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"A good foundation for continued profitable growth"

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Comments from the Chairman of the Board

Dear Fellow Shareholders,

It is with great satisfaction that I address you this year, reflecting on a year marked by significant progress, strong results and on the work to build a foundation for sustainable, long-term growth for Munters. I am incredibly proud of the dedication and resilience demonstrated by our management team and employees across the globe.

We operate in a very dynamic or even turbulent environment and 2024 promises to be exceptionally difficult to navigate with multiple warzones, increasing regional conflicts, accelerating technical developments and global trade challenges. Furthermore, half the world population will vote this year offering yet another dimension of uncertainty. Despite these challenges and in view of the many opportunities available to us, we are confident in Munters continued growth journey.

Between 2017 and 2020 a new ownership structure, with a longer-term focus, came into place, a new management team was appointed and a modified strategy was set. Since then, the company has delivered on many of the key priorities such as; profitable growth of the Data center business, improved innovation capability, better customer focus, expanded capabilities in among other things the rapidly growing food-tech software business and increased production capacities as well as developing stronger and deeper management teams worldwide. This has allowed us to accelerate growth and improve profitability in prioritized areas. Furthermore, our renewed focus on

more sustainable solutions has resulted in significantly reduced Scope 1 and 2 emissions as well as a strong focus and commitment from the whole organization to making Munters a truly sustainable company.

Throughout the year the Board of Directors engaged in many discussions around how to secure a consistently higher level of profitable growth. This included investments in selected areas to create a solid platform for long-term growth, many acquisitions as well as portfolio optimization and capital allocation decisions. Examples include the significant expansion of production capacities in Virginia, Massachusetts and the Czech Republic as well as acquisitions in the US, Europe, South America and not least in India. We have also committed significant investments to improve our CO₂ footprint with green energy and more energy efficient machines and manufacturing facilities.

In 2023 artificial intelligence (AI) has been a strategic focus for the Board of Directors, we have actively challenged and supported management in harnessing the power of AI to optimize processes, reduce cost, enhance decision-making, and drive innovation while

minimizing the inherent risk with these technologies. The initiatives undertaken here will expand further in 2024.

Beyond boardroom discussions, we believe in experiencing our operations firsthand. During the year we visited key facilities to foster a deeper understanding of Munters challenges and successes as well as in getting to know our employees. Also, employees from various parts of the company have been invited to board meetings to present and connect with board members individually. This connection allows us to make informed decisions on succession, to develop our talented people further and ultimately in ensuring that they can drive execution of our overall strategy. We have supported management to invest in robust training programs, succession planning processes and talent acquisition initiatives, ensuring our workforce possesses the skills and knowledge required to navigate the rapidly evolving global landscape. One example of initiatives from the year is the partnership with the recruitment company CoGig, which has a special program developed for young female engineers. With this focus on talent development, we are

seeking to create leadership teams that are more globally inclusive and with a wide range of international and cultural perspectives and experiences that reflect the diversity of our workforce and customer base.

Munters is exposed to very strong underlying market trends, such as digitalization and electrification, which will continue to support rapid growth. We are certain that Munters strong focus on sustainability will lead to a more resilient, responsible, and profitable business that is prepared for and embraces the future in for example Data Center Technologies, Digital Solutions in FoodTech and our Airtech solutions in battery production.

On behalf of the Board of Directors, I want to thank our passionate employees, our customers, and other stakeholders for their support. I also want to thank our board for their engagement and energy.

We are excited about the year ahead.

Magnus Nicolin
Chairman of the Board

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Shareholders

The right of the shareholders to decide on Munters' affairs is exercised at the Annual General Meeting (AGM). Shareholders who are recorded in the share register on the record date and have registered for the AGM within the time indicated in the notice to attend have the right to participate in the AGM, in person or by proxy.

Nomination Committee

The Nomination Committee is charged with preparing and submitting proposals before the AGM on behalf of the shareholders for the election of the Chairman of the AGM, election of the Chairman of the Board and other Board members, election of the auditors, and fees to the auditors and to the Board. In addition, the Nomination Committee assesses the independence of Board members in relation to the company and major shareholders. The company's Audit Committee assists the Nomination Committee with the proposal for the election of the auditors, and the Nomination Committee's proposals to the General Meeting for auditors' elections contain the Audit Committee's recommendation.

Board of Directors

The Board is responsible for Munters' organization and management of Munters' affairs. Under the company's Articles of Association, Munters' Board of Directors shall consist of at least three and no more than ten members elected by the AGM. The Board members are elected annually by the AGM for the period until the conclusion of the next AGM.

The Chairman of the Board of Directors leads and oversees the work of the Board, ensuring that activities are conducted efficiently. The Chairman also ensures that the Swedish Companies Act and other applicable laws and

regulations are observed, and that the Board receives the training it needs to improve its knowledge of Munters. The Chairman monitors operations in close dialogue with the CEO, conveys opinions from shareholders to other Board members, and serves as spokesperson for the Board. The Chairman of the Board is responsible for other Board members receiving sufficient information to perform their work effectively, and for ensuring that the Board's decisions are implemented. The Chairman of the Board is also responsible for the Board's annual evaluation of its work.

Board committees

The Board of Directors currently has three committees: the Audit Committee, the Remuneration Committee and the Investment Committee. The members of the committees are appointed from among the Board of Directors for a period of one year. Reports to the Board on issues addressed at committee meetings are submitted either in writing or verbally.

The work of each committee is performed in accordance with the instruction from the Board. Minutes of committee meetings are provided to all Board members.

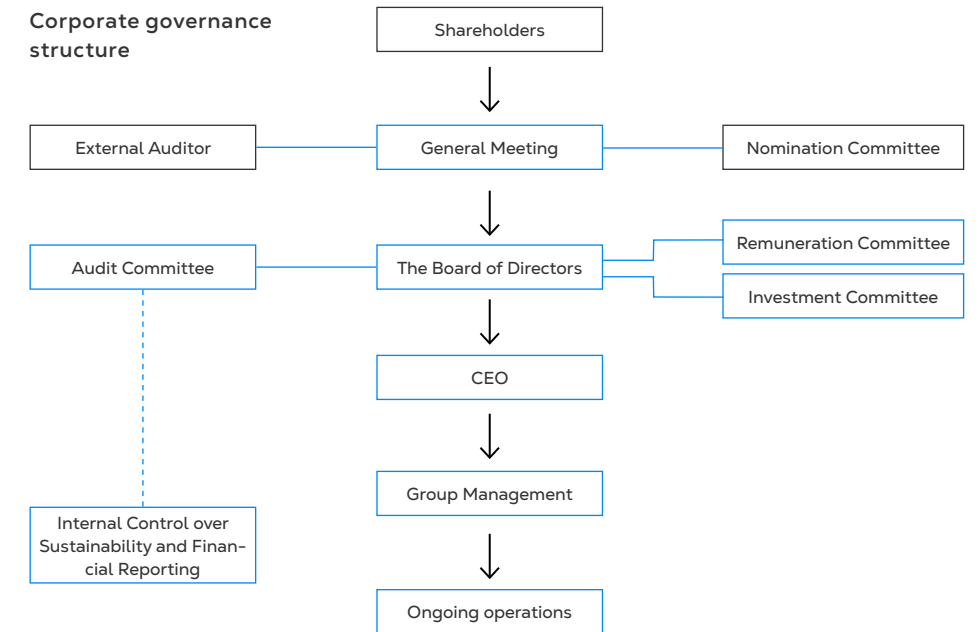
The Audit Committee

The main tasks of the Audit Committee are to ensure that the Board of Directors fulfills its supervisory duty in relation to internal control, auditing, financial risk management, financial and sustainability reporting, to prepare matters concerning the procurement of auditing and other services from the auditor; and to prepare certain accounting and auditing matters to be resolved by the Board.

The Remuneration Committee

The Remuneration Committee prepares the Board's decisions on proposals for guidelines

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for remuneration to senior executives. The committee represents the Board in managerial and succession planning as well as leadership development.

The Investment Committee

The Investment Committee assists the Board of Directors by monitoring material strategic initiatives that are important to the Group's value creation. In addition, the Investment Committee approves and supports the Board and the company's management in material contractual processes.

CEO and Group Management

The Board of Directors appoints the President and CEO. The CEO is responsible for day-to-day management according to the Board's instructions as well as for taking all necessary measures to ensure that the organization and

the control of the company's accounts comply with current rules and regulations. The CEO also prepares all necessary information and supporting documentation for Board meetings and, if requested by the Chairman of the Board, summons the meeting.

The CEO reports at Board meetings and submits motivated proposals for resolution by the Board. The CEO is assisted by a Group Management comprised of the heads of the business areas and staffs.

Auditors

The AGM appoints the auditors, who review the annual report, accounts, consolidated financial statements, the Board's and the CEO's management, and the annual reports and accounts for subsidiaries, in addition to issuing the Audit Report.

Corporate Governance Report 2023

Munters Group AB is a Swedish public limited liability company listed on Nasdaq Stockholm's Large Cap list. The corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code ("the Code"). Munters did not breach any of the rules of the Code in 2023. The auditors have reviewed the report, and the statement from the auditors can be found on page 154.

2023 Annual General Meeting

The Annual General Meeting (AGM) for 2023 was held on May 17, 2023 at Munters' headquarters. According to the voting list, approximately 78.7% of the votes were represented. The meeting was held in Swedish. Complete information on the 2023 AGM and the minutes can be found on the Munters website, www.munters.com.

The issues resolved by the AGM included the following:

- Dividend in accordance with the Board's proposal of SEK 0.95 per share.
- Discharge of the Board members and the CEO from personal liability for the administration of the company in 2022.
- Remuneration to the Board of Directors.
- Re-election of Board members Magnus Nicolin, Helen Fasth Gillstedt, Maria Håkansson, Kristian Sildeby, Anders Lindqvist and Anna Westerberg.
- Election of Sabine Simeon-Aissaoui as a new Board member.
- Re-election of Magnus Nicolin as the Chairman of the Board.
- Remuneration to the auditors according to approved invoices.

- Compensation guidelines for senior executives.
- Approval of the Board's remuneration report.

2024 Annual General Meeting

The 2024 Annual General Meeting will be held on March 21, 2024. For further information on the 2024 AGM, refer to page 162 and the Munters website, www.munters.com.

Nomination Committee for the 2024 AGM

The Nomination Committee for the AGM shall be composed of representatives of the four largest shareholders by votes as listed in the share register maintained by Euroclear Sweden AB as of August 31 of each year.

The Chairman of the Board shall serve as a co-opted member of the Nomination Committee and also convene its first meeting. The member representing the largest shareholder by votes shall be appointed Chairman of the Nomination Committee. The Chairman of the Nomination Committee shall have the deciding vote in a tie.

The composition of the Nomination Committee shall be announced no later than six months prior to the meeting. Changes in the composition of the Nomination Committee

shall be made public immediately. No remuneration shall be paid to the members of the Nomination Committee. Any necessary expenses for the Nomination Committee's work shall be paid by the company. The Nomination Committee's term extends until the composition of the next Nomination Committee has been announced.

The reasoned statement of the Nomination Committee for the 2023 AGM states that in preparing its proposal for the Board of Directors, the Nomination Committee has applied Rule 4.1 of the Code as a diversity policy. The goal of the policy is that the Board, given the company's operations, stage of development and conditions in general, shall have an appropriate composition marked by diversity and breadth in terms of the competence, experience and background of the members elected by the AGM, and shall promote gender parity. The 2023 AGM resolved to elect the Board members proposed by the Nomination Committee.

From the time it was constituted up until the submission of the Annual Report, the Nomination Committee has held eight recorded meetings.

Nomination Committee for the 2024 AGM

Name	Elected by	Holding per 16 February 2024
Magnus Fernström	FAM AB	28.0%
Cecilia Grip	Swedbank Robur Fonder	6.3%
Mats Larsson	First Swedish National Pension Fund	5.8%
Philip Mesch	ODIN Fonder	5.6%

Board of Directors 2023

Munter's articles of association were adopted at the AGM on May 17, 2023 and contain no special provisions on the appointment and dismissal of Board members or on revisions to the articles of association. For the complete articles of association, refer to the Munters website.

At the 2023 AGM, seven Board members were elected, four of whom are women and three men. Under Swedish law, the trade unions have the right to representation on the Board and they were represented in 2023 by two members and one deputy.

The CEO and the CFO and Group Vice

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President of Munters report at the Board meetings. Other members of Group Management present at the Board's meetings on specific issues.

Board activities

The duties of the Board of Directors are set forth primarily in the Swedish Companies Act and the Code. Board activities are also governed by the rules of procedure adopted annually by the Board. The rules of procedure govern the delegation of work and responsibility between the members of the Board, the Board's committees, the Chairman of the Board and the CEO. The instructions for the CEO also contain instructions for financial reporting.

The tasks of the Board include adopting strategies, business plans and targets; issuing interim reports and year-end financial statements; managing risks; and setting policies

and guidelines. For a complete list of adopted policies, see page 76. The Board also monitors economic developments, ensures the quality of financial reporting and the internal controls, and evaluates the Group's operations based on the targets and guidelines set by the Board. Moreover, the Board is responsible for appointing the CEO. The Board also decides on major investments as well as organizational and operational changes.

The CEO gives a presentation on business development at ordinary Board meetings. The auditor briefs the Board, including on the auditor's report. The auditor also meets with the Board without management present. The company meets the requirements of the Code in that a majority of the members elected by the AGM are independent of the company and company management, and that at least two of them are independent of the company's largest shareholders. An evaluation is con-

ducted each year to ensure the quality of the Board's work and to identify any need for additional competence or experience. The Chairman of the Board is responsible for conducting the evaluation and that it is provided to the Nomination Committee. At the request of the Nomination Committee, the Board members shall take part in interviews with the Nomination Committee to facilitate the evaluation. In 2023, a traditional external evaluation of the Board's work was conducted. The results of the interviews and the Board evaluation have been reported to the Board and the Nomination Committee.

Audit committee

The recurring items on the agenda of the Audit Committee's meetings are accounting issues, quarterly reports, the annual report and consolidated financial statements, sustainability report as well as ongoing reporting from the Group

function Internal Control, legal requirements, risk management and reports from the auditor. In addition, the Audit Committee monitors the impartiality and independence of the auditor, evaluates the audit work, and discusses the collaboration between the auditor and the company's internal control function. The Audit Committee also assists the Nomination Committee in preparing nominations for auditor and proposals in respect of audit fees by submitting recommendations to the Nomination Committee. During the period between two consecutive AGMs, the Audit Committee is required to hold at least five meetings, normally in conjunction with the ordinary meetings of the Board of Directors.

Remuneration committee

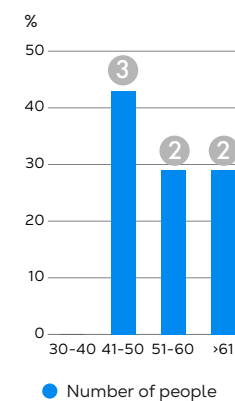
The task of the Remuneration Committee is to prepare issues relating to compensation for the CEO and Munters' other senior executives.

Composition of the Board of Directors

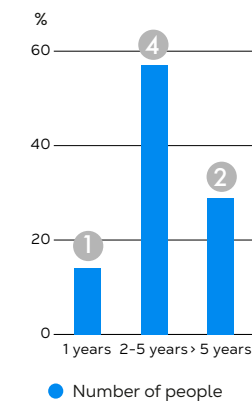
Name	Attendance			
	Board meetings	Audit Committee	Remuneration Committee	Investment Committee
Magnus Nicolin, Chairman of the Board	13/13		6/6	7/7
Kristian Sildeby	13/13	5/5	6/6	7/7
Håkan Buskhe ⁽¹⁾	5/5			
Anna Westerberg	12/13			7/7
Helen Fasth Gillstedt	12/13	5/5		
Maria Håkansson	12/13	5/5		
Sabine Simeon Aissaoui ⁽²⁾	7/8			5/5
Anders Lindqvist	13/13		6/6	
Robert Wahlgren ⁽³⁾	13/13			
Simon Henriksson ⁽³⁾	13/13			
Tor Jansson ^(1, 3)				
Linus Morell ^(2, 3)	8/8			

1. Resigned at the Annual General Meeting 2023
2. Elected at the Annual General Meeting 2023
3. Employee Representatives

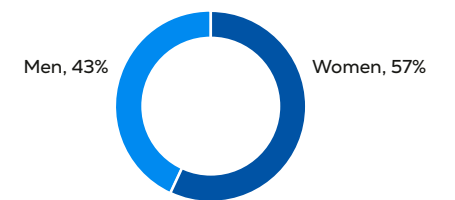
AGE DISTRIBUTION



TIME ON THE BOARD



GENDER DISTRIBUTION



Footnote: Based on board members elected at the Annual General Meeting as of the measurement date, December 31, 2023.

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Board meetings 2023

During 2023, the board held 13 meetings. Below is an overview of the most important issues addressed at these meetings.

	January	February	March	April	May	June	July	August	September	October	November	December
Board meetings	<ul style="list-style-type: none"> Report from the board's committees Board evaluation Evaluation of CEO 	<ul style="list-style-type: none"> Decision on dividend proposal for the fiscal year 2022 Approval and publication - year-end report (Q4 report) Report from the board's committees 	<ul style="list-style-type: none"> Deep dive - DCT's strategic agenda Review - strategic agenda service Report from the board's committees Approval of the annual and sustainability report 2022 	<ul style="list-style-type: none"> Decision on the summons and proposal for the AGM Approval and publication - Q1 report Report from the board's committees 	<ul style="list-style-type: none"> AGM Approval of revised policies Election of members to the board's committees Decision on the board's working procedures and the committees' working orders Deep dive - AirTech's strategic agenda Report from the board's committees 		<ul style="list-style-type: none"> Approval and publication - Q2 report Report from the board's committees Decision on strategic review in FoodTech 	<ul style="list-style-type: none"> Review of employee issues and succession plans FoodTech update delivery on strategic agenda Report from the board's committees 	<ul style="list-style-type: none"> Factory visit to Hodonin, Czech Republic. Deep dive into AirTech and EMEA Approval and publication - Q3 report Report from the board's committees 		<ul style="list-style-type: none"> Business plan review Report from the board's committees 	
Audit committee		<ul style="list-style-type: none"> Whistleblower cases Year-end report Annual report 		<ul style="list-style-type: none"> Whistleblower cases Q1 report Audit plan 2023 ESG Financing and liquidity Tax update 			<ul style="list-style-type: none"> Whistleblower cases Q2 report EU Taxonomy Digital projects Insurance update 		<ul style="list-style-type: none"> Whistleblower cases Q3 report ESG, risk & compliance Statutory audit follow-up AI governance 		<ul style="list-style-type: none"> Whistleblower cases Annual Report, IAC, ERM, Internal Control Recommendations to the Nomination Committee Financial manual Review of policies and instructions Evaluation of the committee's work 	
Investment committee			<ul style="list-style-type: none"> M&A financing M&A pipeline 	<ul style="list-style-type: none"> M&A projects 		<ul style="list-style-type: none"> M&A projects Strategic review Food-Tech 		<ul style="list-style-type: none"> M&A projects 		<ul style="list-style-type: none"> Initiation of the expansion in Amesbury, USA 	<ul style="list-style-type: none"> M&A projects 	
Compensation Committee	<ul style="list-style-type: none"> Performance and executive remuneration reviews 	<ul style="list-style-type: none"> Status on active LTI-programs Remuneration report 	<ul style="list-style-type: none"> Remuneration guidelines 2023 Remuneration report 2022 					<ul style="list-style-type: none"> Generative AI impact on people strategy 		<ul style="list-style-type: none"> LTIP & STI/PP Program & target setting 2024 	<ul style="list-style-type: none"> Remuneration guidelines 2024 Executive performance review MGM & CEO 	

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The Remuneration Committee proposes guidelines for, among other things, the breakdown between fixed and variable compensation and the relationship between results and compensation, the principal conditions for bonuses and incentive schemes, conditions for other benefits, pensions, termination, and severance pay. The Committee also prepares proposals for individual compensation packages for the CEO and decides on individual compensation packages for other senior executives. Furthermore, the Remuneration Committee monitors and evaluates the outcome of variable compensation schemes and Munters' compliance with the compensation guidelines adopted by the Annual General Meeting, in addition to preparing the report that the Board signs off on and submits to the AGM for approval. See also "Remuneration guidelines for senior executives."

Investment Committee

The Investment Committee assists the Board of Directors by monitoring and steering material strategic initiatives that are important to the Group's value creation and by supporting the company's management in this respect, as well as drafting proposals for material strategic initiatives and projects for the Group. Additionally, the Investment Committee approves, as well as supports the Board and management in, the process for control and review of the company's contracts. The Investment Committee's work can largely be divided into:

- Large customer contacts
- Mergers and acquisitions in general as well as strategic alliances; and
- Other strategic initiatives of a material strategic nature where capex exceeds the CEO's authorization limit.

The Investment Committee is convened as needed to fulfill its duties.

External auditor

Ernst & Young AB has been Munters' auditor since 2010, and Andreas Troberg, authorized public accountant and member of FAR (the professional institute for authorized public accountants in Sweden), has been auditor-in-charge since 2023. Prior to Munters' 2021 AGM, a call for tenders was issued and Ernst & Young AB was re-elected at the AGM as auditor for a term of four years, through the AGM 2025.

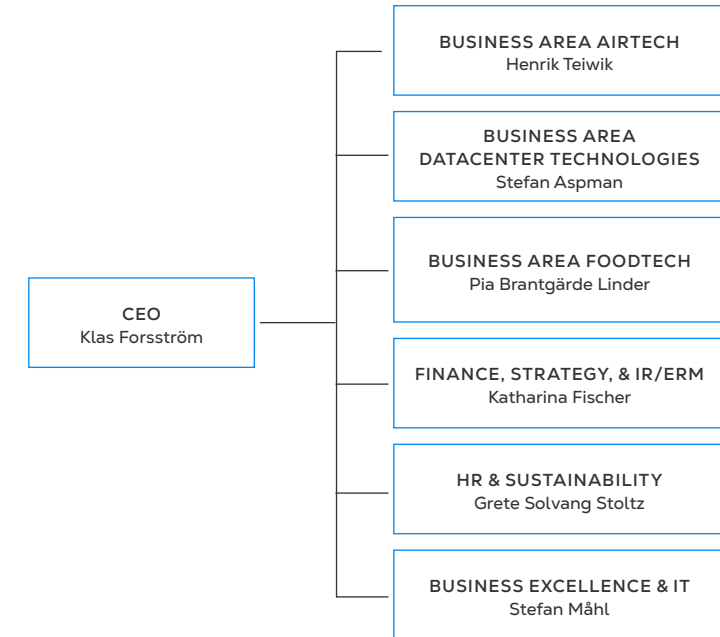
CEO and Group Management

Group Management consisted in 2023 of the CEO, CFO and Group Vice President, three business area Presidents and two Group Vice Presidents responsible for the central functions Business Excellence and HR & Sustainability. Group Management holds monthly meetings focusing mainly on the Group's strategic and operational development and performance. A number of reviews and progress reports on business development were also presented, covering major orders, potential acquisitions, risk management, etc. Munters' organization is distinguished by a decentralized approach where a large share of responsibility and authority is delegated to each business area and subsidiary. Every legal entity, which does not necessarily reflect the operating activities, has a board of directors focusing on compliance, among other things.

Changes to Group Management in 2023

On November 9, 2022, Munters announced that Annette Kumlien, CFO and Group Vice President, would leave Munters in Q2 2023 and that the recruitment of a new CFO had been initiated. Katharina Fischer took over the position of CFO and Group Vice President on September 5, 2023.

Group Structure



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Internal control over financial reporting

Internal control ensures clarity and consistency, and that what has to be done is done as intended. Internal control is the collective term for the organization and the systems, processes and routines that contribute to this. Munters has an internal control function whose purpose is to support management so that it can continuously ensure good internal control over financial reporting. The work conducted through this function is primarily focused on ensuring compliance with directives and guidelines and creating good conditions for control activities in key processes related to the financial reporting. The Audit Committee is regularly informed of the results of the work performed by the internal control function within Munters with regard to risks, control activities and monitoring of the financial reporting. The Audit Committee reports to the Board on a regular basis. In addition, the internal control function maintains good communication with the external auditors.

Munters' internal control over financial reporting is based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework covers five main areas: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

Internal control is shaped by the overall control environment. The Board of Directors is responsible for establishing an effective system of internal control and supervising the work through the CEO. Group Management sets the tone for the business and influences employees' awareness with respect to control. One condition for a strong control environment is that there are clearly defined values in terms of ethics and integrity, and that they are communicated through governing documents such as policies, guidelines, manuals and codes.

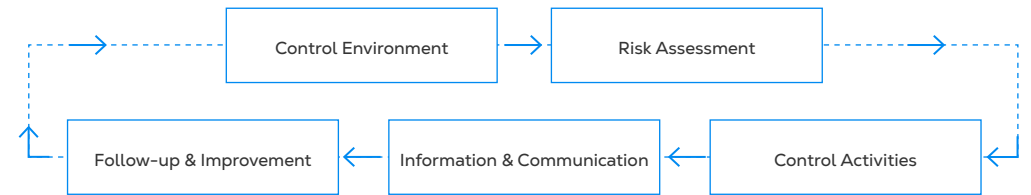
The Group staff function Internal Control serves as the Group's internal audit function and debriefs the Audit Committee. The function works on developing, improving and safeguarding the internal control over financial reporting in the Group. Partly this is done proactively with a focus on the internal control environment and partly it is done by reviewing how well the internal control is working.

Risk assessment

A risk assessment is conducted on a yearly basis pursuant to the Group's risk management policy. The purpose is to identify, document and quantify the consequences and probability of events that would prevent Munters from achieving its objectives.

The Enterprise Risk Management (ERM) framework is an integral part of Munters' overarching management system consisting

Munters control environment



of various policies. The purpose of the ERM framework is to strengthen governance by integrating risk management with the design and implementation of Munters' strategy. 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 and the Board share a common understanding of Munters' risk tolerance in relation to the company's goals.

Risk responsibility

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 owners to implement the risk work within the unit. The CFO and Group Vice President is 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. For more information on Munters' risk work, refer to pages 108–112 and Note 3.

Control activities

Controls have been designed based on identified risks to prevent, detect and correct errors and discrepancies. Controls take place partly at the transaction level, partly as Group controls and partly as general IT controls. Control activities are carried out throughout the organization, at every level and for every function. Transaction-based controls, which can be either manual or automated, are performed to manage the risk of errors in the financial reporting. Examples of such controls include

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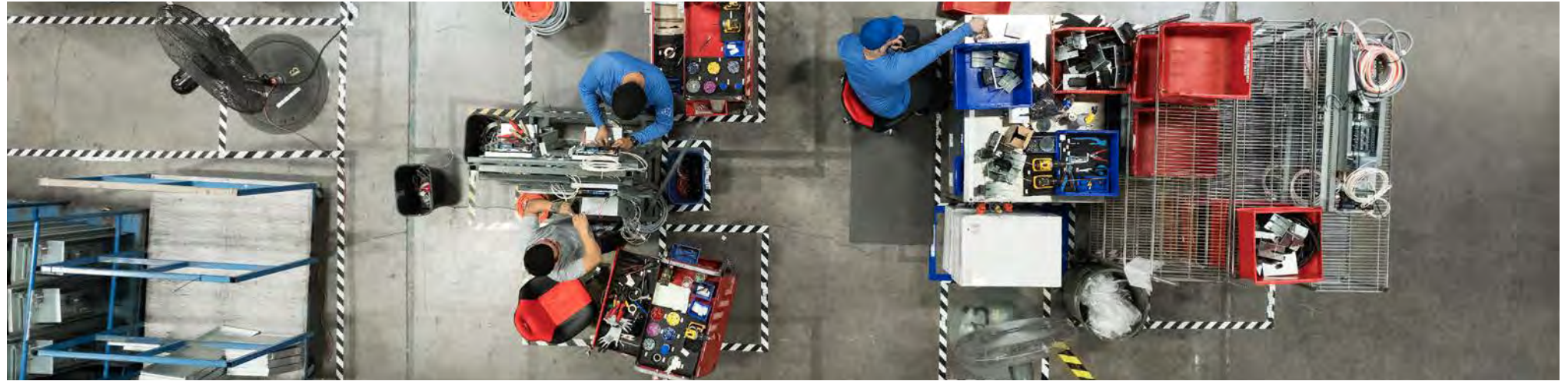
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reconciliations and analyses. Company-wide controls are intended to, among other things, ensure that payment approval instructions, authorizations and responsibilities in connection with credit financing are followed. Examples of general IT controls include change management, back-up routines and authorizations. The company's CFO and Group Vice President is responsible for ensuring that identified risks relating to the financial reporting at the Group level are addressed. In each reporting entity, the accounting staff is responsible for putting the necessary control activities in place and ensuring that the accounting records and financial statements are correct and accurate. Global controllers and finance directors in each legal entity update forecasts and conduct performance analyses. All business areas present their financial results in written monthly reports to the CEO and the CFO and Group Vice President, who in turn present them to Group Management.

Since 2019, the internal control function conducts and coordinates evaluation activities through Munters' internal control system, where the subsidiaries on a quarterly basis

report back on whether key controls have been performed in accordance with Munters' risk and control framework.

After preparations in 2019, a project was launched in 2020 to increase efficiency through linked processes and information flows. This project continued in 2023. The ambition is to develop and strengthen the practices necessary to build a leading value chain and processes.

Information and communication

Munters has information and communications channels to ensure that information is identified, collected and communicated in a way and within a time frame that enables employees and managers to perform their tasks. Reporting instructions and accounting guidelines are conveyed to affected employees through monthly newsletters and quarterly teleconferences. The Group uses a common system for reporting and consolidation of financial information.

Governing documents – in the form of policies, guidelines and manuals for the financial reporting – are communicated primarily via the

intranet and the Group's financial handbook, and updated as needed. Information for external parties is communicated on the Munters website together with other news and press releases. Quarterly reports are published and complemented by presentations and investor meetings. The Annual Report is provided to shareholders and other stakeholders through publication on the Munters website and in a printed version upon request.

Monitoring

Control activities are routinely monitored and tested throughout the year to ensure that the risk has been taken into account and is satisfactorily managed. The testing is conducted by employees who are not involved in performing the controls and have the competence to evaluate the controls. Failed controls must be addressed, which means that actions must be taken and implemented to correct deficiencies. Reports are presented to the Audit Committee twice a year, and the Audit Committee in turn reports regularly to the Board.

The Board of Directors has ultimate responsibility for all decisions regarding com-

pliance within Munters. The Board reviews and approves internal control policies on a yearly basis. If needed, reviews and approvals are more frequent.

Each division manager is ultimately responsible for the financial information for their division. The information is followed up at the business area level by Group Management and, lastly, by the Board of Directors. Munters' financial position, strategies and investments are discussed at every Board meeting. The Board is also responsible for monitoring the internal control. This work includes ensuring that measures are taken to address any deficiencies, as well as following up on proposed measures that are pointed out in conjunction with the external audit.

Assessment of the need for a separate internal audit function

Munters has no internal audit function, as it is the Board's opinion that the company's internal organization and monitoring processes fill this function in a satisfactory manner. For certain special audits, outside expertise can also be utilized.

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MAGNUS NICOLIN

*Chairman of the Board since May 2022.
Chairman of the Remuneration Committee.
Member of the Investment Committee.*

Born 1956

Education: MBA, Wharton – University of Pennsylvania. BSc, Stockholm School of Economics

Current assignments/positions: Board member of FAM AB and Billerud AB.

Selected previous assignments: CEO of Ansell Limited, 2010–2021 – Ansell is an Australia-listed company and the global no. 1 provider of personal protective equipment (PPE), President, Europe, Middle East, Africa, and Asia Pacific of Newell Rubbermaid Inc. 2006–2010, CEO of Esselte Business Systems Inc 2002 – 2006 following a leveraged buy-out which he led together with a Boston based PE company, Senior positions in Bayer AG, Pitney Bowes Inc., and McKinsey & Company. Advisor to several PE firms and Board assignments on multiple global boards, such as Ansell, Esselte, Isaberg-Rapid, and Primix.

Holding in Munters Group AB: 20,000 shares, call options corresponding to 267 522 shares

Independent in relation to the Company's major shareholders: No

Independent in relation to the Company and Group Management: Yes



HELEN FASTH GILLSTEDT

*Board member since 2017.
Chairman of the Audit Committee.*

Born 1962

Education and professional experience: M.Sc. in Finance & Control and International Business, Stockholm School of Economics. Studies in Sustainable Development, Stockholm Resilience Center at Stockholm University and KTH Royal Institute of Technology. Over twenty years of experience in senior positions at Statoil and SAS Group.

Other current assignments/positions: Board member of Handelsbanken Fonder AB and its representative on nomination committees, PowerCell Group AB, Sortera AB.

Selected previous assignments: Board member of Storytel AB, Viva Wine Group AB, Samhall AB, Humana AB, AcadeMedia AB, Lindorff Group AS, Swedesurvey AB, Svefa Holding AB, Intrum AB.

Holding in Munters Group AB: 5,000 shares.

Independent in relation to the Company and Group management as well as the company's major shareholders.



MARIA HÅKANSSON

*Board member since 2022.
Member of the Audit Committee.*

Born 1970

Education and professional experience: Master of Economics and Business Administration, Stockholm University. CEO Swedfund International. Extensive experience within sustainable investments and from a variety of global senior positions at Ericsson, with solid knowledge of digitalisation, business models, finance, and the sale of systems and services.

Other current assignments/ positions: CEO Swedfund International, board member Global Impact Investing Network, USA (GIIN), board member European Development Finance Institutions (EDFI).

Selected previous assignments: Vice President Internet of Things (IoT) Ericsson; Vice President Ericsson Commercial Management Northern Europe & Central Asia Ericsson; CFO Ericsson Nordics & Baltics, Business Unit Controller Ericsson Global Services; board member Lindholmen Science Park.

Holding in Munters Group AB: 3,000 shares

Independent in relation to the Company and Group management as well as the company's major shareholders.



ANDERS LINDQVIST

*Board member since 2022.
Member of the Remuneration Committee.*

Born 1967

Education and professional experience: Mechanical engineer and university-level studies in marketing; Marine Officer. President and CEO of Piab Group AB 2013 – 2019, Divisions Director for Atlas Copco 2007 – 2013, President of Atlas Copco China 2006 – 2007, President of Atlas Copco Nordic 2004 – 2006, different positions, Atlas Copco 1989–2004.

Other current assignments/positions: President and CEO, Mycronic AB (publ), chairman of the board of Dafo Vehicle Fire Protection AB, board member of Gunnebo Holding AB.

Selected previous assignments: Board member of Norican A/S.

Holding in Munters Group AB: 3,000 shares

Independent in relation to the Company and Group management as well as the company's major shareholders.

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KRISTIAN SILDEBY

Board member since 2017.

Member of the Audit Committee, Remuneration Committee, and Investment Committee.

Born 1976

Education and professional experience: MSc in Business Administration, Stockholm School of Economics. Former Investment Manager at FAM AB, Vice President, and Head of Finance and Risk Management at Investor AB.

Other current assignments/positions: Investment Director & Deputy CEO at FAM AB, Chairman of 82an Invest AB, Board member of Höganäs AB, Kivra AB, Nefab Holding AB, and Spendrups Bryggeri AB.

Selected previous assignments: Board member of Peltarion AB.

Holding in Munters Group AB: 12,000 Shares.

Independent in relation to the Company and the company management, but not to the Company's major shareholders.



SABINE SIMEON-AISSAOUI

Board member since 2023.

Member of the Investment Committee.

Born 1973

Education and professional experience: Master of Science in Mechanics and Industry from Université de Strasbourg; extensive experience from different markets and senior positions in Schindler Group and Sematic Group.

Latest assignments/positions: Executive Vice President & Head of Global Product Line Management and Global Escalator for TK Elevator GmbH.

Selected previous assignments: Head of Supply Chain Europe and Deputy President Global Supply Chain – Elevator and Escalator Business for Schindler Group; Chief Operating Officer – Elevator Components Business, Asia-Pacific for Sematic Group; Vice President, Operations – Elevator Components Business, Asia-Pacific for Sematic Group.

Holding in Munters Group AB: -

Independent in relation to the Company and Group management as well as the company's major shareholders.



ANNA WESTERBERG

Board member since 2020.

Chairwoman of the Investment Committee.

Born 1975

Education and professional experience: MSc, Industrial Engineering and Management, Chalmers University of Technology, Göteborg. Several years of experience in leading positions in the global industrial company AB Volvo. Solid knowledge of digitalization and innovation as well as sales and development of services and products in a global environment.

Other current assignments/positions: President Volvo Buses. Board member of Volvo Group Venture Capital and Stena AB.

Selected previous assignments: Senior Vice President for Volvo Group Connected Solutions; President for Volvo Group Venture Capital; Vice President of Product Management Industrial for Volvo Penta; Managing Director for Infocandy Group Ltd; Management Consultant at Applied Value LLC and Applied Value AB.

Holding in Munters Group AB: -

Independent in relation to the Company and Group management as well as the company's major shareholders.



SIMON HENRIKSSON

Board member since 2017.

Employee representative appointed by IF Metall.

Born 1984

Position at Munters: Metrology technician, Tobo plant

Holding in Munters Group AB: 350 shares.



LINUS MORELL

Deputy member since 2023.

Employee representative appointed by IF Metall.

Born 1988

Position at Munters: Laboratory technician for RnD Material Science at Tobo plant.

Holding in Munters Group AB: 43 shares



ROBERT WAHLGREN

Board member since 2010.

Employee representative appointed by Unionen.

Born 1969

Position at Munters: Customized Project Engineering Coordinator, Munters Europe AB.

Holding in Munters Group AB: -

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KLAS FORSTRÖM

President and CEO since 2019

Born 1967

Principal education: Master of Science in Materials Physics and Master in Business Administration from Uppsala University as well as advanced management studies at INSEAD.

Professional experience: Previously President of Sandvik Machining Solutions Business area. Prior to that, more than 20 years of different senior management positions at Sandvik, including positions such as President of Sandvik Hard Materials and Sandvik Coromant.

Other current assignments: Board member, IPCO AB.

Holding in Munters Group AB: 157,550 shares



KATHARINA FISCHER

CFO and Group Vice President since 2023

Born 1971

Principal education: Bachelor of Science in Business Administration and Economics with a major in Business Administration from University of Stockholm.

Professional experience: Katharina Fischer has extensive international experience in Finance and Risk Management. She joins Munters after several years at Electrolux where she held a number of senior positions, most recently as Head of Group Accounting and Global Finance Shared Services.

Other current assignments: –

Holding in Munters Group AB: 1,500 shares



PIA BRANTGÄRDE LINDER

Group Vice President and President of FoodTech since 2020

Born 1973

Principal education: Master of Science in Mechanical Engineering from Chalmers University of Technology and Executive Master of Business Administration (EMBA) from Stockholm School of Economics.

Professional experience: Previously Business Area Manager for HV Products North Europe at ABB. Prior to that more than 20 years at ABB in various senior management positions globally, including General Manager for HV Breakers, Head of Operations for a global product group, Technology Manager, Project Manager and Area Sales Manager.

Other current assignments: Board member, Roxtec Group.

Holding in Munters Group AB: 4,660 shares



STEFAN MÅHL

Group Vice President och Head of Business Excellence since 2020.

Born 1967

Principal education: Bachelor of Science in Mechanical Engineering with focus on Automation Technologies.

Professional experience: Various management positions at Munters, such as Vice President Global Sourcing and Interim Director of Operations AirTreatment Division Europe. Global Director Strategic Purchasing and Quality Assurance at LPG Allgon/Powerware Technologies and Vice President Strategic Purchasing and Component Engineering at Siemens-Elema AB Medical Solutions.

Other current assignments: –

Holding in Munters Group AB: 26,500 shares.

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HENRIK TEIWIK

Group Vice President and President of AirTech since 2022

Born 1980

Principal education: Master of Science in Business and Economics from Stockholm School of Economics, major in finance.

Professional experience: Previously CEO of Handicare Group. Prior to that various senior managerial positions in Alimak Group, including business area manager for Construction and Rental and business development. Also experience from strategy consulting as Associate Principal at McKinsey & Company.

Other current assignments: –

Holding in Munters Group AB: 7,900 shares



GRETE SOLVANG STOLTZ

Group Vice President HR & Sustainability since 2022

Born 1970

Principal education: Master in Business Administration from Luleå University of Technology.

Professional experience: Previously Senior Vice President HR and Sustainability LKAB group. Prior to that 12 years within SCA in various management positions including Logistic manager, HR manager and CFO for SCA Packaging Munksund.

Other current assignments: Board member, AFA Försäkringar.

Holding in Munters Group AB: 740 shares



STEFAN ASPMAN

Group Vice President and President of Data Center Technologies since 2022

Born 1981

Principal education: Master of Science in Business and Economics with a Major in Business Administration and Management, studies at Dalarna University and Uppsala University and Beijing Jiatong University, China.

Professional experience: Group Vice President Commercial Excellence at Munters Group 2021-2022, in parallel also global owner of the group functions Marketing and Communications and Brand. Prior to that more than 10 years in several strategic key positions within Sandvik, including Head of Business Control and Performance Management at Sandvik Coromant and Global Head of Commercial Pricing and Profitability Management for the Sandvik Machining Solutions business area. Also experience as a business strategy consultant.

Holding in Munters Group AB: 4,000 shares

Risks and risk management

Munters' operations cater to customers across various industries and market segments. With production and assembly facilities, combined with sales and sales offices in approximately 30 countries, Munters benefits from a robust underlying risk diversification. However, our global presence also brings challenges related to cultural, legislative, and political differences.

Risk identification and management

Assessing and managing risks is a critical part of the company's strategic planning process. Munters conducts annual risk assessments, and as needed, to identify the primary risks threatening our goals within the strategic period. Our Enterprise Risk Management (ERM) focus shifts based on changes in strategic priorities. The ERM function supports the identification, evaluation, and management of potential risks during workshops with various business areas and corporate functions. These risks are then collectively discussed and consolidated in the management team. Subsequently, the ERM function coordinates and monitors the company's risk management efforts.

All risks are evaluated based on their potential impact on Munters, the likelihood of occurrence, and how well they are managed. The impact of an identified risk is estimated from three perspectives: financial, strategic, and operational.

Munters' primary risks are presented on page 112. Each such risk is assigned to a member of the management team. Risk assessments are gathered from business areas and group functions that identify and evaluate risks based on likelihood and potential operational impact. Significant risks and uncertainties, along with the management of these, are regularly reported to the executive management, audit committee, and the board.

Crisis and continuity

To handle crisis situations, where normal operational activities are insufficient, Munters has developed crisis management capabilities. In 2023, a new process was developed, including corresponding policy documents and tools, with the majority of the rollout scheduled for 2024. Additionally, Munters has annual continuity plans at each facility to enhance understanding of the most critical parts of the operation.

Preventive work

Munters pro-actively works to minimize risks related to our facilities, such as those pertaining to fire and safety. Munters Loss Prevention Standard (MLPS) represents our risk appetite. It is based on the Group's guidelines and regulations, local laws, and other rules, as well as insurance requirements. The goal is for all facilities to undergo physical evaluation within a three-year cycle, where deviations are documented and actions followed up.

MLPS is also used for evaluations in corporate acquisitions, investments, and new constructions.

Risk management process

Munters' risk framework is an integral part of the company's overall management system, consisting of policies, guidelines, and instructions. The framework's purpose is to develop capabilities and tools within the group to manage uncertainties the company is exposed to. Concurrently, the risk management efforts aim to strengthen risk awareness within the group,

convey the group's risk appetite, and contribute to risk-based business decisions to achieve strategic goals.

Operational risk management at Munters is integrated into the strategic planning process and various business processes and controls, such as approval requirements for certain decisions. Some cross-process risks are centrally coordinated, including those related to information security, IT security, responsible corporate behavior, and anti-corruption and bribery.

Financial risk management is governed by a group-level policy and executed by the treasury function. Additional information on the management of financial risks can be found in Note 3.

Risk management organization

The Board holds the ultimate responsibility for the group's risk management and approves the company's risk management policy. The ERM function is responsible for implementing the risk framework and risk-related activities at the

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group level. Subsequently, each business area and group function within Munters is responsible for identifying and managing risks within their respective organizations, in accordance with Munters' common risk process and applicable policies and guidelines. The GVP, CFO is responsible for reviewing the risk framework and compiling reports for the audit committee and the board.

Risk Communication and Reporting

Munters has established a Munters Risk Council, consisting of the management team, to facilitate coordination within the company, improvements to the framework, and management of critical risks.

The ERM function coordinates regular reporting on the status of the most significant risks to the Munters Risk Council. Any risks identified outside the reporting cycle, and which could potentially be significant at the group level, are escalated to the ERM function.

The ERM function reports on the status of the company's risks to the audit committee twice a year. These reports include an overview risk map and follow-up on the management of the risks. The primary risks are continually monitored by the ERM function regarding the status of the implementation of mitigation plans or the development of such plans.

Insurable Risks

Munters actively works with insurance solutions, and group-wide insurances are regulated by central guidelines.

This includes all commonly occurring corporate insurances, including general liability, product liability, and damage prevention work, whose main purpose is to prevent potential property damage and interruptions in operations. Additionally, insurances for embezzlement, CEO and board liability, and liability insurances for employment-related claims are included.

The procurement of insurances is carried out in both the Swedish and international insurance markets. In addition, Munters' internal control function is responsible for independently reviewing the effectiveness of a selection of internal control processes each year.

Risks and Opportunities Related to Climate Change

In 2023, Munters continued to broaden and deepen the analysis and evaluation of risks and opportunities related to climate change. Climate change risks are part of the risk analysis conducted during factory visits in conjunction with insurance inspections.

Tools and processes are intended to continue developing during 2024.

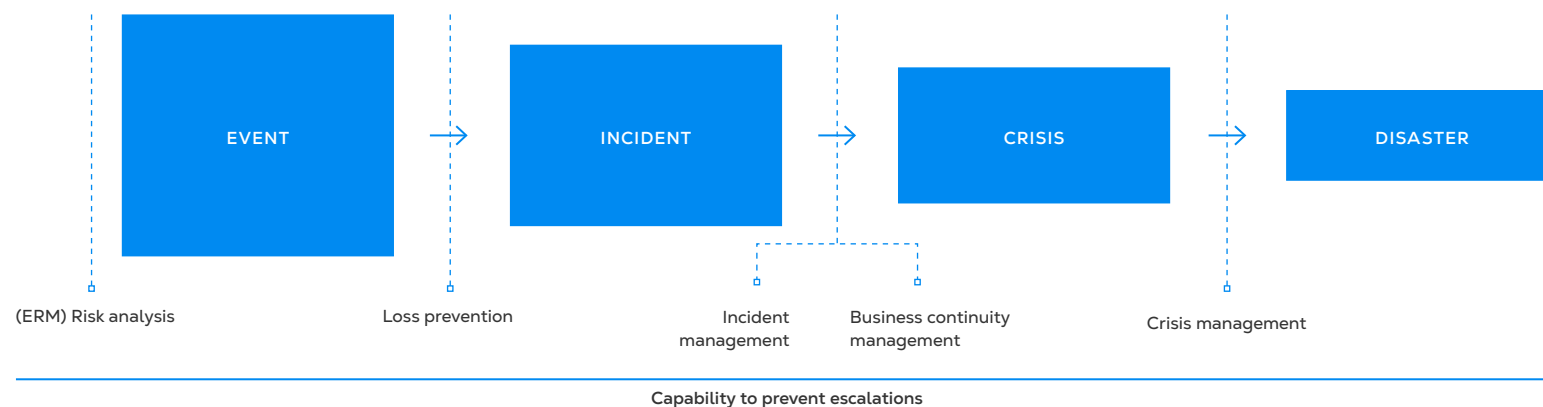
Furthermore, Munters undertook efforts to report in accordance with the Taskforce on Climate-Related Financial Disclosure (TCFD). In the autumn, the management team discussed

updated business risks and opportunities in two different climate scenarios based on data from the International Panel on Climate Change (IPCC) and the International Energy Agency (IEA). We chose to conduct the analysis according to a 2°C scenario (IEA) and a 4°C scenario (IPCC).

A number of risks, opportunities, and their impact on Munters were evaluated for the different scenarios.

See page 110 for a more detailed description.

We proactively work to minimize the impact of unforeseen events and respond reactively to manage incidents and crises swiftly and efficiently.



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International Energy Agency (IEA) Sustainable Development Scenario

SCENARIO 1 - WELL BELOW 2° SCENARIO

This scenario is an integrated scenario specifying a pathway aiming at: ensuring universal access to affordable, reliable, sustainable and modern energy services by 2030 (SDG 7); substantially reducing air pollution (SDG 3.9); and taking effective action to combat climate change (SDG 13).

This scenario was selected to assess Munters physical and transition risks operating in an economy and society that must make significant changes to shift to a low carbon world, where temperature rise is limited to well below 2°C.

Scenario assumptions:

- Policies to support circular economies through increased recycling of aluminum, steel, paper and plastics, and material efficiency strategies are in place.
- Enhanced minimum energy performance standards by 2025, in particular for electric motors; incentives for the introduction of variable speed drives in variable load systems and implementation of system-wide efficiency measures.
- Mandatory energy management systems or energy audits.

ASSESSED TIME-FRAME 2030-2040

Expected impact on Munters:

- Stricter regulations and disclosures requiring more resources from Munters to monitor.
- Increased input, shipping, sourcing and materials costs due to introduction of CO₂ prices.
- Need to invest in R&D and product management due to increased demand from customers and legislator regarding quality in extreme weather situations, energy efficiency and clean technologies.
- Loss or shift of customer groups, such as lithium, coal, and datacenters, if these are phased out due to changes in the market.
- Higher demands on data usage and data storage as storage capacity might not be able to grow with the growth in data usage.
- Potential to become market leader in energy efficient products and solutions.

Primary risks for Munters:

- Unexpectedly high expenses in input, shipping, logistics, sourcing, and materials triggered by extreme weather conditions.
- A shift in stakeholder demands for energy efficiency and clean technologies necessitates higher investment in research and development as well as product management.
- With the increasing prevalence of extreme weather conditions and the heightened risk of diseases, there may be a requirement to provide an alternative working environment for our employees, ensuring both security and adaptability.
- Insufficient energy may lead to disruptions in our operations.

Primary opportunities for Munters:

- Continue to develop and introduce energy efficient products and solutions.
- Water scarcity can be a competitive advantage for Data Center Technologies and their cooling solutions that do not use any water.
- Service and maintenance requirements will increase, which will benefit Munters.

Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP) 8.5 Scenario

SCENARIO 2 - HIGH EMISSIONS 4° SCENARIO

This scenario has the highest emissions of all developed scenarios in combination with the absence of climate policy. It is often referred to as “business as usual” and suggests the outcome if society does not make concerted efforts to cut greenhouse gas emissions. This scenario was selected to assess Munters physical and transition risks connected to increased emissions and temperature levels.

Scenario assumptions:

- CO₂ emissions will be x3 today's by the year 2100 and CH₄ emissions will increase sharply
- The world's population increases to 12 billion, which leads to increased demands on grazing and cultivation land for agricultural production
- Technology development towards increased energy efficiency continues, but slowly
- Heavy dependence on fossil fuels
- High energy intensity
- Total lack of additional climate policy

ASSESSED TIME-FRAME 2040-2050

Expected impact on Munters:

- Supply chain disruptions due to extreme weather events leading to increase in costs, lead times, and availability of materials
- Local workforce disruptions resulting from worsened working conditions (such as high temperatures in factories, ability to get to work due to weather etc.)
- Safety disruptions resulting from increasing pandemics.
- Local and global disruptions resulting from power, phone and internet outages.
- Loss of biodiversity having a snowball effect on the Earth's climate and weather patterns indirectly affecting Munters' operations.
- Increased demand for Munters products including cooling and drying equipment.

Primary risks for Munters:

- Supply chain disruptions due to extreme weather events leading to increase in costs, lead times, and availability of materials
- Local workforce disruptions resulting from worsened working conditions (such as high temperatures in factories, ability to get to work due to weather etc.)
- Operational disruptions at both local and global levels arise from an unreliable infrastructure.
- Relocation of production sites triggered by severe weather conditions.

Primary opportunities for Munters:

- Increased demand for Munters products including carbon capture, cooling and dehumidification equipment (energy efficient products).

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Risk categories

Munters groups its risks into five different categories. These risk categories serve as inspiration and support for identifying risks and ensuring that the company's risk register covers all applicable risk areas.

Market risks

Market risks are related to market developments and include risks from macro trends, climate change, and political risks.

Strategic risks

Strategic risks are those that could prevent Munters from implementing its planned strategy. This includes risks associated with brand and strategic direction, organizational culture, allocation of resources, major investments, and acquisitions. Risks related to internal and external communication also fall within this category.

Operational risks

Operational risks are linked to the company's internal resources, such as systems, processes, and employees. These may include environmental risks or the risk of operational disruptions due to data breaches, fire, machinery breakdown, or extreme weather. Examples of operational risks related to personnel include risks associated with health and safety, succession planning, the ability to retain core competencies, and relations with trade unions.

Regulatory risks

Regulatory risks include, for example, the risk of lost reputation and costs due to violations of laws and regulations, and bribery and corruption. This category also covers risks resulting from violations of human rights, stipulations in agreements with employees, customers, and other business partners.

Financial risks

The Group's financial risks mainly consist of currency, interest rate, and financing risks. A description of these financial risks, as well as how they are managed, can be found in note 3.



ELIN FINNPERS,
Director Risk
Management

What does sustainable innovation mean to you in your role at Munters?
Sustainable innovation in my role means integrating risk management strategies that not only protect our business against potential threats but also promote resilience and adaptability in the face of growing global instability and complexity. This involves actively seeking and implementing solutions that both strengthen our business model and contribute to a more sustainable future, which is crucial for long-term success and relevance in our industry.

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Risk management

In 2023, Munters continued to enhance its risk management at both local and group levels. A brief description of some of the identified risks with significant impact follows.

RISK CATEGORY/RISK	Description	Management	Trend (risk level) compared to the previous year
MARKET RISKS			
Macroeconomic development	In the event of a severe downturn in macroeconomic development, Munters strives for a nimble and adaptable operation. An inability to adapt the organization and operations to new conditions may result in Munters losing sales and market shares.	Munters continuously monitors global developments and strives for a flexible organizational structure throughout the group.	↗
Climate change	Climate change could lead to global warming, causing a melting of glaciers, rising sea levels, more frequent and intense extreme weather events such as periods of extreme heat, drought, heavy rainfall, and storms, which in turn increases the risk of consequences like wildfires and floods. A lack of management measures increases the risk of disruptions in Munters' operations.	For more information see p. 108-109.	→
Geopolitical developments	Munters' operations, being spread across various continents, can be quickly impacted directly or indirectly by geopolitical developments and their effects on the operations and supply chains.	Munters' business areas are constantly evaluating the markets where Munters operates. Geopolitical risks are part of this evaluation.	↗
STRATEGIC RISKS			
IT-related risks	Munters' operations depend on a well-functioning and secure IT environment. Moreover, increased digitalization leads to heightened vulnerability that could result in interruptions and disturbances in our operations and for our customers. Failures in information management and IT breaches could have devastating consequences for the group in the form of reduced trust and costs.	Munters has continued to train its staff throughout the year. Annual penetration tests are conducted as planned to ensure that the security requirements for IT infrastructure have been met and that preventive updates and improvements have been made.	→
OPERATIONAL RISKS			
Business interruptions	Munters relies on components, access to critical facilities, and a functioning supply chain. A disruption in a critical process would have a significant impact on operations.	Munters continually works to analyze and take actions to strengthen its market presence and value chain. This work includes the evaluation of suppliers, dependence on individual product components, and customers. The facilities work locally to update existing continuity plans.	↘
Climate impact	The risk that we do not live up to the climate impact our products are supposed to achieve, for example through energy savings for customers or that we do not deliver a reduced climate impact in line with our ambition in our operations. This risk could lead to lost trust among customers and other groups and potentially reduced sales.	Munters continuously works to analyze and improve our products and their management from a climate perspective. For more information on how we work to minimize our impact on the environment, see p. 62-66.	→
REGULATORY RISKS			
Regulatory compliance	Munters' operations are subject to increased regulation with stricter compliance and reporting requirements in several areas. An inability to comply with laws or regulations, as well as changes concerning the application and interpretation of existing laws and regulations, could lead to changes in products, lower sales, and reduced trust among customers and other stakeholders	Munters follows regulatory development at both central and local levels through its analyses and with the help of external advice. By mapping different regulations' impact on Munters, adjustments can be made to ensure that Munters follows the changes made.	↗