

## ***Climatrix - HVAC in a Hot Situation***

<b><u>Team Member Name</u></b>	<b><u>Graduating Year</u></b>	<b><u>Major</u></b>
Jackson Shafer	2025	Master of Business Administration
Joseph Zvorsky	2025	Master of Business Administration
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**Advisor:** Professor Kedir Tessema

**Topic:** Data Manipulation and Strategic Deception

**Team Identity:** Colonel's Consultants

**Audience:** Head of Sustainability

Climatrix is a leading HVAC company specializing in cooling systems for AI-driven data centers. Renowned for its energy efficiency and ESG leadership, the company has gained a competitive edge. However, its CEO has been misrepresenting ESG data by using tests that result in favorable ESG metrics that do not translate to The motive for this deception was created by the CEO to enhance Climatrix's appeal to investors and clients while pressuring competitors to meet unrealistic ESG standards. Ironically, this has driven industry-wide innovation and efficiency improvements, benefiting society overall.

Initially, the Sustainability Team was told these inflated metrics helped raise industry standards. However, the newly hired Head of Sustainability (the audience) discovers the true motive: profit and market dominance. This revelation creates an ethical dilemma. Some employees still believe the deception has had a positive impact, while others feel betrayed and seek corrective action. The key issue is whether to expose the CEO's dishonesty, violate employee's virtues and continue lying to the public, or find an internal solution that preserves the company's reputation and addresses the moral dissonance.

Colonel's Consultants propose an internal resolution by engaging directly with the CEO. The Head of Sustainability will privately address concerns about the misleading ESG disclosures and the risk of whistleblowing. Instead of public exposure, the plan reallocates company resources toward developing a genuinely energy-efficient HVAC unit. This approach allows Climatrix to maintain its competitive advantage while aligning with ethical business practices. By shifting investments toward legitimate energy-saving technology, the company can continue leading the industry without deception, protecting its reputation and avoiding legal or ethical repercussions. This solution balances business success with moral responsibility, ensuring Climatrix remains profitable while upholding ESG commitments. It preserves employee integrity, fosters trust with clients and partners, and sustains the broader industry-wide impact of higher ESG standards.

The presentation begins with an introduction to Climatrix, followed by an overview of the facts of the case and ethical dilemma. We then analyze potential solutions before presenting our recommended approach, detailing why it is the most ethical, financially sound, and legally viable solution.