

Danfoss Sustainability Program 2018-2020

Danfoss' Sustainability Policy

We will be a reliable and trustworthy business partner by acting responsibly while balancing financial, environmental and social issues.

This means that we:

- Comply with UN Global Compact and support the Sustainable Development Goals
- Engage with our stakeholders to promote sustainable development
- Do our utmost to implement decisions and actions with dignity and fairness
- Ensure that sustainability is a fundamental element of our business conduct focusing on resource efficiency, risk mitigation, reputation and engagement
- Ensure that all employees comply with local and international legislation



Danfoss Sustainability Program

- Strategic focus 2018-2020

Business and products

Energy and CO₂ emissions
Resource efficiency
Products and materials
Sustainable Development Goals

People and community

Health and safety
Environment
Ethics and human rights
Compliance programs

Desired outcome

Cost and resource
optimization

Risk assessment and
mitigation

Business opportunities
and reputation

Employee engagement
and commitment

Sustainability Achievements and Targets

Topic	2018 - What we said	2018 - What we did	2019 - What we want
The Sustainable Development Goals	<ul style="list-style-type: none"> Strengthen Danfoss' engagement in the Sustainable Development Goals. 	<ul style="list-style-type: none"> The SDGs is part of internal and external communication, webinars and events. Danfoss' CEO appointed member of the advisory board of the Confederation of Danish Industry's initiative "UN's Global Goals – from philanthropy to business". 	<ul style="list-style-type: none"> Increased ownership and commitment to the Sustainable Development Goals in Danfoss' global organization. Engage in more projects and partnerships to advance the SDGs.
Energy, climate and environment	<ul style="list-style-type: none"> Further reduce energy intensity and CO₂ intensity in the largest factories. Further strengthen processes for validation of products' climate-performance claims. 	<ul style="list-style-type: none"> Since 2007, we have reduced our energy intensity by 43 percent and our CO₂ intensity by 25 percent. Impact assessment methodology deployed and tested as part of the World Alliance for Efficient Solutions 	<ul style="list-style-type: none"> Further reduce energy intensity and CO₂ intensity in the largest factories. Explore what radical steps we could take to accelerate decarbonization of our energy consumption.
Health and safety	<ul style="list-style-type: none"> Drive Global Incident Management System for work related injuries and incidents. Reduce LTIF (Lost Time Injury Frequency) by to 2.6. 	<ul style="list-style-type: none"> Global Incident Management System implemented according to plan. The LTIF ended at 2.8 which equals a reduction of 18 percent from previous year. 	<ul style="list-style-type: none"> Reduce global LTIF with a step change to 50 percent below achieved 2017 level equal to 1.7 lost time incidents per million hours worked.
Compliance, ethics and human rights	<ul style="list-style-type: none"> Deploy "Taking ethics to the next level" and human rights due diligence processes in Latin America and Russia. 	<ul style="list-style-type: none"> In 2018, "Taking ethics to the next level" has been carried out in Russia and Latin America according to plans. 	<ul style="list-style-type: none"> Conduct human rights due diligence project and ethics training in Turkey and Middle East.
Products and materials	<ul style="list-style-type: none"> Implement strengthened processes and tools for new product-related regulations. Build concept for Group Product Chemical Compliance platform. 	<ul style="list-style-type: none"> Process for monitoring and communication of regulations to all business segments defined. A monitoring solution platform is defined and selected for implementation in 2019 and 2020. Pilot project anchored in the Danfoss One ERP project with defined key requirements, process flows and data exchange platforms. 	<ul style="list-style-type: none"> Strengthen approach that support resource efficiency and circular economy. Conduct Product Chemical Compliance pilot providing relevant information to customers.



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