



There is a solution to every problem

ESG Report 2023



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Introduction

As a global provider of heating, ventilation, and air conditioning systems (HVAC) parts and services, we acknowledge the responsibility that comes with our operations. Therefore, we strive to conduct our business in an environmentally, socially, and financially responsible manner.

Recognizing the significant role that HVAC systems play in global energy consumption, we aim to empower our customers with opportunities to minimize their environmental impact. By working together, we strive to improve energy efficiency and promote the extended longevity of HVAC systems.

As a reflection of our transparency and commitment to sustainability, we invite you to read our 2023 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 2023 to 31st of December 2023. 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



In 2023, the global maritime industry faced challenges such as rising fuel costs, navigating stricter environmental regulations (decarbonization), supply chain bottlenecks from ongoing pandemic effects, labor shortages, geopolitical tensions and the need for digital transformation to enhance efficiency and sustainability. Amidst these challenges, we believe that it is just as important as ever to have a focus on the impact of our business practices.

Therefore, I am pleased to present our 2023 annual Environmental, Social and Governance report (ESG report), highlighting our commitment to sustainability. ESG is at the core of our purpose and business model as we are supplying refrigeration system using carbon dioxide (CO₂) as refrigerant, a more sustainable and energy efficient choice of refrigerant due to its ultra-low environmental impact as it has a global warming potential of 1 only and consumes less energy than a conventional refrigeration systems. Further, we repair both mechanical and electronic components and thereby aim to extend the life span of the products to help our customers to become more sustainable.

To further enhance of 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.

Despite our goal to reduce our total CO₂e impact compared to 2021, growth in both revenue and the number of employees has led to a 10.3% increase in total emissions. This is primarily due to increased travel activity related to service activities. In addition to maintaining a strong focus on reducing our CO₂e contributions, we recognize other areas for improvement, including enhancing diversity within our organization and reducing fossil fuel consumption and travel activity. In the coming year, we will continue our ESG journey, aiming to attract more diverse candidates to open positions.

A handwritten signature in blue ink, appearing to read 'Ejner Brodersen'.










Ejner Brodersen
CEO of B COOL A/S

About B COOL A/S and B COOL Controls A/S

B COOL A/S deliver solutions within CO2 refrigeration plants, service, maintenance, and overhauls of refrigeration equipment and HVAC, mainly within the maritime industry. B COOL have also launched a CO2-based cooling system that improves energy efficiency and the environmental impact for our customer. B COOL Controls A/S specializes in producing, maintaining, and repairing MEMAC and compressor control systems.

Employees	22
Location	Viengevej 2 DK-8240 Denmark
Result before taxes	DKK 2,024.000





ESG highlights of 2023:

-  Partnership with Danish Maritime to become stronger in our green transition
-  Meeting with Danish Export Association to discuss how SMVs can report about sustainability
-  Achieving Green Smiley by Arbejdstilsynet (Danish Working Environment Authority) for our safe work environment
-  Installation of automatic regulators on office heaters to reduce the room temperature during night and weekends
-  Establishment of extensive waste management system
-  Reduced water consumption
-  Maintaining an employee satisfaction level that exceeds the industry standard by 6%
-  Including travel activities of BCC in emissions (SCOPE 3)
-  Installment of electrical vehicle charging stations

Our Work with the UN SDGs

The approach initiated in 2022, to integrate the UN Sustainable Development Goals (SDGs) into our ESG strategy continued for 2023. 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
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Ensure access to affordable, reliable, sustainable, and modern energy for all.</p> <p>Launch of CO₂-based cooling system that improves energy efficiency for our clients compared to conventional systems.</p> <p>Reduction of energy consumption by 49,5% from 2021 to 2023.</p> <p>Installment of electric vehicle charging stations in 2023.</p>	E
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Ensure sustainable consumption and production patterns.</p> <p>Prolonging lifespan of technical equipment for clients by servicing, maintaining, and providing spare parts for HVAC.</p> <p>Reduced water consumption by 5,9 %</p>	EG
 <p>13 CLIMATE ACTION</p>	<p>Take urgent action to combat climate change and its impact.</p> <p>Marketing & Sales of CO₂-based cooling system that replaces harmful HFC refrigerants by using a natural refrigerant instead.</p> <p>Keep focused on reduction of CO₂e emissions.</p> <p>Strengthening of our sustainability brand to encourage clients and stakeholders to prioritize sustainability.</p> <p>Installment of automatic heating regulators in 2023.</p>	EG
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Strengthen the means of implementation and revitalize the Global Partnership for sustainable development.</p> <p>Partnering with service technicians globally to minimize the need for transport.</p> <p>Becoming a member of Danish Maritime to help with green transitioning.</p>	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 by using Klimakompasset (The Climate Compass).



CO2e Emissions

In our pursuit of a comprehensive understanding of our carbon emissions, we calculate all three scopes of CO2e emissions. Our total CO2e emissions increased by 10.3%. This is mainly due to increased travel and service activity: Scope 1, service vans: Scope 3, travel by plane. Our overall goal is to achieve a 50% reduction in total CO2e emissions by 2031 benchmarked against 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.

Scope 1

Scope 1 are the direct emissions from our owned and controlled sources, such as emissions from our office or our company cars.

Scope 2

Scope 2 are emissions from purchased energy, such as the indirect emissions from the creation of electricity or heat.

Scope 3

Scope 3 are all the other indirect emissions that occur in our value chain. This both includes the emissions from products before they reach us, including transportation, this is called upstream scope 3 emissions. Downstream scope 3 emissions on the other hand are the emissions results from our services and products after they leave us.

	Unit	2021	2023	% change
Scope 1	Tons CO2e	10.0	16.2	+62.4%
Scope 2	Tons CO2e	32.6	6.5	-80.0%
Scope 3	Tons CO2e	81.1	113.7	+40.2%
Total CO2e emissions	Tons CO2e	123.6	136.4	+10.3%

The travel activity of B COOL Controls A/S has not been quantified and is therefore not included in the above emissions for 2021.



Energy

Our electricity and district heating usage has been reduced by 49.5% respectively 19.7% for two main reasons. First, our new CO2 cooling system was launched resulting in less testing at our test rick. Second, due to a general higher awareness on reducing our power and heating consumption, further the benefit of the automatic light switch system and the installment of automatic regulators on heaters, to reduce the room temperature during night and weekends shows its value. Due to an increased level of long-distance service activity 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 reduce diesel consumption by replacing our diesel driven service vehicles to electrical driven vehicles when suitable electric vehicles with sufficient operation range are available.

	Unit	2021	2023	% change
Electricity	kWh	58,273.3	29,426.9	-49.5%
District heating	MWh	93.8	75.3	-19.7%
Diesel	L	3,967.6	6,610	+66.6%



Water

In 2023, water consumption increased by 17.1% compared to the benchmark year of 2021. The lower consumption in 2021 was largely due to the COVID-19 pandemic, with many employees working from home. However, despite the overall increase in 2023, the consumption per employee is actually lower than in 2021, thanks to the larger number of employees in 2023.

	Unit	2021	2023	% change
Water consumption	M3	82	96	+17.1%



Transport

B COOL currently manages two diesel vans for customer service purposes. Our goal is to replace these vans with electric vehicles as soon as models with sufficient operational range become available. To further support our transition to electric vehicles, we have installed electric vehicle charging stations by Q3 2023, encouraging our employees to adopt electric vehicles.

To further minimize the need for transport, we have established partnerships with service technicians globally. Simultaneously, we are implementing a 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	0	2
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 that requires recycling. Starting in 2023, we implemented a more responsible waste management system by sorting waste into five categories.

	Unit	2021	2023	% change
Cardboard/paper waste	Kg	819	460	-43.8%
Assorted flammable waste	Kg	3,577	540	-84.9%





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 achieving zero work accidents, guided by our strong moral commitment to safety. In 2023, we are proud to report that we had no lost time injuries. To further enhance workplace safety, we have established a dedicated safety committee, consisting of one employee and one member of the management team. This committee meets regularly to evaluate and monitor work safety practices.

Our efforts in promoting a safe work environment were recognized by the Danish Working Environment Authority, “Arbejdstilsynet”, which awarded us a Green Smiley. We remain determined to achieve our target of zero lost time injuries for the year 2024.

	Unit	2021	2023	% change
Accidents	Number	0	0	0%
Absence due to accidents	Days	0	0	0%



Sickness Absence

The health of our employees is a top priority, as we recognize the strong link between well-being and performance. In 2023, our sickness absence rate was 1.5%. Although this represents an 87.5% increase compared to 2021, we are still encouraged by this figure, as the preliminary average sickness absence rate in Denmark currently stands at 3.7% according to DI for 2023.

To support and improve employee health, we offer balanced lunches, organize company social events, and encourage participation in running, paddle tennis, and cycling events. Our goal for 2024 is to reduce the sickness absence rate to less than 1.5%.

	Unit	2021	2023	% change
Sickness absence rate	%	0.8%	1.5%	+87.5%

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.



We are very proud to have been published in two newspapers in 2023 because of our work environment. Click here to read the article in [Erhverv+](#) and Aarhus [Lokalavisen](#).

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 73, we are very pleased with the outcome. Based on this, we have made decided that there is no need for a specific improvement plan at this time. Our target is to exceed the industry benchmark of 73.

	Definition	Scale	Industry benchmark	2021	2023	% 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	73	80	81	+1.3%

The report of 2021 was conducted in December. The report of 2023 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 aims to have 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 15.0% 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 2024. We expect to recruit several employees during 2024 where female applicants are not guaranteed, resulting in this target. Regarding the Executive Board, its composition has remained unchanged.

	2021		2023	
	Number of women	% of women	Number of women	% of women
B COOL	2 out of 14	14.3%	3 out of 20	15.0%
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 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	2023	% change	2024 target
Total CO2e emissions	Tons CO2e	123.6	135.6	+10.3%	<100
Electricity consumption	kWh	58,273.3	29,426	-49.5%	<35,000.0
District heating consumption	MWh	93.8	75.3	-19.7%	<75.0
Diesel consumption	Liters	3,967.6	6,610	+66.6%	<5,000
Water consumption	M3	82	96	+17.1%	<100
Cardboard/paper waste	Kg	819	460	-49.5%	<500
Assorted flammable waste	Kg	3,577	540	-84.9%	<1000
Work accidents	Number	0	0	No change	0
Absence caused by work accidents	Days	0	0	No change	0
Sickness absence rate	%	0.8%	1.5%	+87.5.0%	<1.5%
Employee satisfaction rate	Scale of 0-100	80	81	+1.3%	>75
Gender composition - employees	% of women	14.3%	15.0%	+1	>10.0%
Gender composition - Executive Board	% of women	25.0%	25.0%	No change	Not set



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