



There is a solution to every problem

ESG Report 2022



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Introduction

As a worldwide provider of heating, ventilation, and air conditioning (HVAC) parts and services, we acknowledge the profound responsibility that comes with our operations. Consequently, our commitment is directed towards conducting our business in a manner that is environmentally, socially, and financially responsible.

Recognizing the significant role that HVAC systems play in global energy consumption, we have a unique opportunity to minimize our own and our customers' environmental impact. Together with our customers, we aim to improve energy efficiency and advocating for the extended longevity of HVAC systems.

As a reflection of our transparency and commitment to sustainability, we invite you to read our first ever ESG report. Within these pages, we have selected areas to present our environmental impact, social initiatives, and corporate governance practices. We also outline the measures we are taking to drive improvements and outline our goals for the future.

The report covers the accounting period 1st of January 2022 to 31st of December 2022. The results take into account both B COOL A/S and B COOL Controls A/S. In the following pages, B COOL A/S and B COOL Controls A/S will be collectively referred to as B COOL.



CEO Statement



2022 has been a challenging year for the industry as well as us. The energy crisis and recession have deeply impacted people as well as businesses around the world. Amidst these challenges, we believe that it is just as important as ever to focus on the impact of our business practices.

Therefore, I am pleased to present our first ever annual Environmental, Social and Governance (ESG) report, highlighting our commitment to sustainability. ESG is at the core of our purpose and business model as we repair and improve the life span of both mechanical and electronic components making it easy for companies to become more sustainable.

In 2022, as a response to an increased focus on energy efficiency, we released an innovative new cooling system that consumes less energy than a conventional system by utilizing CO₂; a natural refrigerant. To further enhance ESG initiatives, we have strategically aligned with the UN Sustainable Development Goals. A move that I encourage you to read more about in the coming pages.

While we have big wins such as a reduction of 20.2% in emissions, employee satisfaction level exceeding the industry standard by 6%, and the launch of our groundbreaking CO₂-based cooling system, we acknowledge areas where we can make further strides. This includes bolstering diversity within our organization and reducing our diesel consumption. For the year to come, we will continue our journey with ESG by installing charging stations for electrical vehicles and making an effort to attract more female candidates for job positions.

This report is only the beginning of our work with ESG and we are thrilled to take you along the way.

A handwritten signature in blue ink, reading 'Ejner Brodersen'.

Ejner Brodersen
CEO of B COOL A/S

About B COOL A/S

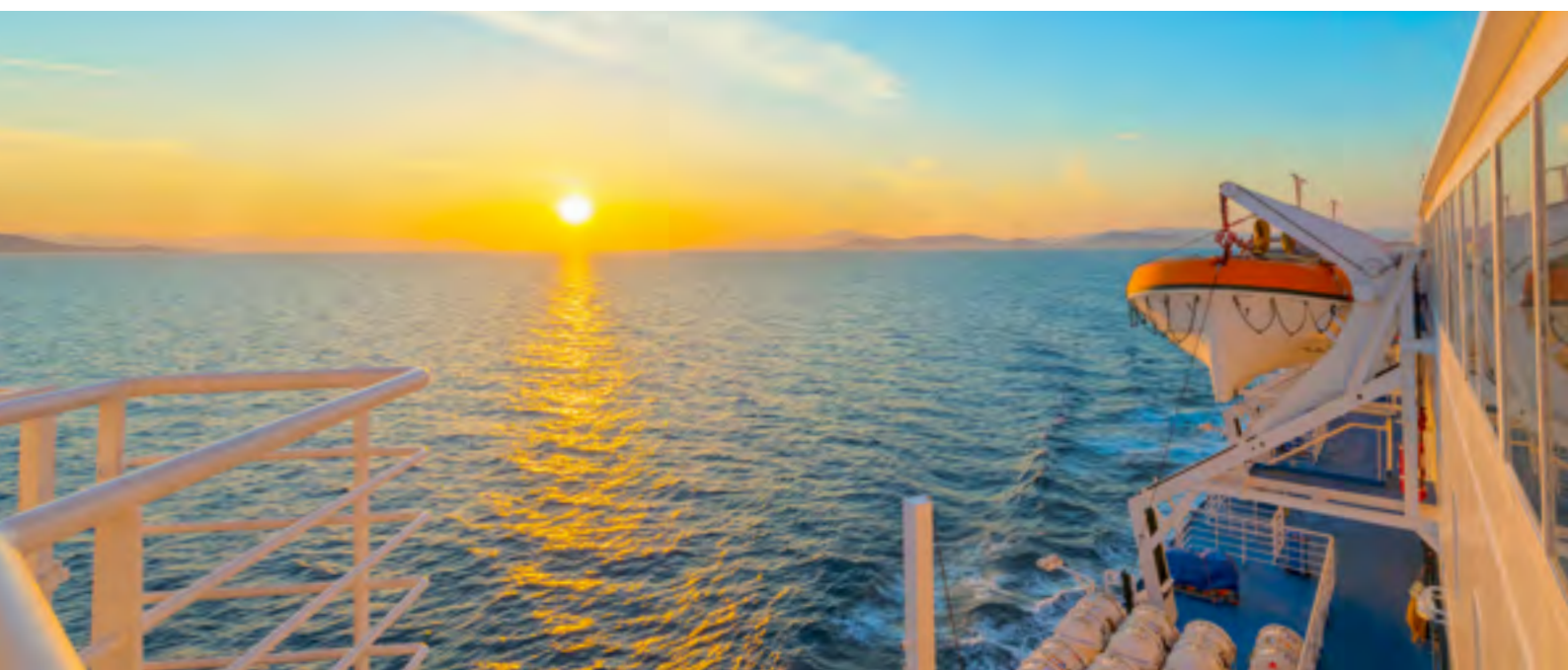
B COOL A/S delivers solutions within service, maintenance, and overhauls of refrigeration equipment and HVAC systems, mainly within the maritime industry. In 2022, B COOL also launched a CO₂-based cooling system that improves energy efficiency.

B COOL Controls A/S specializes in producing, maintaining, and repairing MEMAC and compressor control systems.

Employees	17
Location	Viengevej 2 DK-8240 Denmark
Result before taxes	DKK 6,247,000

ESG highlights of 2022:

- ❄️ Launch of CO₂-based cooling system
- ❄️ Reduction of CO₂e emissions from 123.6 tons to 98.7 tons (-20.2%)
- ❄️ Installment of automatic light switches
- ❄️ Alignment of ESG strategy with UN Sustainable Development Goals



Our Work with the UN SDGs

In 2022, we started to integrate the UN Sustainable Development Goals (SDGs) into our ESG strategy. This integration ensures the utilization of globally recognized targets to tackle some of the most urgent global challenges. We firmly believe that this approach is not only responsible and ethical but also strategic, as it helps mitigate risks and fosters the creation of long-term value.

Four goals have been selected to be our main focus as we believe these are the areas where we can make the biggest difference. Below, the selected goals and their relation to our ESG strategy is explained.

Goal		Our initiatives	ESG impact
	Ensure access to affordable, reliable, sustainable, and modern energy for all.	Launch of CO2-based cooling system that improves energy efficiency for our clients compared to conventional systems. Reduction of energy consumption by 42.3% from 2021 to 2022.	E
	Ensure sustainable consumption and production patterns.	Prolonging lifespan of technical equipment for clients by servicing, maintaining, and providing spare parts for HVAC. Ensuring responsible production of our CO2-based cooling system.	EG
	Take urgent action to combat climate change and its impact.	Launch of CO2-based cooling system that replaces harmful HFC refrigerants by using a natural refrigerant instead. Reduction of CO2e emissions by 20.2% from 2021 to 2022. Strengthening of our sustainability brand to encourage clients and stakeholders to prioritize sustainability.	EG
	Strengthen the means of implementation and revitalize the Global Partnership for sustainable development.	Partnering with service technicians globally to minimize the need for transport. Partnering with Det Grønne Akademi (The Green Academy) to improve our strategic work with sustainability.	EG



E - Environmental

As an integral part of our work with ESG, we track our environmental impact to ensure sustainable business development.

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Method

Calculations have been conducted in collaboration with Det Grønne Akademi (The Green Academy) using Klimakompasset (The Climate Compass). It is important to note that prior to 1st of November 2021, 222 sqms out of 1059 sqms (21%) of our office building was leased to another company. Given that electricity, district heating, water, and waste consumption are measured collectively for the entire office building, it is advisable to consider the 2021 data with some caution.

CO2e Emissions

In our pursuit of a comprehensive understanding of our carbon emissions, we calculate all three scopes of CO2e emissions. Within a year, our total CO2e emissions decreased by 20.2%. This is mainly due to a reduced electrical power consumption due to less testing of our developed CO2-based cooling system. Our overall goal is to achieve a 50% reduction in total CO2e emissions by 2031, starting from a baseline of 123.6 tons of CO2e in 2021. Although this goal is ambitious, we firmly believe that it is vital in our work towards becoming more sustainable.

	Unit	2021	2022	% change
Scope 1	Tons CO2e	10.0	16.4	+64.5%
Scope 2	Tons CO2e	32.6	19.6	-39.9%
Scope 3	Tons CO2e	81.1	62.7	-22.7%
Total CO2e emissions	Tons CO2e	123.6	98.7	-20.2%

The travel activity of B COOL Controls A/S has not been quantified and is therefore not included in the above emissions.



Energy

Our electricity usage has been reduced by 42.3% for two main reasons. First, our new cooling system was launched resulting in less testing. Second, an automatic light switch system has been installed. Moreover, more diesel was consumed compared to 2021, as less service visits were made in 2021 because of COVID-19. Moving forward, we will aim to minimize diesel consumption by replacing one of our diesel vehicles by an electrical vehicle when the current leasing agreement must be renewed in 2024.

	Unit	2021	2022	% change
Electricity	kWh	58,273.3	33,641.6	-42.3%
District heating	kWh	93.8	79.5	-15.2%
Diesel	L	3,967.6	6,527.2	+64.5%



Water

Within a year, water consumption increased by 24.4 %. In 2021, water consumption was lower compared to 2022 as employees spent more time working remotely because of the COVID-19 pandemic. Sensor taps could be installed to decrease the use of water. However, this is not planned as the office recently has been renovated. As we expect to recruit more employees in 2023, our goal is to maintain the same or reduce water consumption.

	Unit	2021	2022	% change
Water consumption	M3	82	102	+24.4%





Transport

Two diesel vans are owned by B COOL to use for servicing customers. Our goal is to change one of the vans to run on electricity by 2024 as an effort to reduce our environmental impact. Additionally, we intend to install electric vehicle charging stations by Q3 2023 to encourage our employees to use electrical vehicles.

To further minimize the need for transport, we have established partnerships with service technicians globally. Simultaneously, we are implementing a live remote support option, that will reduce the need for physical transport when delivering certain services.

Vehicle	Motor supply	Numbers that drive less than 150 km per day	Numbers that drive more than 150 km per day
Van	Diesel	2	0
Van	Fuel	0	0
Van	Electricity	0	0
Van	Hybrid	0	0

150 km has been chosen as it is the range most electrical vans can drive without charging.



Waste

Waste is assorted into two main categories, each of which are disposed of in a responsible manner by an external company. As we do not manufacture products, no industrial waste is produced. As part of our commitment to promoting a circular economy, we make every effort to refurbish old compressors and electronic components when feasible. Moreover, cardboard is repurposed as transport packaging to reduce the amount of cardboard that requires recycling. Starting in 2023, we will implement a more responsible waste management system by sorting waste into five categories. As a result of this initiative, specific targets will not be established yet.

	Unit	2021	2022	% change
Cardboard/paper waste	Kg	819	774	-5.5%
Assorted flammable waste	Kg	3,577	3,009	-15.9%





S - Social

Our most valuable asset is our employees and their in-house competences. Because of this, we acknowledge that losing employees in all departments is an ongoing risk. To mitigate this risk, we continuously monitor work accidents, sickness absence and employee satisfaction.

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Work Accidents

We have set an ambitious goal of zero work accidents, driven by our strong moral commitment to safety. In 2022, we unfortunately had one work accident. However, it did not result in any absence days. To enhance workplace safety, we have established a safety committee comprising of one employee and one member of the management team. The committee meets frequently to evaluate and monitor work safety. We are determined in our aim of reaching our target of zero work accidents for the year 2023.

	Unit	2021	2022	% change
Accidents	Number	0	1	+100%
Absence due to accidents	Days	0	0	0%



Sickness Absence

The health of our employees is a great concern to us. In 2022, our sickness absence rate stood at 1.4%. While this represents a 75% increase, we are still pleased as the average sickness absence rate was 3.5% in Denmark according to Dansk Industri (Danish Industry) in 2021. Data for 2022 is not available yet. To help improve the health of our employees, we offer balanced lunch, and we promote running and cycling as a mode of transportation by having shower facilities. Our objective for 2023 is to achieve a sickness absence rate of less than 1%.

	Unit	2021	2022	% change
Sickness absence rate	%	0.8%	1.4%	+75.0%

The above does not take B COOL Controls A/S, consisting of 2 employees, into account. Rate is calculated using Dansk Industri (Danish Industry)'s framework.



Employee Satisfaction

To ensure a well-functioning organization, we continuously monitor and work to improve employee satisfaction, using the GAIS framework. Employee satisfaction is measured through an anonymous, online survey that divides employee satisfaction into seven categories. To ensure impartiality, we have partnered with an independent third party called HEIKON. The survey is conducted twice a year, allowing us to sustain an ongoing focus. The results are presented at Executive Board meetings and employee gatherings.

Overall satisfaction was measured to be 81 out of 100, resulting in a slight increase of 1.3% compared to 2021. Comparing this to the industry benchmark of 75, we are very pleased with the outcome. Based on this, we have decided that there is no need for a specific improvement plan at this time. Our target is to exceed the industry benchmark of 75.

	Definition	Scale	Industry benchmark	2021	2022	% change
Overall satisfaction	Extent to which you enjoy your work, feel motivated to work and have a positive perception of your workplace	0 to 100	75	80	81	+1.3%

The report of 2021 was conducted in December. The report of 2022 was conducted in November. Industry benchmark is provided by HEIKON.



Employee Development

At B COOL, we encourage the further education of our employees to ensure we have the best possible in-house competences. Consequently, we promote and facilitate employee enrollment in courses relevant to their job position, with all expenses - including course fees and materials - covered by the company.





Organizational Diversity

B COOL aim at having a diverse workforce, encompassing varying genders, age groups, nationalities, and educational backgrounds. We strongly believe that diversity fuels innovation, enhances decision-making processes, and ultimately elevates overall business performance. This commitment holds particular significance for us given our heavy reliance on in-house competencies.



Gender Diversity

As of December 31, there is a gender composition of 11.8% women in the organization and 25% in the Executive Board. This indicates an overrepresentation of men, that can be partially explained by a lack of female applicants. To address this, for every job position, we will ensure that at least one female candidate is interviewed if such a candidate is available. Our goal is to have a gender composition of at least 10% women by the end of 2023. We expect to recruit several employees during 2023 where female applicants are not guaranteed, resulting in this target. Regarding the Executive Board, its composition has remained unchanged, and there is no current plan to alter its structure.

	2021		2022	
	Number of women	% of women	Number of women	% of women
B COOL	2 out of 14	14.3%	2 out of 17	11.8%
Executive board	1 out of 4	25.0%	1 out of 4	25.0%

Based on number of employees employed on 31st of December in the respective years.



G – Governance

Our work with governance goes beyond mere compliance; it represents our dedication to upholding responsible business ethics. We continuously strive for improvement, refining our business practices to effectively navigate the evolving market conditions. This section explores our most important governance initiatives.

ISO 9001, GDPR & Data Security

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Employment Rights, Salary & Independence

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ISO 9001, GDPR & Data Security

ISO 9001

B COOL A/S is ISO 9001: 2015 certified. ISO 9001 is an international quality management standard that has a focus on risk-based thinking, leadership engagement and effective supply chain management. It includes a set of principles and guidelines for standard operating procedures to measure quality of various business aspects. This includes supplier audits.

GDPR

The General Data Protection Regulation (GDPR) is an all-encompassing privacy and data protection law established by the European Union, which governs the gathering, processing and retention of personal data belonging to individuals. At B COOL, we ensure compliance with all relevant laws by thoroughly reviewing our business processes in collaboration with an external law firm.

Data Security

To protect our organization and our clients, we have established a partnership with an external entity to oversee IT security and uphold data ethics. Our internal IT security guidelines, developed in collaboration with our external partner, are provided to all employees at the beginning of their employment and are periodically adjusted as necessary.



Employment Rights, Salary & Independence

Employment Rights

Sickness benefit, dismissal and parental leave is in accordance with the current rules of Dansk Industri (Danish Industry). All employees are provided with a staff handbook detailing their employment rights. The handbook undergoes annual updates and in the event of any changes, all employees are informed.

Salary

Salary review take place once a year. Salary reviews are conducted with the respective manager, who has already set guidelines in advance and in consultation with the Executive Board. Salary advances may be granted if special circumstances apply and only in agreement with the Director.

Independence

We consider independence to be of utmost importance for maintaining our credibility, ensuring transparency, and securing long-term success. In alignment with this principle, our employees are prohibited from accepting gifts or services exceeding a value threshold of 1,000 DKK from suppliers or customers without obtaining prior approval from the Director. Gifts on special occasions such as birthdays or anniversaries are permitted. Any gifts received from customers or suppliers during the Christmas season are to be handed over to the staff association, that will ensure fair distribution among all employees.



Results & Targets

	Unit	2021	2022	% change	2023 target
Total CO2e emissions	Tons CO2e	123.6	98.7	-20.2%	<95
Electricity consumption	kWh	58,273.3	33,641.6	-42.3%	<35,000
District heating consumption	MWh	93.8	79.5	-15.2%	<75
Diesel consumption	Liters	3,967.6	6,527.2	+64.5%	<5,000
Water consumption	M3	82	102	+24.4%	<102
Cardboard/paper waste	Kg	819	774	-5.5%	Not set
Assorted flammable waste	Kg	3,577	3,009	-15.9%	Not set
Work accidents	Number	0	1	+100%	0
Absence caused by work accidents	Days	0	0	No change	0
Sickness absence rate	%	0.8%	1.4%	+75.0%	<1.0%
Employee satisfaction rate	Scale of 0-100	80	81	+1.3%	>75
Gender composition - employees	% of women	14.3%	11.8%	-17.5%	>10.0%
Gender composition - Executive Board	% of women	25.0%	25.0%	No change	Not set



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