the entire Group and to all roles with responsibility for risk management activities. The focus is on getting the Group functions and business areas to clearly link their risks to strategic goals and decisionmaking responsibility. Risk management planning is done collaboratively by those with risk responsibility in the Group functions and business areas, together with the Enterprise Risk Management function. Current risks within each business area are identified through a bottom-up process. Different risk categories are used as inspiration to identify risks as they arise and ensure that the company's risk register covers all applicable risk areas. Munters' primary risks are defined as the company's most important identified risks every year and for 2020 these are presented on pages 54–55 of the Annual Report 2020. Responsibility for each such risk is delegated to a member of Group Management. The ERM function identifies potential risks in Munters' risk register in connection with a workshop with the various business areas and Group functions. These risks are then discussed and consolidated by Group Management, after which key risks are allocated to a member of Group Management. The ERM function is then responsible for coordinating risks and monitoring them within the company. The impact of an identified risk is estimated from three different perspectives: financial, strategic and operational. See answer to question above. The highest risks for each unit are presented in a risk map (see the example on page 50 of the Annual Report 2020). The map shows the impact and probability of each risk area. The ERM function helps to identify opportunities to consolidate risks based on common characteristics.

---

C2.2a

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Very important, we always need to follow how the current regulation evolves. Our value chain and priorities needs to be aligned with regulation.
Emerging regulation	Relevant, always included	We keep track of emerging regulations. It is important for us to stay ahead and prepare for upcoming regulatory changes to make sure we are compliant. An example is EU taxonomy, which we are currently working on in order to ensure compliance when it comes into effect.
Technology	Relevant, always included	Technology is developing fast and in order to keep our market position and relevance we need to continuously monitor the development. An example of a risk is if our competitors are faster at developing more climate friendly solutions such as higher energy efficiency.
Legal	Relevant, always included	Follow laws and regulations; it is an absolute must to look at legal risk at all times. An example is incurring financial penalties or risk that a production facility is shut down by authorities if we are don't comply with laws and regulations.
Market	Relevant, always included	We need to stay informed about market trends and customer needs, and also about competition. An example is that certain markets or customers may start to have climate related requirements on our products and solutions, which we can not meet.
Reputation	Relevant, always included	We need to be aware of what risks that could cause damage to our reputation. In order to mitigate this we have good policies in place for issues that can be damaging to our reputation.
Acute physical	Relevant, always included	We look at the security of our premises to withstand weather changes and the logistical chain, Covid19 has for example highlighted the need for ensuring employees are able work remotely, and the need to secure the supply chain in case a breakdown of global logistics flows.
Chronic physical	Relevant, always included	A range of different risks are consider and the likelihood for the different time spans we are looking at. An example is if any of our production sites is located in an area with rising water level

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

No

**C2.3b**

**(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

	Primary reason	Please explain
Row 1	Risks exist, but none with potential to have a substantive financial or strategic impact on business	In our annual risk assessment process Munters rate risks based on likelihood and impact and climate-related risks are also rated in this process. We are impacted by climate risks and we do assess these. We also develop mitigation plans and follow-up on these regularly. As of today, we have not evaluated any of the climate related risks as substantial for Munters.

**C2.4**

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a**

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

In our business areas AirTech we have four different major business units. In the business unit Data Center, we provide energy-efficient air treatment solutions and we strive to continually improve the energy efficiency of our products and solutions. Since many of our customers also care about the environment and wish to lower their emissions and waste, it gives us good opportunities to sell new products and solutions to them.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

It has not been quantified

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

It is included in our corporate strategy

**Comment**

It has not been quantified

---

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

In the business unit Mist Elimination we help customers clean emissions from coal power plants and ships. Many countries introduce stricter requirements in this area which gives us good opportunities to grow this business. In the business unit Air Treatment we provide energy efficient products that are highly efficient for dehumidifying air that is critical to production processes in many industries, such as production of Lithium batteries and the pharma industry. In addition, in the Services business we provide aftermarket service to ensure high quality, high efficiency and an optimal lifespan for our products and solutions.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

**Comment**

---

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

In the FoodTech business area, we help farmers increase productivity in their operations which is crucial in order to meet the increased demand for food to be traceable and to be able to feed the growing population around the world. By using our solutions farmers, integrators and green house owners can optimize the production. When it comes

---

to production of livestock our products help improve animal welfare, reduce the use of antibiotics and in the end improve human health. We have completely integrated our climate solutions with digital solutions and offer sophisticated software taht with the help of AI help farmers make decisions about feed, temperature, etc in order to keep the animals feeling well throughout their lives.

**Time horizon**

Long-term

**Likelihood**

Virtually certain

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

**Comment**

**C3. Business Strategy**

**C3.1**

**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes

**C3.1b**

**(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?**

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable>	Our plan is to work on creating activities and targets for a low-carbon plan to reach our net zero emission goal, but not to publish the plan at this time.

**C3.2**

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

**C3.2b**

**(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?**

We are focusing our efforts on climate related topics at this point to collect our data then test and analyze our data so we can use it to create a comprehensive plan that can positively influence our strategy. The analysis of the data and the progress we continuously do in the area is taken into account in the yearly risk assessment as well as the formulation of the strategic plan.

**C3.3**

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Energy efficient products and solutions result in a lower operating cost for our customers and lead to reduced waste and energy consumption, which is good for our environment. This gives us great competitive advantages. In addition, helping our customers with their own sustainability climate related agenda can create new business opportunities. Influenced and had a direct impact on our long term strategy 2021 - 2026.
Supply chain and/or value chain	Yes	We have focused efforts during 2020 to evaluate the value and supply chain . This has resulted in clear analysis of where we need to increase our focus to reduce our environment footprint. This analysis has influenced and had an impact on our long term strategy 2021 - 2026. For example we increased our focus to map and be ready to implement our scope 3 emissions in the coming years.
Investment in R&D	Yes	Innovation and advance technologies creates the perfect climate that our customers are demanding while promoting cleaner air, increased resource efficiency and reduced carbon emissions. We have during 2020 and 2021 increased investments into R&D in order to become even more competitive by creating more energy efficient solutions. For example our business area AirTech has increased the amount of R&D employees in 2020-2021.
Operations	Yes	We are working very actively with Munters Production Systems for example training in Munters Production Systems (MPS) will be introduced for plant and lean managers. The focus is on the strategy behind MPS, the standards it is based on and how they will be implemented, and how the work is followed up together with a rollout plan for 2021. The training and testing of various processes and models, as well as the rollout, will be done in 2021 by the business areas and Strategic Operations function. In addition during the year, an updated Munters Loss Prevention Standard will be launched through a program of digital and local training. We will continue to provide employees with safety training. In 2021, we will continue to improve the quality of the reporting and tie GHG emissions from our manufacturing plants to our overarching climate goals. With the mapping that was done in 2020 we have a good idea of how to prioritize improvements in order to have the biggest possible environmental impact.

**C3.4**

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital	Munters sets a strategic plan for a five year period that is updated every year. This plan includes financial plan tied to the strategy. The Strategic plan is made for the whole company and broken down to each Business Area, identifying the revenue streams, allocation and increase of resources, efficiency gains within our own operations and capital expenditures in line with the strategy. Reduction of energy and carbon emissions is a key climate related opportunity for our company, creating strong customer demand for more energy efficient products and solution in order to reduce their emissions. In addition, increased consumer demand for more climate friendly products for example electrical vehicles, fuels strong growth in certain applications, such as lithium battery manufacturing, which we have selected as one of our prioritized markets. As part of the strategy and investments for the future, Munters exchanged fossil fuel driven vehicles for new hybrid and electrical vehicles to align with our new climate friendly car policy, and we invested in expansion of R&D capacity. In regards to capital expenditure, we are in the process of expanding the financial evaluation /investment process to also incorporate climate related effects such as carbon, water or waste reduction. Some of the initiatives aimed at carbon reduction are found to have financial benefits in indirect cost, one such example is reduced business ( air) travel, which is made possible thanks to implementation of effective online meeting tools and changing our culture. By identifying and capturing such savings, they can be used to financially offset the financial impact of initiatives that may involve an increased operating expense, for example as mentioned above transitioning the leased fleet of company cars to EVs or hybrids.

**C3.4a**

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

At Munters we defined risk according to a set definition based on an evaluation of the estimated likelihood, the operational impact as well as the financial impact. These three aspects are evaluated for each perceived risk. Risks are categorized into strategic, operational, compliance and financial risks. During 2020 the covid19 pandemic had a large influence on daily business and contributed to highlighted focus on climate risks and opportunities from a strategic and financial perspective. For example our factory in Virginia has 280 employees and manufactures products for the data center segment within AirTech. In recent years, growth has been strong thanks to major investments in data infrastructure in the US. Among Munters' customers are several of the world's largest computer companies. To protect employees during the pandemic, the plant was forced to close twice during the year because of COVID-19, but in spite of this they managed to deliver good results. The facility has checked employees' temperature at the entrance and asked them about their health. Inside the facility masks have been worn. At the slightest risk of illness, the employee is sent home with full pay until they have tested negative in order to protect their colleagues and family. This focus on safety has helped to reassure employees.

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

**C4.1a**

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2020

**Covered emissions in base year (metric tons CO2e)**

22735.7

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2030

**Targeted reduction from base year (%)**

100

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

0

**Covered emissions in reporting year (metric tons CO2e)**

22735.7

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

New

**Is this a science-based target?**

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

**Target ambition**

1.5°C aligned

**Please explain (including target coverage)**

Munters commits by 2030 to be carbon neutral at all of our locations (all Scope 1 and Scope 2 emissions). Munters will aggressively pursue reduction initiatives, Green Energy conversions where possible, and then, as a last resort, carbon credits to accomplish our goal. This does include company vehicles.

---

**C4.2**

---

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

Net-zero target(s)

Other climate-related target(s)

**C4.2a**

---

**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

**Target reference number**

Low 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2019

**Figure or percentage in base year**

16.67

**Target year**

2020

**Figure or percentage in target year**

50

**Figure or percentage in reporting year**

94

**% of target achieved [auto-calculated]**

232.013201320132

**Target status in reporting year**

Achieved

**Is this target part of an emissions target?**

This is part of the Munters Net-Zero target by 2030 initiative.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

Munters is not following an initiative currently but have ambitions to completely change to renewable energy as quickly as possible. Currently internal experts are working with the internal Global Sourcing area to investigate all options from our energy providers. This goal is for our production units and the desire is to have all 17 manufacturing sites on renewable energy as quickly as possible. Currently, all of our manufacturing sites except one, are using some amount of renewable energy. The percentages are between 4% and 100%. This initiative will continue.

---

**Target reference number**

Low 2

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2020

**Figure or percentage in base year**

50.4

**Target year**

2022

**Figure or percentage in target year**

60

**Figure or percentage in reporting year**

49.2

**% of target achieved [auto-calculated]**

-12.5

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

This is part of the Munters Net-Zero target by 2030 initiative.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

As part of Munters Long Term Incentive Program, the percentage of renewable energy consumed by the facilities has been added as a metric. 60% of the electricity consumed by facilities must be tracked and the amount must increase to 60% in order to hit the metric. We have made good progress this past year and have another facility increase their renewable usage to 100%. Based on that increase, we believe we will reach the 60% target by year end 2022.

---

**Target reference number**

Low 3

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2020

**Figure or percentage in base year**

100

**Target year**

2025

**Figure or percentage in target year**

80

**Figure or percentage in reporting year**

100

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

This is part of the Munters Net-Zero target by 2030 initiative.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

Investigate the amount of natural gas being consumed for production and space heating. Determine emissions impact if reduced or replaced by renewable energy such as electricity from renewable sources. No real reduction from 2020 numbers due to Covid related shutdowns.

---

**Target reference number**

Low 4

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

<Not Applicable>

---

**Base year**

2020

**Figure or percentage in base year**

100

**Target year**

2025

**Figure or percentage in target year**

80

**Figure or percentage in reporting year**

100

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

This is part of the Munters Net-Zero target by 2030 initiative.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

Munters is working with LEAN initiatives under the Munters Production System to improve overall efficiency in its manufacturing and assembly operations. As efficiency improves, the energy consumed for production will be reduced. This will allow for more production for the same amount of current energy being used or an overall reduction in the amount of energy consumed. No real reduction from 2020 numbers due to Covid related shutdowns.

---

**Target reference number**

Low 5

**Year target was set**

2020

**Target coverage**

Please select

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

kWh

**Target denominator (intensity targets only)**

&lt;Not Applicable&gt;

**Base year**

2021

**Figure or percentage in base year**

5

**Target year**

2023

**Figure or percentage in target year**

95

**Figure or percentage in reporting year**

5

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

New

**Is this target part of an emissions target?**

This is part of the Munters Net-Zero target by 2030 initiative.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

In order to meet production goals over the next decade, Munters will build a new DataCenter assembly factory in Daleville, VA to replace the current factory in Buena Vista, VA. The new factory will be equipped with solar panels to provide 95%+ of the required electricity to operate the facility.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

**Target reference number**

Oth 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Low-carbon vehicles	Percentage of low-carbon vehicles in company fleet
---------------------	--

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2020

**Figure or percentage in base year**

7

**Target year**

2025

**Figure or percentage in target year**

80

**Figure or percentage in reporting year**

10

**% of target achieved [auto-calculated]**

4.10958904109589

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

No but will reduce our overall carbon footprint due to the reduction in use of carbon based fuels by vehicles.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

Munters currently has a large fleet of vehicles used for company sales, service, management use. Munters is changing its company car policy to state that all new purchased or leased vehicles will be EV or hybrid. This will take several years to fully implement and our projection is 20% per year. We have begun converting our Service vehicle fleet to EV/Hybrid in Q2 2021.

**Target reference number**

Oth 2

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Waste management	Percentage of total waste generated that is recycled
------------------	--

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2020

**Figure or percentage in base year**

49.75

**Target year**

2022

**Figure or percentage in target year**

90

**Figure or percentage in reporting year**

51

**% of target achieved [auto-calculated]**

3.1055900621118

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

No, this target is for protecting the environment for the future.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

In order to protect the environment, Munters wants to make sure that all waste or scrap material from our manufacturing facilities is not going to the landfill but is recycled or reused in some form. This includes all metals, wood, paper/cardboard, and plastics. The eventual goal to be landfill free. This year we are focusing on reduction activities and recycling activities at all facilities.

**C4.2c**

**(C4.2c) Provide details of your net-zero target(s).**

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

**Target year for achieving net zero**

2030

**Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

**Please explain (including target coverage)**

Munters has committed to a Net Zero emission rate for Scope 1 and Scope 2 by 2030.

**C4.3**

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	2484
To be implemented*	0	
Implementation commenced*	5	5373
Implemented*	2	7649
Not to be implemented		

**C4.3b**

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Low-carbon energy consumption	Low-carbon electricity mix
-------------------------------	----------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

7649

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

>30 years

**Comment**

Currently, 17 of our 18 facilities utilize some amount of electricity from renewable sources...49% of our electricity consumed is from renewable sources. No investment is required as it is just a change from our current electricity mix to more renewables. Additionally, this actually cost Munters more to use renewables due to the very inexpensive cost of electricity from fossil fuels.

**C4.3c**

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Compliance with regulatory requirements/standards	Most of our manufacturing and assembly facilities have activities that require permits from the local and/or federal governments. As these permits change and become harder to meet, additional capital is required for new equipment and updated processes to meet the new requirements.
Internal incentives/recognition programs	Munters has a Long Term Incentive Program that includes sustainability goals. In order to meet those targets, some capital investments have to be made and this insures they get approved.
Employee engagement	Through the use of the Munters Production System, Cost Out Programs, and the employee suggestion system, all employees have the ability to participate in improvement activities, which many of them are sustainability related.

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

**C4.5a**

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Group of products

**Description of product/Group of products**

Datacenter products such as Oasis/SyCool - and others. These products are for temperature and humidity control. These products often use air/water cooling instead of relying of mainly refrigeration systems.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Energy efficiency due to configuration of products)

**% revenue from low carbon product(s) in the reporting year**

12.2

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Numerous product lines use indirect cooling technologies which reduces the amount of energy required for traditional cooling and dehumidification. Additionally, many of our chosen components reduce energy consumption to operate such as EC fans in our units.

---

**Level of aggregation**

Company-wide

**Description of product/Group of products**

Global Services for all of our equipment

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Energy savings due to properly operating and maintained cooling and dehumidification equipment.)

**% revenue from low carbon product(s) in the reporting year**

15.33

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Munters has a global service network to support our customers in keeping their equipment maintained and operating effectively and efficiently. Global Services also offers equipment upgrades and retrofits to improve operating performance.

---

**C5. Emissions methodology**

---

**C5.1**

---

## **(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

### **Scope 1**

#### **Base year start**

July 1 2019

#### **Base year end**

June 30 2020

#### **Base year emissions (metric tons CO2e)**

8037

#### **Comment**

Munters Group AB are in the process of mapping and calculating our global carbon footprint. During 2019-2020, we made a significant effort to collect and obtain data and make our first Scope 1 and 2 greenhouse gas emissions inventory covering our factory locations: we collected emissions data for Q1 and Q2 2020 (01-01-2020 to 30-06-2020) and extrapolated the numbers backwards to get an estimation of the full-year figures from 01-07-2019 to 30-06-2020, the base year. In 2020, we have continued to collect information and also have estimates for emissions from our vehicle fleet; we have added the estimated vehicle emissions to the base year data.

### **Scope 2 (location-based)**

#### **Base year start**

July 1 2019

#### **Base year end**

June 30 2020

#### **Base year emissions (metric tons CO2e)**

15045

#### **Comment**

Munters Group AB are still in the process of calculating and understanding our global carbon footprint. During the last year, we have made a significant effort to collect and obtain data and make our first greenhouse gas emissions inventory covering our factory locations. So far, we have collected emissions data for Q1 and Q2 2020 (01-01-2020 to 30-06-2020) and extrapolated the numbers backwards to get an estimation of the full-year figures from 01-07-2019 to 30-06-2020. For the current reporting year, numbers are based on actual data collection.

### **Scope 2 (market-based)**

#### **Base year start**

July 1 2019

#### **Base year end**

June 30 2020

#### **Base year emissions (metric tons CO2e)**

14687

#### **Comment**

Munters Group AB are still in the beginning of calculating and understanding our global carbon footprint. During the last year, we have made a significant effort to collect and obtain data and make our first greenhouse gas emissions inventory. So far, we have collected emissions data for Q1 and Q2 2020 (01-01-2020 to 30-06-2020) and extrapolated the numbers backwards to get an estimation of the full-year figures from 01-07-2019 to 30-06-2020. For the current reporting year, numbers are based on actual data collection.

## **C5.2**

---

### **(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Other, please specify (The GHG Protocol Emission Factors from Cross Sector Tools and the Scope 2 Guidance. )

## **C5.2a**

---

### **(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

We have used The GHG Protocol Corporate Accounting and Reporting Standard which provides requirements and guidance for companies preparing a corporate-level GHG emissions inventory. In addition to that, we have used the GHG Protocol Emission Factors from Cross Sector Tools and the Scope 2 Guidance.

## **C6. Emissions data**

---

### **C6.1**

---

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

7130

**Start date**

April 1 2020

**End date**

March 31 2021

**Comment**

Includes Scope 1 from production facilities and from company vehicles, leased and owned

**Past year 1**

**Gross global Scope 1 emissions (metric tons CO2e)**

8037

**Start date**

April 1 2019

**End date**

March 31 2020

**Comment**

Added estimated emissions from vehicles to factory Scope 1 emissions

**C6.2**

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

We are reporting Scope 2 emissions based on both location-based and market-based figures. The location-based figures are calculated using data from the International Energy Agency, whereas market-based emissions are calculated using (where applicable and available) supplier-specific information.

**C6.3**

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

15230

**Scope 2, market-based (if applicable)**

15606

**Start date**

April 1 2020

**End date**

March 31 2021

**Comment**

In the reporting year, overall electricity consumption in kwh decreased but the proportion of electricity consumption was higher in areas with higher emissions factors ( China and the United States) than the year before. Ie. Europe where 94% of electricity is renewable, accounted for 31% of factory electricity consumption vs 35% in the base year.

**Past year 1**

**Scope 2, location-based**

15044

**Scope 2, market-based (if applicable)**

14687

**Start date**

April 1 2019

**End date**

March 31 2020

**Comment**

No change in base year i.e. previously reported Scope 2 emissions

## C6.4

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

### C6.4a

---

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**

Scope 2 emissions - energy used at non-production locations ( ie. at office locations)

**Relevance of Scope 1 emissions from this source**

No emissions excluded

**Relevance of location-based Scope 2 emissions from this source**

Emissions are relevant but not yet calculated

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are relevant but not yet calculated

**Explain why this source is excluded**

Munters has prioritized reporting of Scope 2 emissions from production locations, which account for a much larger part of emissions than office locations. The reporting of factory emissions is now established and offices will be the next source in line.

---

## C6.5

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO<sub>2</sub>e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

This evaluation has not started but has been put on the agenda for the strategic planning period.

**Capital goods**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO<sub>2</sub>e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Based on estimation, this category is of low relevance and therefore not a high priority to measure compared to our other categories in scope 3

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO<sub>2</sub>e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

We have no relevant fuel and energy related activities that are not included in Scope 1 and 2.

---

## Upstream transportation and distribution

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

We have started the work to select transportation alternatives with lower emissions, but are not yet quantifying them. We are trying to reduce transportation distance by working with internal and external supply chain.

## Waste generated in operations

### Evaluation status

Not relevant, calculated

### Metric tonnes CO2e

1202

### Emissions calculation methodology

We are tracking landfill waste in weight and use a general emissions factors of 300gr CO2e/ ton. For recycled waste, we use a general factor of 10 gr/ ton. Source: GHG Technical Guidance for Scope 3 Emissions

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

All factories report waste by weight and how much is recycled vs. reused vs. landfill waste, we calculate emissions based on these reported numbers and facts.

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

352

### Emissions calculation methodology

We report emissions from air travel. Emissions from other type travel is Scope 3 is insignificant. Emissions data is provided by travel agencies. For travel not booked via a travel agency or with a travel agency not able to issue an emissions report, we track mileage by trip manually and use an CO2 on-line calculator provided by IACO - International Civic Aviation, to calculate the emissions. Organization: [www.icao.int](http://www.icao.int)

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

85

### Please explain

We receive quarterly emissions reports from most of our travel agencies. Our entities which do not use a travel agency, or use a travel agency that cannot issue an emissions report, must track mileage by trip manually and use an CO2 on-line calculator to estimate emissions. Emissions from air travel are reported on a quarterly basis. Air travel decreased considerable in the reporting period due to COVID 19; based on estimations, emissions from air travel decreased by 85% compared to the previous 12 months.

## Employee commuting

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Not considered to be a material source of emissions for Munters. With COVID 19, all employees who could work from home have done so. We estimate that just like air travel, this has resulted in significant reduction of emissions from commuting. We are transitioning to a hybrid work model post COVID which will reduce Scope 3 emissions from commuting on a permanent basis.

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Not considered a material source of emissions at Munters.

## Downstream transportation and distribution

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

This evaluation has not started but Scope 3 emissions are included in the focus for the strategic planning period. We plan to encourage and support our customers to select lower emission modes of transportation from our locations to their locations.

## Processing of sold products

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

This evaluation has not started but Scope 3 emissions are included in the focus for the strategic planning period.

## Use of sold products

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

This evaluation has not started but Scope 3 emissions are included in the focus for the strategic planning period.

## End of life treatment of sold products

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

This evaluation has not started but Scope 3 emissions are included in the focus for the strategic planning period.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Not considered to be a material source of emissions in Munters

## Franchises

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

We have no franchises

## Investments

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

We do not have investments; all companies are operational and integrated in our Group (included in reporting)

## Other (upstream)

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No other upstream emission sources identified

## Other (downstream)

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No other downstream emissions sources identified

C-CG6.6

---

**(C-CG6.6) Does your organization assess the life cycle emissions of any of its products or services?**

	Assessment of life cycle emissions	Comment
Row 1	No, but we plan to start doing so within the next two years	We are in the process of adding R&D resources with competence in this area. We have an on-going dialogue with external consultant for guidance how to go about life cycle assessments.

**C6.7**

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

**C6.10**

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.0003

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

22736

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

7060000000

**Scope 2 figure used**

Market-based

**% change from previous year**

0

**Direction of change**

No change

**Reason for change**

Our intensity figure is too small to really determine change, mainly based on the denominator. We will look at utilizing a better intensity number next year.

**C7. Emissions breakdowns**

**C7.1**

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

No

**C7.2**

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
US, Latin America and Caribbean (USLAC)	3928
Europe, Middle East and Africa (EMEA)	2285
Asia Pacific and Africa	917
Please select	

**C7.3**

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By facility

By activity

**C7.3b**

**(C7.3b) Break down your total gross global Scope 1 emissions by business facility.**

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Amesbury, MA USA	593.39	42.856506	-70.93352
Selma, TX USA	41.21	29.59023	-98.30516
Buena Vista, VA USA	600.3	37.734447	-79.354256
Ft Myers, FL USA	16.02	26.64084	-81.86793
Lansing, MI USA	146.65	42.73194	-84.55225
Monterrey, Mexico	2053.01	25.6828	-100.31164
Araucaria, Brazil	143.92	-25.57797	-49.39788
Beijing, China	0	39.90657	116.38765
Chasan, China	670.32	23.044928	113.752478
Jiangyin, China	15.03	31.894226	120.26759
Ambernath, India	28.67	19.186354	73.191948
Tobo, Sweden	478.17	60.257396	17.656488
Hrusky, Czech Republic	63.28	48.792724	16.974044
Pieve, Italy	592.95	45.867465	11.911048
Tel Aviv, Israel	0	32.080481	34.780527
Horstmar, Germany	494.56	52.081141	7.303443
Company vehicles globally - various countries and locations	1193		

**C7.3c**

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO2e)
Fossil fuel used in production facilities ( specified by business facility)	5937.47
Company vehicles	1193

**C7.5**

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
US, Latin America and Caribbean (USLAC)	7249.3	7556.95		
Eastern Europe, Middle East, and Africa (EEMEA)	2431.34	517.16		
Asia Pacific and Africa	5549.63	7531.43		

**C7.6**

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By facility

**C7.6b**

**(C7.6b) Break down your total gross global Scope 2 emissions by business facility.**

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Amesbury, MA USA	1366.47	1155.22
Selma, TX USA	534.75	576.53
Buena Vista, VA USA	839.58	839.39
Ft Myers, FL USA	163.13	128.61
Lansing, MI USA	195.55	478.31
Monterrey, Mexico	3934.63	4162.97
Araucaria, Brazil	215.19	215.92
Beijing, China	557.94	992.95
Chasan, China	3884.71	5219.74
Jiangyin, China	723.68	935.54
Ambernath, India	383.31	383.25
Tobo, Sweden	66.7	0
Hrusky, Czech Republic	122.29	122.29
Pieve, Italy	1542.78	142.11
Tel Aviv, Israel	249.3	249.53
Horstmar, Germany	450.24	3.24

**C7.9**

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

**C7.9a**

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	375	Decreased	1.6	Some sites increased the % of renewable electricity compared to prior period. The % is the amount of decreased CO2e in relation to total Scope 1 and 2 CO2e
Other emissions reduction activities	373	Decreased	1.6	A number of efficiency improvements resulted in lower energy consumption. For example, increased first through-put leading to less rework in Monterrey and Amesbury facilities and reduced shiftwork in Buena Vista, meaning factory building is not in use 24/7 leading to lower electricity and heating/ cooling need. The amount and proportion of hybrid vehicles increased compared to prior period, decreasing number of vehicles powered by gasoline or diesel. % is calculated as amount of reduced CO2e in proportion to total Scope 1 and 2 emissions
Divestment	0	No change		
Acquisitions	0	No change		
Mergers	0	No change		
Change in output	1197	Increased	5.3	Scope 1 emissions decreased as a result of substantial decrease in use of company vehicles due to COVID 19. In-person Sales and Service activity decreased and Managers' use of their company cars ( fringe benefit) was very low due to them working from home as opposed to using their vehicles to commute to the office. Scope 2 emissions from factories increased as a result of overall output level and region mix: output increased in regions where Munters has a lower proportion of renewable electricity (APAC and Americas ) leading to higher emissions
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	386	Decreased	1.7	Milder Winter-time temperature and lower office occupancy at the production facilities led to decreased energy need for heating ( natural gas) in several locations. Changes in R&D activities led to decreased need for testing resulting in reduced diesel consumption. % is the decrease CO2e in proportion to total Scope 1 and 2 emissions
Unidentified		<Not Applicable >		
Other	52	Decreased	0.2	A company wide efficiency program in 2019 resulted in reduced overhead staff and reduced number of company vehicle leases.

**C7.9b**

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

**C-CG7.10**

**(C-CG7.10) How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?**

Decreased

**C-CG7.10a**

**(C-CG7.10a) For each Scope 3 category calculated in C6.5, specify how your emissions compare to the previous year and identify the reason for any change.**

**Waste generated in operations**

**Direction of change**

Decreased

**Primary reason for change**

Other emissions reduction activities

**Change in emissions in this category (metric tons CO2e)**

18

**% change in emissions in this category**

1.5

**Please explain**

Worked to reduce waste in processes through improved quality - first throughput and less reject. Also worked actively with recycling and reusing of waste resulting in decreased landfill waste. Our target is to continue to reduce landfill waste.

**Business travel**

**Direction of change**

Decreased

**Primary reason for change**

Other, please specify (Air travel decreased significantly and was close to zero in some geographies and/or during certain periods due to COVID 19.)

**Change in emissions in this category (metric tons CO2e)**

2039

**% change in emissions in this category**

85

**Please explain**

Due to COVID 19, air travel came to nearly a complete stop during much of the reporting period compared to the year before. Overall reduction estimated to 85% vs pre-COVID. Munters has now introduced a new travel policy in order to permanently curb air travel by 30% compared to pre-COVID conditions, in post-COVID conditions.

**C8. Energy**

**C8.1**

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

**C8.2**

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

**C8.2a**

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)		28080	28080
Consumption of purchased or acquired electricity	<Not Applicable>	18723	19362	38085
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	18723	47442	66165

**C8.2b**

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

**C8.2c**

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

20370

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

0.20195

**Unit**

kg CO2 per KWh

**Emissions factor source**

GHG Protocol Emission Factors from Cross-Sector Tools

**Comment**

Natural gas is used for heating purposes, and in industrial processes, however as of today, we are unable to measure the direct consumption for each purpose.

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

5894

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

0.22716

**Unit**

kg CO2 per kWh

**Emissions factor source**

GHG Protocol Emission Factors from Cross-Sector Tools

**Comment**

LPG is used in vehicles and other processes, however as of today, we are unable to measure the direct consumption for each purpose.

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

1816

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

0.26672

**Unit**

kg CO2 per kWh

**Emissions factor source**

GHG Protocol Emission Factors from Cross-Sector Tools

**Comment**

Diesel is used for heating purposes, in vehicles and other processes, however as of today, we are unable to measure the direct consumption for each purpose.

**C8.2e**

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.**

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

**Low-carbon technology type**

Hydropower

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Sweden

**MWh consumed accounted for at a zero emission factor**

5295

**Comment**

We procure green electricity through PPA from Vattenfall and is hydro electric power.

**C-CG8.5**

**(C-CG8.5) Does your organization measure the efficiency of any of its products or services?**

	Measurement of product/service efficiency	Comment
Row 1	Yes	This is currently mainly for our Datacenter products and will be expanded over the coming years.

## C-CG8.5a

---

(C-CG8.5a) Provide details of the metrics used to measure the efficiency of your organization's products or services.

**Category of product or service**

Heating & cooling systems

**Product or service (optional)**

Datacenter cooling is quantified, others products are currently not quantified but will be in the future.

**% of revenue from this product or service in the reporting year**

11.8

**Efficiency figure in the reporting year**

7.68

**Metric numerator**

megawatt hour (MWh)

**Metric denominator**

unit of production

**Comment**

The efficiency is derived from the MWh from our VA facility divided by the number of units produced.

---

## C9. Additional metrics

---

### C9.1

---

(C9.1) Provide any additional climate-related metrics relevant to your business.

**Description**

Other, please specify (Recycled and/or Reused Waste from production activities)

**Metric value**

51.4

**Metric numerator**

4101696

**Metric denominator (intensity metric only)**

7992787

**% change from previous year**

1.4

**Direction of change**

Increased

**Please explain**

The amount of recycled/reused waste increased to 51.4% from 50% in the previous reporting year. This number will continue to increase due to the increased focus on this target and finding new sources to recycle/reuse our waste materials.

---

**Description**

Other, please specify (Water consumption at our manufacturing facilities)

**Metric value**

100943

**Metric numerator**

cubic meters

**Metric denominator (intensity metric only)**

**% change from previous year**

24

**Direction of change**

Increased

**Please explain**

We currently track our water consumption at each of our sites and aim to reduce our overall usage. We continue to monitor our chemical operations and look for opportunities for reduction. The increase noted for this reporting year is due to incomplete reporting during the last reporting cycle. We have now updated all of our reporting metrics for each facility to insure accurate numbers going forward.

---

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

---

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	Sycool product

## C-CG9.6a

(C-CG9.6a) Provide details of your organization's investments in low-carbon R&D for capital goods products and services over the last three years.

**Technology area**

Energy efficient heating and cooling systems

**Stage of development in the reporting year**

Small scale commercial deployment

**Average % of total R&D investment over the last 3 years**

≤20%

**R&D investment figure in the reporting year (optional)**

23300000

**Comment**

Munters has recently added a Group Management level position for Innovation. Part of the Innovation charter is to develop the next generation of cost efficient, sustainable humidification/dehumidification products. Innovation is focusing on life cycle analysis for each product and what can be done to increase the reuse/recyclability of all of our products. The reported R&D investment is in SEK.

## C10. Verification

### C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

### C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

### C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

### C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

### C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

## C12. Engagement

---

### C12.1

---

#### (C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain

### C12.1a

---

#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

##### Type of engagement

Information collection (understanding supplier behavior)

*Travel agencies: obtaining carbon emissions reports for our flights*

##### Details of engagement

Collect climate change and carbon information at least annually from suppliers

*Travel agencies: quarterly carbon emission reports for flights taken in the period*

##### % of suppliers by number

0

##### % total procurement spend (direct and indirect)

##### % of supplier-related Scope 3 emissions as reported in C6.5

100

##### Rationale for the coverage of your engagement

We are requesting emission reports from 100% of our travel agencies for flights booked with them. We receive reports monthly or quarterly from most of them. Being able to issue emission reports is an important criteria in the selection of travel agencies.

##### Impact of engagement, including measures of success

We recently changed travel agency in China to one which is able to provide reports on CO2e emissions. We have started to track emissions from flights and set a goal to reduce travel by 30% post COVID, compared to the amount of flights before COVID. Thanks to the information we receive from our travel agency partners, we can track the progress towards our goal.

##### Comment

---

##### Type of engagement

Information collection (understanding supplier behavior)

*Information from leasing companies about available vehicle models with lower emission factors*

##### Details of engagement

Collect climate change and carbon information at least annually from suppliers

*We are collecting information about vehicle models with lower emissions to be able to include in our fleet. New models become available and we are working with the leasing companies to keep us informed about our options.*

##### % of suppliers by number

0

##### % total procurement spend (direct and indirect)

##### % of supplier-related Scope 3 emissions as reported in C6.5

0

##### Rationale for the coverage of your engagement

We have recently updated our global car policy and have set a target to reduce emissions from our vehicles by at least 30% by 2023. In order to do so, we need to add models with lower carbon emissions and need information from leasing companies on available models. Carbon emissions is now an important criteria and we accept a slightly higher leasing cost for models with lower emissions.

##### Impact of engagement, including measures of success

We recently succeeded to change service vehicle models in some European countries to hybrids. We are finding leasing companies willing and able to help with the information request.

##### Comment

---

##### Type of engagement

Information collection (understanding supplier behavior)

*Transportation / freight companies*

##### Details of engagement

Other, please specify (Freight forwarders: obtaining information about how various modes of transportation is impacting CO2e emissions. Supporting us to select lower emission freight methods such as train over airfreight.)

---

We work with freight forwarding and transportation companies to better understand emissions from alternative freight / transportation methods.

**% of suppliers by number**

0

**% total procurement spend (direct and indirect)**

**% of supplier-related Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

By obtaining information about lower emission alternatives for freight and transports, it helps us select lower carbon freight methods or companies who aim to reduce their emissions. Munters is not yet measuring Scope 3 emissions but are actively engaging in dialogue and looking for ways to reduce emissions from transports.

**Impact of engagement, including measures of success**

While Munters does not measure scope 3 emissions yet, we have many examples where we have succeed in lowering emissions in the area of freight and transportation. Example 1. At the beginning of 2020, the first transport of rotor blocks by rail was sent from Munters' factory in Tobo in Sweden to Jiangyin in China. The goal is to ship two containers a month in this way to China. This reduced the amount of shipments by sea and air. In the coming months, about 30 containers will also be shipped from Germany to China by rail. Example 2. In Mexico, Munters has been using train transport since 2018. From its factory in Monterrey, the company uses intermodal (train and truck) to transport fiberglass rolls and paper rolls to the United States. During 2020, we have collected an average of nine train containers per month. By using trains, we have reduced our emissions by more than 85 metric tons of carbon for this transportation. Example 3. In Mexico, we are also looking at using local suppliers for some of the chemicals to reduce transportation between the US and Mexico. A good example of this is the sourcing of phenolic resin in 2019, which reduced the transport of the product from 3000 km to 15km. Example 4. DHL are neutralizing the carbon emissions of all less-than-container load (LCL) ocean freight shipments with sustainable marine biofuels from January 1, 2021. While it is more cost effective to work with full container load ocean shipments, having the benefit of carbon neutral LCL freight helps with Scope 3 emissions. In Sweden we use DHL for all of our LCL shipments. We also use DHL for imports to China and for imports and exports to/from the US (along with 2 other freight forwarders). In Australia, we also use DHL for some shipments.

**Comment**

---

**Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Collect climate change and carbon information at least annually from suppliers

*We are working with electrical companies and utilities to understand what renewable sources are included in our procured electricity or that can be made available to us.*

**% of suppliers by number**

0

**% total procurement spend (direct and indirect)**

**% of supplier-related Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

Emissions from electricity is our largest category of emissions in Scope 1 and 2. Increasing the amount of electricity from renewable sources can have the largest and fastest impact short term. Investigating what renewable sources are available and at what green premium is an important part of electricity procurement.

**Impact of engagement, including measures of success**

We continue to increase the amount of electricity from renewable sources year by year. In 2020, we reach 50%, up from 40% in 2019 and the target is to reach 60% in 2022. This is an effective way of reducing our Scope 2 emissions

**Comment**

Some utilities are struggling to provide accurate emissions data for the mix they are offering, especially if you increase the amount of renewable vs their standard offering.

---

**Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Other, please specify (Collecting information on waste from waste management companies in order to be able to estimate emissions from landfill waste and recycled materials)

*Waste management companies / services*

**% of suppliers by number**

0

**% total procurement spend (direct and indirect)**

**% of supplier-related Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

The overall CO2e emissions from waste is not relevant but it is easy to estimate the emissions as long as we get specifications and weight from the waste collectors. We strive to reduce waste and therefore measuring it ensures we can track our progress. Our attention to this also means that the waste management company must work to recycle and reuse what is possible rather than categorize all waste as landfill waste.

**Impact of engagement, including measures of success**

For example in India, we were able to obtain information from the waste management which showed that portion of waste was actually recycled or reused. The total amount of recycle / reused material for all our production facilities increased from 50% to 51.4% in the period and resulted in decreased emissions.

**Comment**

---

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Other, please specify (We run campaigns and seminars to customers and consultants about our energy efficient solutions and applications and how they can reduce energy consumption and carbon footprint.)

**% of customers by number**

50

**% of customer - related Scope 3 emissions as reported in C6.5**

**Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

New and existing customers, AirTech EMEA - customers come to Munters with a problem to solve and we provide a solution and then we inform them of the sustainability benefits related to climate we have to offer. Munters customer base is from a wide diversity of industries such as Food, pharmaceutical, battery production. We provide humidity control solutions where precision control is required for mission critical processes or preservation of high value assets. Additionally Munters carry out customer surveys to establish energy efficiency opportunities and propose solutions which indicate return on investment. Many customers have a constant ambition to drive down operational costs and reduce carbon footprint.

**Impact of engagement, including measures of success**

Customers impact varies due to their internal sustainability objectives. The impact for our customers is improved quality, increased quantity in production, retaining value and or reducing energy.

---

**Type of engagement**

Collaboration & innovation

**Details of engagement**

Other, please specify (We offer service solutions to reduce energy consumption after the initial sale of our equipment. )

**% of customers by number**

60

**% of customer - related Scope 3 emissions as reported in C6.5**

**Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

After sales customers, AirTech EMEA - Munters customer base is from a wide diversity of industries such as Food, pharmaceutical, battery production. We provide humidity control solutions where precision control is required for mission critical processes or preservation of high value assets. Additionally Munters carry out customer surveys to establish energy efficiency opportunities and propose solutions which indicate return on investment. Many customers have a constant ambition to drive down operational costs and reduce carbon footprint.

**Impact of engagement, including measures of success**

The impact for our customers is improved quality, increased quantity in production, retaining value and or reducing energy.

---

**Type of engagement**

Education/information sharing

**Details of engagement**

Other, please specify (Encourage better climate-related disclosure practices. )

**% of customers by number**

80

**% of customer - related Scope 3 emissions as reported in C6.5**

**Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

AirTech Americas - customers come to Munters with a problem to solve and we provide a solution then we inform them of the sustainability benefits related to climate we have to offer

**Impact of engagement, including measures of success**

Customers impact varies due to their internal sustainability objectives.

---

**Type of engagement**

Collaboration & innovation

**Details of engagement**

Other, please specify (Encourage better climate-related disclosure practices )

**% of customers by number**

5

**% of customer - related Scope 3 emissions as reported in C6.5**

**Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

AirTech Americas - customers come to Munters with a problem to solve and we provide a solution and in addition we work together with them on the sustainability benefits related to climate we have to offer

**Impact of engagement, including measures of success**

Customers impact varies due to their internal sustainability objectives.

---

**Type of engagement**

Education/information sharing

**Details of engagement**

Other, please specify (Encourage better climate-related disclosure practices )

**% of customers by number**

75

**% of customer - related Scope 3 emissions as reported in C6.5****Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

FoodTech Americas customers

---

**Impact of engagement, including measures of success****Type of engagement**

Education/information sharing

**Details of engagement**

Other, please specify (Encourage better climate-related disclosure practices)

**% of customers by number**

20

**% of customer - related Scope 3 emissions as reported in C6.5****Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

FoodTech - We educate our customers by informing them of the energy efficient products we offer and solutions that are not only good for the environment and the climate, but also result in lower operating costs. We also explain our customers how to dismantle and manage product components & material at the end of their life.

**Impact of engagement, including measures of success**

We furnish products that reduce our customers' climate and environmental impact with a focus on our products' energy efficiency. We also provide energy simulation tools to help selecting the most energy effective solution for the entire farm as well as dedicated application team support

---

**Type of engagement**

Education/information sharing

**Details of engagement**

Other, please specify (Share Total Cost of Ownership (TCO) Study)

**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5****Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

The Munters Data Center Technologies team hired an independent engineering consultant to evaluate Total Cost of Ownership (TCO) of various data center cooling solutions, focusing on energy consumption, installation cost, and maintenance cost. We then organized webinars and a panel discussion to review the results of this study in order to educate the industry on the advantages and disadvantages of these various cooling technologies.

**Impact of engagement, including measures of success**

To date, through our participation in various industry events, we've reached over 650 people connected to the data center industry, including owners, engineers, contractors, and suppliers.

---

**Type of engagement**

Education/information sharing

**Details of engagement**

Other, please specify (Energy Efficiency )

**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5****Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

Munters routinely provides information and education to Data Center Technologies customers on energy efficient cooling solutions to include power usage calculation, efficiency, and water usage calculations. This information allows owners to better understand Total Cost of Ownership (TCO) for their cooling equipment. We demonstrate the importance of understanding power consumption as relates to cost and environmental impacts.

**Impact of engagement, including measures of success**

Globally, Munters cooling solutions for data centers save an annual kWh of 2,847,000,000 kWh

---

**Type of engagement**

Collaboration & innovation

**Details of engagement**

Other, please specify (Project Specific Designs)

**% of customers by number**

75

**% of customer - related Scope 3 emissions as reported in C6.5**

**Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

Munters works closely with Data Center engineers and owners to develop customer engineered cooling solutions for specific projects. Design factors include sustainability categories of footprint constraints (land usage), power consumption, serviceability, water consumption, and cost. As the industry migrates away from water based solutions, Munters developed a new water-less cooling technology.

**Impact of engagement, including measures of success**

Globally, Munters cooling solutions for data centers save an annual kWh of 2,847,000,000 kWh. Munters plans to incorporate new KPI's over the next 1-2 years to further measure success in this area.

---

C12.1d

---

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

C12.3

---

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

C12.3b

---

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

No

C12.3f

---

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

We ensure that all employees associated with trade associates are well informed about our Strategy and climate related initiatives and goals so that they are able to inform and articulate our stance to the trade associations. We use our eLearning system to identify those that have taken the climate related training so we can follow-up ensure all required employees take the training.

C12.4

---

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Munters\_Project Sustain\_210622.pdf

**Page/Section reference**

Project Sustain in Sweden. Sections F5-15, F60-62 refer to climate. Sections F20-21 and F 50> refer to governance of sustainability which includes climate

**Content elements**

Governance

Strategy

Risks & opportunities

**Comment**

---

**Publication**

In other regulatory filings

**Status**

Complete

**Attach the document**

munters-sustainability-report-2020.pdf

**Page/Section reference**

Munters Annual Sustainability Report

**Content elements**

Governance

Strategy

Risks & opportunities

Other metrics

**Comment**

---

## C15. Signoff

---

### C-FI

---

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### C15.1

---

**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

## Submit your response

---

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

**Please confirm below**

I have read and accept the applicable Terms