

Brunata's report on its corporate social responsibility 2009-10

As a C company, Brunata a/s is for the first time obliged to publish a report on its Corporate Social Responsibility in the financial year 2009-10.

We believe the areas we have chosen to include in the report are relevant both to CSR and to Brunata. The subjects are closely connected with our core business, we wish to retain focus on these specific areas in the future and finally we believe that the chosen subjects may inspire new subjects as the company develops.

The report has been prepared by the Finance, HR and Marketing Departments in collaboration with various employees in the company. In addition, consultant Nils Thorsen from Ernst & Young has provided input and sparring. The report describes three chosen main areas and refers to more detailed appendices on our website www.brunata.dk and www.brunata.com

Environment and Climate

From meter to decision basis

*Connection with Brunata's strategy:
Increases availability of value-adding services*



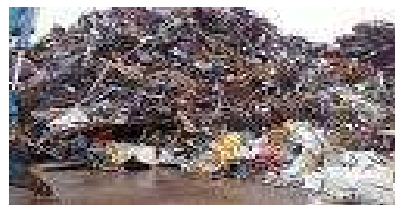
Background

In 2008, Brunata a/s formulated a company strategy which contributed to focusing on Brunata's future as a meter company delivering a decision basis for optimisation at users and utility suppliers rather than just metering. In 2009, when COP15 inspired everyone to think about climate and environment, Brunata really rediscovered how we deliver meter data as a basis of decisions and changed user behaviour. It turns out that when consumers know how much water, heating, etc. they use and what it costs, they automatically reduce their consumption by 10-40 per cent. Brunata therefore aims for the company's products to have a clear value for consumers and society generally in terms of optimisation of resources.

*Read more at <http://brunata.com/about-brunata/csr/>
<http://brunata.dk/om-brunata/firmaprofil/csr/>*

Environmental management

*Connection with Brunata's strategy:
Increases availability of value-adding services and
focus on production costs and product quality*



Background

Brunata has an environmental policy and is environmentally certified in accordance with the international DS/EN ISO 14001:2004 standard for environmental management. As a result of the policy, Brunata in 2006 set up an environmental committee, which in the current financial year among other things has worked to reduce travel and maintain waste sorting with a view to recycling. In parallel with environmental certification and the work of the environmental committee,

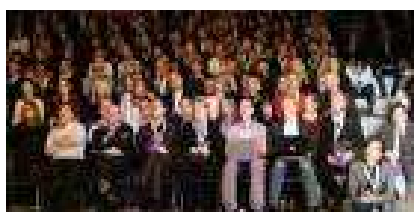
Brunata has developed a robot for producing heat cost allocators. The robot has optimised the production process and reduced the number of faults to a minimum.

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Social engagement

Brunata's dialogue with interested parties

*Connection with Brunata's strategy:
Enhances turnover and market position*



Background

Currently, Brunata has no specific policy for dialogue with interested parties, but it has undertaken a number of related activities in the financial year. The dialogue has among other things comprised continued collaboration with climate consultants in Klimakbh.dk, involvement in the Gate 21 project in Albertslund Municipality aimed at introducing energy savings and a satisfaction survey among some of our main customers. The result has been even greater interest in and understanding of the end users, a better data basis for decisions and focus on creating greater awareness of the content of existing solutions.

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Employees

Focus on the employees

*Connection with Brunata's strategy
Strengthens focus on the organisation*



Background

In 2008, Brunata's employee policy was supplemented by a fifth dimension in the strategy development, aimed at intensifying focus on the organisation. In the current financial year, training has thus been provided to enable management to act in accordance with the new business strategy and to enable the accounts department employees to handle a new effective online accounting system. The higher priority given to remote reading in the current financial year is also expected to remove various time-consuming work functions and reduce the need for labour for manual reading in 2010. The expected result of the management training is to provide Brunata with management working more consistently towards shared goals. The result of the accounts employee training is expected to be less time consumption, less stress during the peak season and less sick leave.

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► From meter to decision basis



*Connection with Brunata's strategy:
Increases availability of value-adding services*

Background

In 2008, Brunata a/s formulated a company strategy which contributed to focusing on Brunata's future as a meter company delivering a decision basis for optimisation at users and utility suppliers rather than just metering. In 2009, when COP15 inspired everyone to think about climate and environment, Brunata really rediscovered how we deliver meter data as a basis of decisions and changed user behaviour. It turns out that when consumers know how much water, heating, etc. they use and what it costs, they automatically reduce their consumption by 10-40 per cent. Brunata therefore aims for the company's products to have a clear value for consumers and society generally in terms of optimisation of resources.

Policy/Catalyst	Activity	Result	Dilemma / Future
To visualise meter results so they constitute a useful decision basis	<ul style="list-style-type: none"> ➤ Further developing Brunata's WebMon Visual in order to strengthen its usefulness for end users ➤ Finding a simple way of presenting relatively complicated data and "hard-coded" functionality on the basis of pre-defined measuring points in a report ➤ Increasing visibility, e.g. through exhibitions, installation at climate citizen and loan of the climate suitcase, and using visibility to influence behaviour 	<ul style="list-style-type: none"> ➤ Even better user interface in WebMon and WebMon Visual ➤ More reporting options ➤ Loans and increasingly sales of the climate suitcase "WebMon Visual Mobile" in the current financial year 	<p>Dilemma: When measurements are refined and occur every few minutes, the need to transmit large data volumes via the internet increases. This may result in a deviation between what Brunata can deliver and what the user can access.</p> <p>Task: Brunata is particularly aware of the need to offer the users a solution corresponding to their requirements and available technology, while at the same time developing the technology behind the system to meet any capacity challenges.</p>

To be one of five sponsors of the www.KlimaKbh.dk campaign, aimed at making the citizens of Copenhagen active climate citizens, who can meet Copenhagen's goal of being CO2 neutral by 2025

- Free loan and installation of measuring equipment in the Climate House at Højbro Plads
- Free installation of measuring equipment in a super climate citizen's home with a view to measuring consumption and savings, visualising the consumption and sharing the information at the campaign website
- Financial support towards implementing klimakbh.dk activities (for further documentation, please contact marketing@brunata.dk)
- Participation in coordination meetings with other sponsors and partners
- Lecturing at a climate event at one of the other partners in klimaKBH.dk

To optimise resources via energy guidance

Brunata has entered into partnership with COWI (consulting engineering company) concerning energy advice to residents, companies and other building owners. In the collaboration, Brunata supplies meter data for e.g. temperature, humidity, water and energy, while COWI provides advice on the basis of these data with a view to potential energy savings, improved interior climate, sustainability, operating and plant economy.

- Contribution to specific activities and content of the campaign
- Procurement of documentation and decision basis for savings
- Strengthening of the collaboration between public and private organisations
- Improved relations and collaboration between participating organisations
- Marketing of Brunata as a cleantech company

- At the time of writing, a meeting of Brunata, COWI and a customer is planned.

Dilemma: Does it constitute bribery if Brunata a/s loans equipment to a municipality which is a potential customer of the company?

Task: We do not think so. The collaboration has not involved product orders and we have very clearly formulated what we supply on loan.

Future: Streamline procedures for written agreements and descriptions of similar activities

Dilemma: Is it a good idea to establish this kind of collaboration rather than an advisory function in-house?

Task: During the 2010-11 financial year, the collaboration will be evaluated with a view to delivery and future advice.

Future: More effective marketing of the concept so that it produces a positive financial result.

▶ **Environmental management**



*Connection with Brunata's strategy:
Increases availability of value-adding services and focus on production costs and product quality*

Background

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Policy	Activity	Result	Dilemma / Future
<p>To reduce travel in connection with service technician visits to the users, measured by both working hours and mileage in order to reduce costs, fuel consumption and therefore also CO₂ emission.</p>	<p>➤ Since the beginning of 2009, Brunata has aimed for more accurate appointment information to the consumers in connection with installation, repair and reading tasks. For readings, Brunata thus now operates with just one further visit if access was not obtained at the first visit.</p>	<p>➤ Feedback from the local branches suggests that there are now fewer unsuccessful visits, but it is not possible to calculate how much travel this has saved before the end of the financial year, as the number of remotely read systems and existing systems changed to remote reading has increased significantly during the same period.</p>	<p>Dilemma: Fewer visits may result in fewer problems at the customers being noticed by the service technicians, such as unsuitably placed furniture.</p> <p>Task: Brunata needs to address unsuitable placement of furniture through flyers, campaigns, etc.</p> <p>Dilemma: We wish to contribute to reducing CO₂ emissions and initiate new initiatives, but are currently not good enough at calculating their effect.</p> <p>Task: Simplify the procedures for recording travel and translating that into CO₂ consumption during the coming 2010-11 financial year.</p>

To create greater environmental awareness in the individual employee with focus on electricity savings and waste sorting

- Electricity savings at the individual locations (between 2006 and 2008, eight of the company's 12 Danish locations saved between 9.3 and 21.7 per cent on their electricity consumption. Two locations remained at the same level and one location had an inexplicable consumption increase of 25.2 percent).
- Daily waste sorting by the individual employee

- In 2009, the locations which achieved electricity savings already in 2008 maintained those savings in relation to 2006 (apart from one location which had problems with the consumption calculation).
- The waste sorting penetration has been and remains great, which is monitored through internal audits.

Future: Continue the good initiatives for new employees and follow-up on existing ones

To optimise resources

Brunata develops and installs a robot for producing heat cost allocators.

- Optimised production process, top quality meters and reduced fault percentage, so that very few or no heat cost allocators are installed on a radiator before any faults are detected.
- Reduced waste volume and travel costs as well as optimised use of labour resources

Future: Brunata wishes to reduce the fault percentage to 0 (always), so that no faulty heat cost allocators are installed.

Dilemma (myth): The robot reduces the need for employees, but employees still need work?

Task: The robot has enabled Brunata to retain production in Denmark instead of outsourcing it to China. In addition, it has resulted in increased productivity and increased need for solution of different tasks. This has enabled Brunata to use the existing production employees for other kinds of work.

▶ **Brunata's dialogue with interested parties**



*Connection with Brunata's strategy:
Enhances turn-over and market position*

Background

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Catalyst	Activity	Result	Dilemma / Future
Sponsorship of the KlimaKbh.dk campaign	As the only one of the five sponsors of Klimakbh.dk, Brunata continued to sponsor free climate checks in Copenhagen homes for the purpose of clarifying the opportunities by measuring temperature, humidity and consumption and visualising the results.	<ul style="list-style-type: none"> ➢ 96 visits to Copenhagen citizens, 1 pager per visit ➢ We do not yet know what the result has been. ➢ Insight into end user behaviour <p>Copenhagen Municipality decided to terminate the project in May 2010 due to restructuring.</p>	<p>Dilemma 1: Supporting a committed group of climate consultants advising the citizens on specific savings is a worthwhile cause. However, if such activities are to result in significant social and business returns, the company must be geared to follow up the activities. That often requires a special effort in relation to such non-traditional activities.</p> <p>Task: Ensure anchoring in the company, establish sufficient specific and measurable results and enter into a direct dialogue with third parties before and during the implementation of the activity.</p> <p>Dilemma 2: Intellectual property - when is it sensible to gather information via third parties and when is it relatively more valuable for the information to be gathered by a company employee so that, other things being equal, the data collected are saved by the</p>

The opportunity to participate as partner in Gate21 Plan C, which focuses on energy-correct renovation of buildings and energy-correct consumer behaviour - bottom-up as well as top-down

- Partner in Gate21 with the following input:
 - Meters
 - Data
 - Scenarios and know how

- Environmental improvements
- Environmentally correct renovation and behaviour focused on reduced energy consumption
- Contribution of measurements, systems and visualisation as an empirical basis of decisions in the project

company?

Task: Same as for Dilemma 1

Dilemma: How to ensure that the private companies and public body in the project work towards the same aim (optimal solution) without any special interests (such as selling products) being given a higher priority than the purpose of the project
Task: Maintain trust, openness, etc. through transparency in meeting notes

A satisfaction survey among 120 selected Brunata customers

- Sent out questionnaire and entered into dialogue with the customers who wished to follow up on the survey. The core issue was satisfaction with Brunata's service delivery.

- Three selected focus areas:
 - fast rectification of faults
 - ensuring that the customers have sufficient knowledge about the possibilities offered by existing solutions
 - regular follow-up and dialogue with the customers

Future: Allocate resources to effective satisfaction surveys insofar as this is possible and relevant without it becoming too time consuming for the partners to participate

► Focus on the employees



*Connection with Brunata's strategy:
Strengthens focus on the organisation and intensifies and targets the introduction of wireless communication*

Background

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Policy / strategy	Activity	Result	Dilemma / Future
Focus on the organisation	Implementation of training for the organisation's managers	<ul style="list-style-type: none"> ➤ United management group working towards shared goals. In the current financial year, each manager has prepared an action plan for the individual department with a view to ensuring focus on Brunata's overall strategy. ➤ Greater focus on the need to steer the employees towards shared goals (see action plans and action profile) ➤ Improved qualifications for acting in accordance with Brunata's strategic goals 	<p>Dilemma: To keep pace between the development of the organisation and the management training, so that everyone can benefit from possible synergies</p> <p>Task: To continue to develop procedures taking account of the above</p>
Optimisation of the heating accounts systems	Training of employees in using the new heating accounts systems	<ul style="list-style-type: none"> ➤ Less time consumption, less work pressure during the peak season and an expected reduction of sick leave. ➤ Establishment of a special helpdesk function listing requests, problems and priorities in order to provide ongoing support of the employees in using the system and adjust functions in the system. 	<p>Dilemma: On the one hand, the automation built into the new heating accounts system makes the work easier, but on the other the individual employees may feel that they lose control of the calculations, which creates insecurity.</p> <p>Task: Complete a full financial year, so that the accounts system can demonstrate the desired accuracy and restore confidence in the work for the individual employee.</p>